

ANNUAL REPORT
(FINANCIAL YEAR 2025-26)

SANDHAR ENGINEERING PRIVATE LIMITED

Independent Auditor's Report

To the Members of Sandhar Engineering Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sandhar Engineering Private Limited (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including 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 financial statements give the information required by the Companies Act, 2013 ("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 31 March 2026, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the 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 opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report (Continued)

Sandhar Engineering Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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 financial statements, including the disclosures, and whether the 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.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Independent Auditor's Report (Continued)

Sandhar Engineering Private Limited

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 01 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its financial statements - Refer Note 27 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 38(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 38(f) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. 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 has been preserved by the Company as per the statutory requirements for record retention.

B S R & Co. LLP

Independent Auditor's Report (Continued)

Sandhar Engineering Private Limited

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Deepesh Sharma

Partner

Place: Gurugram

Date: 18 May 2026

Membership No.: 505725

ICAI UDIN:265057251RJEGZ8751

Annexure A to the Independent Auditor's Report on the Financial Statements of Sandhar Engineering Private Limited for the year ended 31 March 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (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.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 2 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnerships during the year. The Company has granted loans to employees during the year, in respect of which requisite information is as below.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to employees as below:

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Annexure A to the Independent Auditor's Report on the Financial Statements of Sandhar Engineering Private Limited for the year ended 31 March 2026 (Continued)

| Particulars | Loans to employees (Rs. in Lakhs) |
|--|--------------------------------------|
| Aggregate amount during the year | 2.50 |
| Balance outstanding as at balance sheet date | 3.35 |

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans to employees are, prima facie, not prejudicial to the interest of the Company. The Company has not made any investment or provided any guarantee or security or granted any advances in the nature of loans during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination

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Annexure A to the Independent Auditor's Report on the Financial Statements of Sandhar Engineering Private Limited for the year ended 31 March 2026 (Continued)

- of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of professional tax and Income-Tax.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

Annexure A to the Independent Auditor's Report on the Financial Statements of Sandhar Engineering Private Limited for the year ended 31 March 2026 (Continued)

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the 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) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
 - (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
 - (d) The Company is not part of any group (as defined in the regulations made by the Reserve Bank of India). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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) The requirements as stipulated by the provisions of Section 135 are not applicable to the



B S R & Co. LLP

**Annexure A to the Independent Auditor's Report on the Financial Statements
of Sandhar Engineering Private Limited for the year ended 31 March 2026
(Continued)**

Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Deepesh Sharma

Partner

Place: Gurugram

Date: 18 May 2026

Membership No.: 505725

ICAI UDIN:26505725IRJEGZ8751

Annexure B to the Independent Auditor's Report on the financial statements of Sandhar Engineering Private Limited for the year ended 31 March 2026

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

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

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

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

Annexure B to the Independent Auditor's Report on the financial statements of Sandhar Engineering Private Limited for the year ended 31 March 2026 (Continued)

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Deepesh Sharma

Partner

Place: Gurugram

Date: 18 May 2026

Membership No.: 505725

ICAI UDIN:26505725IRJEGZ8751

Sandhar Engineering Private Limited
Balance Sheet as at 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

| Particulars | Note | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|--|--------|------------------------|--------------------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3A | 15,707.09 | 14,031.04 |
| Capital work-in-progress | 3B | 851.71 | 1,324.51 |
| Other intangible assets | 3C | 1,489.18 | 2,224.75 |
| Right-of-use assets | 3D | 2,932.90 | 1,094.87 |
| Financial assets | | | |
| - Other financial assets | 4E | 1,611.68 | 425.71 |
| Deferred tax assets (net) | 13B | 611.58 | 938.43 |
| Income-tax assets (net) | 5B | 242.46 | 81.52 |
| Other non-current assets | 5A,C | 312.14 | 72.90 |
| Total non-current assets: | | 23,758.74 | 20,193.73 |
| Current assets | | | |
| Inventories | 6 | 4,557.83 | 3,311.61 |
| Financial assets | | | |
| - Loans | 4A | 3.35 | 3.23 |
| - Trade receivables | 4B | 13,188.53 | 6,830.78 |
| - Cash and cash equivalents | 4C | 1,183.65 | 3,454.03 |
| - Other bank balances | 4D | 5.01 | 5.01 |
| - Other financial assets | 4E | 159.30 | 6.31 |
| Other current assets | 5D,E,F | 527.43 | 690.59 |
| Total current assets | | 19,625.10 | 14,301.56 |
| Total assets | | 43,383.84 | 34,495.29 |
| Equity and Liabilities | | | |
| Equity | | | |
| Equity share capital | 7 | 14,551.00 | 9,500.00 |
| Other equity | 8 | (473.24) | (4,493.26) |
| Total equity | | 14,077.76 | 5,006.74 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 9A | 2,299.67 | 3,566.12 |
| - Lease liabilities | 11 | 1,421.78 | 392.07 |
| Provisions | 13A | 580.11 | 331.76 |
| Total non current liabilities | | 4,301.56 | 4,289.95 |
| Current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 9B | 8,740.12 | 7,049.83 |
| - Lease liabilities | 11 | 1,019.42 | 336.23 |
| - Trade payables | 10 | | |
| • total outstanding dues of micro enterprises and small enterprises | | 3,199.62 | 2,016.93 |
| • total outstanding dues of creditors other than micro enterprises and small enterprises | | 10,662.73 | 8,483.95 |
| - Other financial liabilities | 11 | 614.98 | 6,840.01 |
| Other current liabilities | 12 | 721.47 | 441.51 |
| Provisions | 13A | 46.18 | 30.14 |
| Total current liabilities | | 25,004.52 | 25,198.60 |
| Total equity and liabilities | | 43,383.84 | 34,495.29 |

Summary of corporate information & material accounting policies

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The accompanying notes are an integral part of these financial statements.

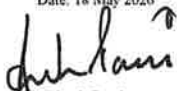
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration number : 101248W/W-100022



Deepesh Sharma
Partner
Membership No. 505725
Place: Gurugram
Date: 18 May 2026

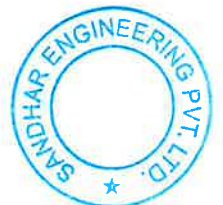
For and on behalf of the Board of Directors of
Sandhar Engineering Private Limited


Mohit Nangalia
Chief Financial Officer
Place: Gurugram
Date: 18 May 2026


Ankush Passi
Whole Time Director
DIN: 11124109
Place: Gurugram
Date: 18 May 2026


Abhishek Chaurasia
Company Secretary
ICSI M.No. A71249
Place: Gurugram
Date: 18 May 2026


Shrinidhi Sachdeva
Director
DIN: 10501199
Place: Gurugram
Date: 18 May 2026



Sandhar Engineering Private Limited
Statement of Profit and Loss for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

| Particulars | Note | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|---|-------|-------------------------------------|---|
| I REVENUE | | | |
| Revenue from operations | 14 | 83,141.03 | 70,927.70 |
| Other income | 15 | 1,189.98 | 336.80 |
| Total income (I) | | 84,331.01 | 71,264.50 |
| II EXPENSES | | | |
| Cost of materials consumed | 16 | 56,039.19 | 49,143.32 |
| Changes in inventories of finished goods and work-in-progress | 17 | 125.41 | (254.87) |
| Employee benefits expenses | 18 | 10,851.36 | 8,691.29 |
| Finance costs | 19 | 797.91 | 1,001.64 |
| Depreciation and amortisation expense | 20 | 2,728.11 | 2,830.19 |
| Other expenses | 21 | 10,569.49 | 8,004.44 |
| Total expenses (II) | | 81,111.47 | 69,416.01 |
| IV Profit before tax (III) | | 3,219.54 | 1,848.49 |
| V Tax expense | 24 | | |
| (1) Current tax | | - | - |
| (4) Deferred tax | | 368.51 | (73.87) |
| Total tax expense (IV) | | 368.51 | (73.87) |
| VI Profit for the year (V = III - IV) | | 2,851.03 | 1,922.36 |
| VII Other comprehensive loss (VI) | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Re-measurement (loss) on defined benefit plans | 22 | (242.58) | (10.65) |
| Income tax relating to re-measurement (loss) on defined benefit plans | | 41.63 | 1.83 |
| Total other comprehensive loss for the year (net of tax) | | (200.95) | (8.82) |
| VIII Total comprehensive income for the year (VII = V-VI) | | 2,650.08 | 1,913.54 |
| IX Earnings per equity share: | | | |
| (1) Basic-Par value of Rs. 10 per share | 23 | 2.43 | 2.20 |
| (2) Diluted-Par value of Rs. 10 per share | | 2.43 | 2.20 |
| Summary of corporate information & material accounting policies | 1 & 2 | | |

The accompanying notes are an integral part of these financial statements.


As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration number : 101248W/W-100022



Deepesh Sharma
Partner
Membership No. 505725
Place: Gurugram
Date: 18 May 2026

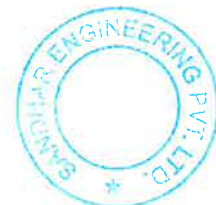
For and on behalf of the Board of Directors of
Sandhar Engineering Private Limited


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Chief Financial Officer
Place: Gurugram
Date: 18 May 2026


Ankush Passi
Whole Time Director
DIN: 11124109
Place: Gurugram
Date: 18 May 2026


Abhishek Chaurasia
Company Secretary
ICSI M No. A71249
Place: Gurugram
Date: 18 May 2026


Shirin Sachdeva
Director
DIN 10501199
Place: Gurugram
Date: 18 May 2026



Sandhar Engineering Private Limited
Statement of changes in equity for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

A. Equity share capital

| Particulars | Note | Equity shares | |
|-----------------------------|------|---------------|-----------------|
| | | No. of shares | Amount in lakhs |
| Balance as at 31 March 2024 | 7 | 8,50,00,000 | 8,500.00 |
| Changes during the year | | 1,00,00,000 | 1,000.00 |
| Balance as at 31 March 2025 | | 9,50,00,000 | 9,500.00 |
| Changes during the year | | 5,05,10,000 | 5,051.00 |
| Balance as at 31 March 2026 | | 14,55,10,000 | 14,551.00 |

B. Other equity

| Particulars | Reserves and Surplus | | | Total |
|--|----------------------|---|--------------------|------------|
| | Retained earnings | Amalgamation adjustment deficit account | Securities Premium | |
| Balance as at 31 March 2024 | (3,287.58) | - | - | (3,287.58) |
| Adjustment on account of acquisition (Refer Note 37) | - | (1,112.64) | - | (1,112.64) |
| Adjusted Balance as at 01 April 2024 | (3,287.58) | (1,112.64) | - | (4,400.22) |
| Profit for the year | 1,922.36 | - | - | 1,922.36 |
| Adjustment on account of acquisition (Refer Note 37) | (2,144.34) | 137.76 | - | (2,006.58) |
| Other comprehensive income (net of tax) | (8.82) | - | - | (8.82) |
| Balance as at 31 March 2025 (Restated) | (3,518.38) | (974.88) | - | (4,493.26) |
| Profit for the year | 2,851.03 | - | - | 2,851.03 |
| Addition | - | - | 1,213.00 | 1,213.00 |
| Adjustment on account of acquisition (Refer Note 37) | (286.94) | 443.88 | - | 156.94 |
| Other comprehensive (loss) (net of tax) | (200.95) | - | - | (200.95) |
| Balance as at 31 March 2026 | (1,155.24) | (531.00) | 1,213.00 | (473.24) |

Note:

1. Refer note 8 for nature and purpose of other equity

The accompanying notes are an integral part of these financial statements.


As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration number : 101248W/W-100022


Deepesh Sharma
Partner
Membership No. 505725
Place: Gurugram
Date: 18 May 2026

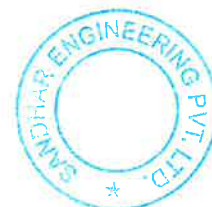
For and on behalf of the Board of Directors of
Sandhar Engineering Private Limited


Mohit Nangalia
Chief Financial Officer
Place: Gurugram
Date: 18 May 2026


Ankush Passi
Whole Time Director
DIN: 11124109
Place: Gurugram
Date: 18 May 2026


Abhishek Chaurasia
Company Secretary
ICSI M No. A71249
Place: Gurugram
Date: 18 May 2026


Shirin Saehdeva
Director
DIN 10501199
Place: Gurugram
Date: 18 May 2026



Sandhar Engineering Private Limited
Statement of Cash Flows for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|---|-------------------------------------|---|
| A Cash flows from operating activities | | |
| 1 Profit before tax | 3,219.54 | 1,848.49 |
| 2 Adjustments for: | | |
| Depreciation and amortisation expense | 2,728.11 | 2,830.19 |
| Loss/ (Profit) on sale of property, plant and equipment | 49.72 | (32.96) |
| Provision for doubtful debts and advances | 6.18 | 43.50 |
| Interest expense | 797.91 | 1,001.66 |
| Interest income on security deposits measured at amortised cost | (16.14) | (10.34) |
| Gain on termination of lease | (9.54) | - |
| Interest income | (24.95) | (99.56) |
| Adjustment on account of acquisition (Refer note 37) | 156.94 | (2,006.58) |
| 3 Operating profit before working capital changes (1+2) | 6,907.77 | 3,574.40 |
| 4 Movements in working capital | | |
| (Increase) in Inventories | (1,246.22) | (661.18) |
| (Increase) in Trade receivables | (6,363.93) | (1,855.95) |
| (Increase) in Financial assets | (1,355.21) | (28.37) |
| Decrease in Other current assets | 152.51 | 657.29 |
| Increase in Trade payables | 3,361.48 | 3,487.71 |
| Increase in Provisions | 63.44 | 106.60 |
| (Decrease)/ Increase in Other financial liabilities | (3.01) | 1.71 |
| Increase/(Decrease) in Other current liabilities | 279.96 | (48.05) |
| Total movement in working capital | (5,110.98) | 1,659.76 |
| 5 Cash (used in)/generated from operations (3+4) | 1,796.79 | 5,234.16 |
| 6 Income tax paid (net of refund) | (160.94) | (53.87) |
| 7 Net cash (used in)/ generated from operating activities (5-6) | 1,635.85 | 5,180.29 |
| B Cash flows from investing activities | | |
| Purchase of property, plant and equipment, capital work-in-progress and other intangible assets | (9,449.12) | (2,948.89) |
| Proceeds from sale of property, plant and equipment | 79.14 | 131.10 |
| Interest received | 23.90 | 99.56 |
| Net cash (used in) investing activities | (9,346.08) | (2,718.23) |
| C Cash flows from financing activities | | |
| Repayment of long-term borrowings | (4,424.82) | (3,124.83) |
| Proceeds from long-term borrowings | 2,700.86 | 3,100.00 |
| Proceeds from short-term borrowings (net) | 4,774.00 | - |
| Proceeds from issue of equity share capital | 2,426.00 | - |
| Securities Premium | 1,213.00 | - |
| Payment of lease liabilities # | (496.38) | (307.06) |
| Finance charges on lease liabilities | (81.46) | (58.49) |
| Finance cost paid | (671.35) | (945.19) |
| Net cash generated from/ (used in) financing activities | 5,439.85 | (1,335.57) |
| D Net (decrease)/ increase in cash and cash equivalents (A+B+C) | (2,270.38) | 1,126.49 |
| E - 1 Cash and cash equivalents as at the beginning of year | 3,454.03 | 2,327.54 |
| E - 2 Cash and cash equivalents as at end of the year | 1,183.65 | 3,454.03 |
| Cash and cash equivalents include | | |
| Balances with banks | | |
| - In current accounts | - | - |
| - In cash credit accounts | 1,183.15 | 842.27 |
| Cash on hand | 0.50 | - |
| Deposits with original maturity of less than 3 months | - | 2,611.76 |
| Cash and cash equivalents at the end of the year | 1,183.65 | 3,454.03 |

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Sandhar Engineering Private Limited
Statement of Cash Flows for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

| Particulars | For the year ended March | For the year ended March |
|---|--------------------------|--------------------------|
| | 31, 2026* | 31, 2025* |
| Opening balance as at the beginning of the year | 10,615.94 | 11,640.77 |
| Cash flows during the year (net) | 423.85 | (1,024.83) |
| Closing balance as at the end of the year | 11,039.79 | 10,615.94 |

*Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 9A and 9B.
For lease liabilities, refer note 30.

Notes:

1. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) 'Statement of Cash Flows'.
2. Refer note 2 for material accounting policies.

The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration number : 101248W/W-100022




Deepesh Sharma
Partner
Membership No. 505725
Place: Gurugram
Date: 18 May 2026

For and on behalf of the Board of Directors of
Sandhar Engineering Private Limited



Mohit Nangalia
Chief Financial Officer
Place: Gurugram
Date: 18 May 2026



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DIN: 11124109
Place: Gurugram
Date: 18 May 2026



Abhishek Chaurasia
Company Secretary
ICSI M No. A71249
Place: Gurugram
Date: 18 May 2026



Shrin Sachdeva
Director
DIN 10501199
Place: Gurugram
Date: 18 May 2026



Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

1. Corporate information

Sandhar Engineering Private Limited ('the Company') [CIN - U35999HR2021PTC098487] is a Private Limited Company domiciled in India. The Company is a wholly owned subsidiary of Sandhar Technologies Limited. The Company was incorporated on 14 October 2021 under the provisions of the Companies Act, 2013, with its registered office located at Plot No.13, Sector-44, Gurugram, Haryana 122002. The Company is engaged in the business of manufacturers, assembling of various muffler, frames swing arm and other automobiles products.

2. Material accounting policies

2.1 Basis of preparation

a. Statement of compliance

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act, 2013, (the 'Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act.

The financial statements are approved for issue by the Company's Board of Directors on 18 May 2026.

b. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Lacs, unless otherwise indicated.

c. Basis of measurement

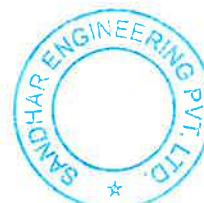
The financial statements have been prepared on a historical cost basis, except for the following items which have been measured at fair value or revalued amount:

| Items | Measurement basis |
|--|---|
| Certain financial assets and financial liabilities | Fair value |
| Net defined benefit plan (asset)/ liability | Fair value of plan assets less present value of defined benefit obligation. |

d. Use of estimates, judgements and assumptions

In preparation of the financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 26
- Assessment of useful life of property, plant and equipment and intangible assets- Note 2.2 (a)
- Leases – Note 2.2 (c)
- Estimated impairment of non-financial assets – Note 2.2 (d)
- Estimated impairment of financial assets – Note 2.2 (l)



Sandhar Engineering Private Limited
Notes to the Financial Statements for the Ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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. 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 to/ by the Company.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 29-Financial Instruments.

f. Current / Non-current classification

Based on the time involved 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 for determining current and non-current classification of assets and liabilities in the balance sheet.



Sandhar Engineering Private Limited
Notes to the Financial Statements for the Ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

2.2 Summary of material accounting policies

a. Property, plant and equipment ('PPE')

(i) Recognition and Measurement

The cost of an item of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 2.1(d) regarding significant accounting judgements, estimates and assumptions.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

A property, plant and equipment is eliminated from the Financial Statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising on disposal of property, plant and equipment is recognised in the Statement of Profit and Loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated. Gains or losses arising from de-recognition of property, plant and equipment 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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis to allocate their cost, net of their estimated residual values, over the estimated useful lives and is recognised in the Statement of Profit and Loss. The Identified components are depreciated over their useful life, the remaining asset is depreciated over the life of the principal asset. Freehold land is not depreciated.



Sandhar Engineering Private Limited
Notes to the Financial Statements for the Ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

The Company has used the following rates to provide depreciation which coincides with the rates indicated in Schedule II of the Act for the assets listed below -

| Asset category | Useful lives estimated by the management (years) |
|------------------------|---|
| Plant and Machinery | 6-15 years |
| Office Equipments | 3-5 years |
| Vehicles | 8 years |
| Furniture and Fixtures | 10 years |

The management has estimated, supported by independent assessment by technical experts, professionals, the useful lives of the following classes of assets:

Tools and Dies part of Plant and Machinery are depreciated over the estimated useful lives of 6 years, which is lower than those indicated in Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

b. Intangible assets

(i) Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an item of intangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal 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.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

(iii) Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful



Sandhar Engineering Private Limited

Notes to the Financial Statements for the Ended 31 March 2026

(Rupees in lakhs, except share data, per share data and unless otherwise stated)

life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made prospective basis.

- Technical Know-how

Amounts paid towards technical know-how fees for specifically identified projects/products being development expenditure incurred towards product design is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e the estimated period of 60 to 72 months on straight line based on past trends, commencing from the month of commencement of commercial production.

Software

Software purchased by the Company are amortized on a straight line basis in five years. Software further includes non-standard (customized) software and standard (non-customized) software.

Gains or losses arising from derecognition of an intangible assets 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 assets is derecognised.

Amortization method, useful lives and residual lives are reviewed at the end of each financial year and adjusted, if appropriate.

c. Capital work-in-progress

Cost of property, plant and equipment not ready for use as the reporting date are disclosed as capital work-in-progress.

d. Capital advances

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet is classified as capital advances under "other non-current assets".

e. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets



Sandhar Engineering Private Limited
Notes to the Financial Statements for the Ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

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 re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased 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 assets.

The right-of-use assets are also subject to impairment. Refer note 2.2(d) for Impairment of non- financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes 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.

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 re-measured 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. Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

iii) Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognised the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

f. Borrowing costs

Borrowing costs includes interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs), amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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 capitalized as part of the cost of the respective asset. All the borrowing costs are expensed in the period they are incurred.



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g. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an assets may be impaired. If any indication exists, or when annual impairment testing for an assets is required, the Company estimates the assets recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An asset's recoverable amount is the higher of an individual assets 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 group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the assets 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.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

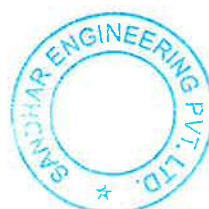
The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculation generally cover a period of five years. For longer periods, a long-term 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 entity operates, or for the market in which the assets is used.

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognised in the Statement of Profit and Loss. 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.

In regard to assets for which impairment loss has been recognised in prior period, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so



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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 years. 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.

h. Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of nonmonetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

i. Business Combination

Business Combination under common control are accounted for using the pooling of interests method in accordance with Appendix C in Ind AS 103- Business Combination, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognized as Amalgamation adjustment deficit account.

j. Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency 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.

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 the statement of Profit and Loss are also recognised in OCI or the statement of profit and loss, respectively).

k. Revenue from contracts with customer

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer.

Sale of products

Revenue from sale of products is recognised when control of the products being sold is transferred to customers and there are no longer any unfulfilled obligations. The performance obligations in contract with customers are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on delivery terms. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of discount) allocated to that performance obligation.



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For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognized.

The Company recognized revenue when (or as) a performance obligation was satisfied, i.e when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there are billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Rendering of services

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

I. Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

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.

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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.



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Deferred tax

Deferred tax is provided using the Balance sheet 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.

Deferred tax assets are recognised on carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

m. Operating segments

Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is primarily engaged in the business of designing and manufacture of components for automobiles segment. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

n. Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the profit or loss for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding at the end of the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.



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For the purpose of calculating diluted earning per share, the profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive.

o. Provisions (Other than employee benefits)

General provisions

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 the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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.

Contingent liability

A contingent liability is a 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 arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

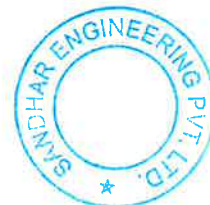
p. Employee benefits

(i). Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii). Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions to the Regional Provident Fund Commissioner towards provident fund and employee state insurance scheme ('ESI'). Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees. 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 recognised 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 recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.



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(iii). Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, 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. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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

iv. Other long term employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured based on independent actuarial valuation using the projected unit credit method.

As per the compensated absence encashment policy, the Company does not have an unconditional right to defer the compensated absence of employees, accordingly the entire compensated absence obligation as determined by an independent actuary has been classified as current liability as at the period/ year end.



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q. 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.

(i) Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (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 amortized cost using the effective interest rate (EIR) method. Amortized 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 finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables. Company has recognized financial assets viz. security deposit, trade receivables, employee advances at amortized cost.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.



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Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingents events that would change the amounts or timings of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non - recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, as feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

| | |
|------------------------------------|---|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.



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Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt instruments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Measurement of expected credit losses

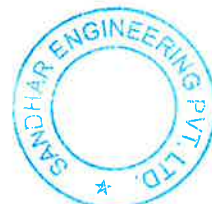
Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to the Statement of the Profit and Loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for the recovery of amount due.



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In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for the measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits and advances
- b. Trade receivables that result from transactions that are within the scope of Ind AS 115
- c. Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.



Sandhar Engineering Private Limited
Notes to the Financial Statements for the Ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

r. Inventories

Inventories which includes raw materials, stores and spares and finished goods are valued at the lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

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

- Raw materials and components: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of raw material, components, stores and spares is determined on first in, first out basis.
- Finished goods: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realizable value is made on an item-by-item basis.

s. Expenditure

Expenses are accounted for on the accrual basis.

t. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established. Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

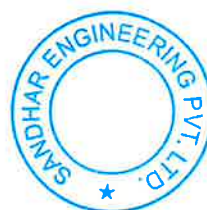
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

u. Recent pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In August 2025, MCA notified the following amendments to:



Sandhar Engineering Private Limited

Notes to the Financial Statements for the Ended 31 March 2026

(Rupees in lakhs, except share data, per share data and unless otherwise stated)

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact from these amendments on its classification criteria of current and non-current liabilities.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires entities to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.
3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.



Sandhar Engineering Private Limited

Notes to the financial statements for the year ended 31 March 2026

(Rupees in lakhs, except share data, per share data and unless otherwise stated)

3A. Property, plant and equipment

| Particulars | Leasehold land | Buildings | Plant and equipment | Office equipments | Vehicles | Furniture and fixtures | Total |
|--|----------------|-----------------|---------------------|-------------------|---------------|------------------------|------------------|
| Gross carrying value as at 31 March 2024 | 689.31 | 3,742.19 | 7,720.73 | 251.69 | 3.58 | 64.72 | 12,472.22 |
| Adjustment on account of acquisition (Refer Note 37) | - | - | 10,111.19 | 247.87 | 59.32 | 123.48 | 10,541.86 |
| Additions | - | 2.46 | 1,187.15 | 71.61 | 79.40 | 63.30 | 1,403.92 |
| Disposals | - | - | 251.36 | 0.21 | 17.68 | - | 269.25 |
| Balance As at 31 March 2025 (Restated) | 689.31 | 3,744.65 | 18,767.71 | 570.96 | 124.62 | 251.50 | 24,148.75 |
| Additions | - | 1,718.51 | 1,518.98 | 75.30 | 65.94 | 3.70 | 3,382.43 |
| Disposals | - | 76.59 | 71.74 | 19.10 | 2.55 | - | 169.98 |
| Balance as at 31 March 2026 | 689.31 | 5,386.57 | 20,214.95 | 627.16 | 188.01 | 255.20 | 27,361.20 |
| Accumulated depreciation | | | | | | | |
| Balance as at 31 March 2024 | - | 69.87 | 827.62 | 73.93 | 0.86 | 10.28 | 982.56 |
| Adjustment on account of acquisition (Refer Note 37) | - | 0.01 | 7,229.37 | 206.61 | 53.38 | 89.49 | 7,578.86 |
| Depreciation for the year | - | 139.96 | 1,478.45 | 83.41 | 8.06 | 17.53 | 1,727.41 |
| Accumulated depreciation on disposal | - | - | 153.23 | 0.21 | 17.68 | - | 171.12 |
| Balance As at 31 March 2025 (Restated) | - | 209.84 | 9,382.21 | 363.74 | 44.62 | 117.30 | 10,117.71 |
| Depreciation for the year | - | 150.52 | 1,308.27 | 73.34 | 29.31 | 16.08 | 1,577.52 |
| Accumulated depreciation on disposal | - | 9.31 | 16.03 | 13.23 | 2.55 | - | 41.12 |
| Balance as at 31 March 2026 | - | 351.05 | 10,674.45 | 423.85 | 71.38 | 133.38 | 11,654.11 |

Net carrying value

| | | | | | | | |
|---------------------------------------|---------------|-----------------|-----------------|---------------|---------------|---------------|------------------|
| As at 31 March 2026 | 689.31 | 5,035.52 | 9,540.50 | 203.31 | 116.63 | 121.82 | 15,707.09 |
| As at 31 March 2025 (Restated) | 689.31 | 3,534.81 | 9,385.50 | 207.22 | 80.00 | 134.20 | 14,031.04 |



Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

Note 3B: Capital work in progress

| Particulars | Amount |
|--|-----------------|
| As at 31 March 2024 | 127.25 |
| Adjustment on account of acquisition (Refer Note 37) | 9.24 |
| Additions | 2,598.28 |
| Capitalization | 1,410.26 |
| As at 31 March 2025 (Restated) | 1,324.51 |
| Additions | 2,953.41 |
| Capitalization | 3,426.21 |
| As at 31 March 2026 | 851.71 |

Capital work in progress ageing schedule

As at 31 March 2026

| Particulars | Amount for a period of | | | | |
|----------------------|------------------------|-----------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 851.71 | - | - | - | 851.71 |
| Total | 851.71 | - | - | - | 851.71 |

Note: There are no projects in capital work in progress as at 31 March 2026 whose completion is overdue or whose cost has exceeded to its original plan

(a) As at 31 March 2025 (Restated)

| Particulars | Amount for a period of | | | | |
|----------------------|------------------------|-----------|-----------|-------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 1,324.51 | - | - | - | 1,324.51 |
| Total | 1,324.51 | - | - | - | 1,324.51 |

(b) For Capital work in progress, whose completion is overdue to its original plan.

| Particulars | Amount for a period of | | | | | Remarks |
|-------------|------------------------|-----------|-----------|-------------------|----------|--|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | |
| Project 1 | 1,167.31 | - | - | - | 1,167.31 | Project is expected to be completed by 30 June 2025. |

Note: There are no projects as at 31 March 2025 whose cost has exceeded to its original plan.



Sandhar Engineering Private Limited

Notes to the financial statements for the year ended 31 March 2026

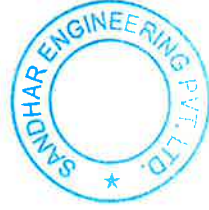
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

3C. Other intangible assets

| Particulars | Technical know how | Software | Total |
|--|--------------------|---------------|-----------------|
| Gross carrying value as at 31 March 2024 | 3,874.00 | 38.85 | 3,912.85 |
| Adjustment on account of acquisition (Refer Note 37) | - | 23.28 | 23.28 |
| Additions | - | 6.34 | 6.34 |
| Disposals | - | - | - |
| Balance As at 31 March 2025 (Restated) | 3,874.00 | 68.47 | 3,942.47 |
| Additions | - | 43.78 | 43.78 |
| Disposals | - | - | - |
| Balance as at 31 March 2026 | 3,874.00 | 112.25 | 3,986.25 |
| Accumulated amortisation | | | |
| Balance as at 31 March 2024 | 901.15 | 11.39 | 912.54 |
| Adjustment on account of acquisition (Refer Note 37) | - | 21.58 | 21.58 |
| Amortisation for the year | 774.80 | 8.80 | 783.60 |
| Disposals | - | - | - |
| Balance As at 31 March 2025 (Restated) | 1,675.95 | 41.77 | 1,717.72 |
| Amortisation for the year | 766.42 | 12.93 | 779.35 |
| Disposals | - | - | - |
| Balance as at 31 March 2026 | 2,442.37 | 54.70 | 2,497.07 |

Net carrying value

| | | | |
|---------------------------------------|-----------------|--------------|-----------------|
| As at 31 March 2026 | 1,431.63 | 57.55 | 1,489.18 |
| As at 31 March 2025 (Restated) | 2,198.05 | 26.70 | 2,224.75 |



Sandhar Engineering Private Limited

Notes to the financial statements for the year ended 31 March 2026

(Rupees in lakhs, except share data, per share data and unless otherwise stated)

3D. Right-of-use asset

| Particulars | Leasehold land and Building | Plant and Machinery | Total |
|------------------------------------|------------------------------------|----------------------------|-----------------|
| Gross carrying value | | | |
| Balance as at 31 March 2024 | 1,846.93 | - | 1,846.93 |
| Additions | 239.35 | - | 239.35 |
| Disposals | 203.67 | - | 203.67 |
| Balance As at 31 March 2025 | 1,882.61 | - | 1,882.61 |
| Additions | 735.56 | 1,602.11 | 2,337.67 |
| Disposals | 210.13 | - | 210.13 |
| Balance as at 31 March 2026 | 2,408.04 | 1,602.11 | 4,010.15 |
| Accumulated amortisation | | | |
| Balance as at 31 March 2024 | 672.24 | - | 672.24 |
| Depreciation for the year | 319.17 | - | 319.17 |
| Disposals | 203.67 | - | 203.67 |
| Balance As at 31 March 2025 | 787.74 | - | 787.74 |
| Depreciation for the year | 333.36 | 37.89 | 371.25 |
| Disposals | 81.74 | - | 81.74 |
| Balance as at 31 March 2026 | 1,039.36 | 37.89 | 1,077.25 |
| Net carrying value | | | |
| As at 31 March 2026 | 1,368.68 | 1,564.22 | 2,932.90 |
| As at 31 March 2025 | 1,094.87 | - | 1,094.87 |



4. Financial assets

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|-------------|------------------------|--------------------------------------|
|-------------|------------------------|--------------------------------------|

A. Loans

| | | |
|---------------------------------|-------------|-------------|
| Loans to employees - Current | 3.35 | 3.23 |
| Total loans | 3.35 | 3.23 |
| <i>Break up of total loans</i> | | |
| (i) Secured, considered good; | - | - |
| (ii) Unsecured, considered good | 3.35 | 3.23 |
| | 3.35 | 3.23 |
| Current | 3.35 | 3.23 |
| Non-current | - | - |

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|-------------|------------------------|--------------------------------------|
|-------------|------------------------|--------------------------------------|

B. Trade receivables

| | | |
|---|------------------|-----------------|
| Trade receivables (unsecured and considered good) | 13,188.53 | 6,830.78 |
| Trade receivables - credit impaired | 246.60 | 240.43 |
| | 13,435.13 | 7,071.21 |
| Less: Loss allowance | (246.60) | (240.43) |
| Total trade receivables * | 13,188.53 | 6,830.78 |

Trade receivables ageing schedule as on 31 March 2026

| Particulars | Outstanding for the following periods from due date of payment | | | | | |
|--|--|-------------------|-------------|-----------|-------------------|------------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| i) Undisputed Trade receivables- considered good | 13,162.86 | 24.45 | 1.22 | - | - | 13,188.53 |
| ii) Undisputed Trade receivables- credit impaired | - | - | - | - | 246.60 | 246.60 |
| iii) Disputed Trade receivables- considered good | - | - | - | - | - | - |
| iv) Disputed Trade receivables- which have significant increase in credit risk | - | - | - | - | - | - |
| v) Disputed Trade receivables- credit impaired | - | - | - | - | - | - |
| Less: Loss allowance | - | - | - | - | (246.60) | (246.60) |
| Total | 13,162.86 | 24.45 | 1.22 | - | - | 13,188.53 |

Trade receivables ageing schedule as on 31 March 2025

| Particulars | Outstanding for the following periods from due date of payment | | | | | |
|--|--|-------------------|----------|-------------|-------------------|-----------------|
| | Less than 6 months | 6 months - 1 year | 1-2 year | 2-3 years | More than 3 years | Total |
| i) Undisputed Trade receivables- considered good | 6,811.20 | - | - | 6.18 | - | 6,817.38 |
| ii) Undisputed Trade receivables- credit impaired | - | - | - | - | 240.43 | 240.43 |
| iii) Disputed Trade receivables- considered good | - | - | - | - | - | - |
| iv) Disputed Trade receivables- which have significant increase in credit risk | - | - | - | - | - | - |
| v) Disputed Trade receivables- credit impaired | - | - | - | - | - | - |
| Less: Loss allowance | - | - | - | - | (240.43) | (240.43) |
| Total | 6,811.20 | - | - | 6.18 | - | 6,817.38 |

* For explanations on the company's credit risk management process, refer note 34 and for dues receivables from related parties refer note 28

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|-------------|------------------------|--------------------------------------|
|-------------|------------------------|--------------------------------------|

C. Cash and cash equivalents

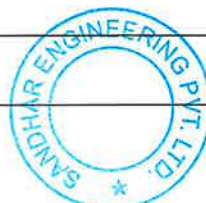
| | | |
|---|-----------------|-----------------|
| Balances with banks | | |
| - In current accounts | - | - |
| - In cash credit accounts | 1,183.15 | 842.27 |
| Deposits with original maturity of less than 3 months | 0.00 | 2,611.76 |
| Cash on hand | 0.50 | - |
| Total cash and cash equivalents | 1,183.65 | 3,454.03 |

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|-------------|------------------------|--------------------------------------|
|-------------|------------------------|--------------------------------------|

D. Other bank balances

| | | |
|---|-------------|-------------|
| Deposits with original maturity for more than 3 months but less than 12 months* | 5.01 | 5.01 |
| Total other bank balances | 5.01 | 5.01 |

*These deposits are held as lien for bank guarantee paid to vendor.



| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|---|------------------------|--------------------------------------|
| E. Other financial assets | | |
| Non-current | | |
| Security deposits | 558.17 | 425.31 |
| Government Grant | 1,053.11 | - |
| Earnest money and retention money deposit given | 0.40 | 0.40 |
| Total | 1,611.68 | 425.71 |
| Current | | |
| Security deposits | 158.25 | 6.31 |
| Interest Accrued on Others | 1.05 | - |
| Total | 159.30 | 6.31 |
| Total (A+B+C+D+E) | 16,151.54 | 10,725.06 |

5. Other assets

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|--|------------------------|--------------------------------------|
| Non-current | | |
| A. Capital advances <i>(Unsecured and considered good, unless otherwise stated)</i> | | |
| Unsecured, considered good. | 260.73 | 32.15 |
| Total | 260.73 | 32.15 |
| B. Income-tax asset <i>(Unsecured and considered good, unless otherwise stated)</i> | | |
| TDS recoverable | 242.46 | 81.52 |
| Total | 242.46 | 81.52 |
| C. Prepaid expenses | | |
| Prepaid expenses | 51.41 | 40.75 |
| Total | 51.41 | 40.75 |
| Total (A+B+C) | 554.60 | 154.42 |
| Current | | |
| D. Other advances | | |
| Unsecured, considered good. | 198.93 | 607.12 |
| Total | 198.93 | 607.12 |
| E. Prepaid expenses | | |
| Prepaid expenses | 139.39 | 51.57 |
| Total | 139.39 | 51.57 |
| F. Balance with statutory / government authorities <i>(Unsecured and considered good, unless otherwise stated)</i> | | |
| Unsecured, considered good | 189.11 | 31.90 |
| Total | 189.11 | 31.90 |
| Total (D+E+F) | 527.43 | 690.59 |
| Current | 527.43 | 690.59 |
| Non-current | 554.60 | 154.42 |

6. Inventories

(Valued at lower of cost and net realizable value)

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|---|------------------------|--------------------------------------|
| Raw materials | 3,293.90 | 2,139.07 |
| Work in progress | 10.92 | 15.74 |
| Finished goods (Includes stock in transit of Rs 167.92 lakhs (31 March 2025: Rs 139.10 lakhs) | 364.87 | 485.46 |
| Stores and spares | 888.14 | 671.34 |
| Total | 4,557.83 | 3,311.61 |



7. Equity share capital

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|---|------------------------|--------------------------------------|
| A. Authorised share capital | | |
| 14,60,00,000 equity shares of Rs.10 each (31 March 2025: 10,50,00,000 equity shares of Rs 10 each) | 14,600.00 | 10,500.00 |
| | 14,600.00 | 10,500.00 |

B. Issued, subscribed and fully paid equity share capital

| Particulars | No. of shares | Amount in Rs. lakhs |
|---|---------------------|------------------------|
| Balance as at the beginning of the year | 9,50,00,000 | 9,500.00 |
| Equity shares issued during the year | 5,05,10,000 | 5,051.00 |
| Balance as at 31 March 2026 | 14,55,10,000 | 14,551.00 |

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

The Company has not issued any issued any shares without cash consideration or any bonus shares and there has not been any buy-back of shares in the five years immediately preceding the balance sheet date

C. Reconciliation of the equity share outstanding at beginning and at end of the year

| Particulars | As at 31 March 2026 | | As at 31 March 2025 (Restated) | |
|---|------------------------|------------------|--------------------------------------|-----------------|
| | Number of shares | Rs. in lakhs | Number of shares | Rs. in lakhs |
| Balance as at the beginning of the year | 9,50,00,000 | 9,500.00 | 8,50,00,000 | 8,500.00 |
| Equity shares issued during the year | 5,05,10,000 | 5,051.00 | 1,00,00,000 | 1,000.00 |
| Balance as at 31 March 2026 | 14,55,10,000 | 14,551.00 | 9,50,00,000 | 9,500.00 |

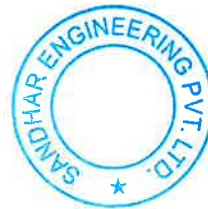
D. Details of shareholders holding more than 5% shares in the company

| Particulars | No. of shares* | % of shareholding |
|------------------------------|----------------|-------------------|
| Sandhar Technologies Limited | 14,55,09,999 | 99.99% |

* Number of Shares are given in absolute numbers.

E. Details of shares held by promoters as at 31 March 2026

| 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 |
|--|--|---------------------------|--|----------------------|-----------------------------|
| Sandhar Technologies Limited | 9,49,99,999 | 5,05,10,000 | 14,55,09,999 | 99.99% | 100% |
| Shri Jayant Davar, nominee of Sandhar Technologies Limited Equity shares of ₹10 each fully paid | 1 | - | 1 | 0.01% | 0% |
| Total | 9,50,00,000 | 5,05,10,000 | 14,55,10,000 | 100% | 100% |



Details of shares held by promoters As at 31 March 2025

| 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 |
|--|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Sandhar Technologies Limited | 8,49,99,999 | 1,00,00,000 | 9,49,99,999 | 99.99% | 0% |
| Shri Jayant Davar, nominee of Sandhar Technologies Limited Equity shares of ₹10 each fully paid | 1 | - | 1 | 0.01% | 0% |
| Total | 8,50,00,000 | 1,00,00,000 | 9,50,00,000 | 100% | 0% |

8. Other equity

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|--|---------------------|--------------------------------|
| Amalgamation adjustment deficit account | | |
| Balance at the beginning of the year | (974.88) | - |
| Adjustment on account of acquisition (Refer Note 37) | - | (1,112.64) |
| Adjusted Balance | (974.88) | (1,112.64) |
| Addition | - | - |
| Adjustment on account of acquisition (Refer Note 37) | 443.88 | 137.76 |
| Balance at the end of the year | (531.00) | (974.88) |
| Securities Premium | | |
| Balance at the beginning of the year | - | - |
| Add: Addition | 1,213.00 | - |
| Balance at the end of the year | 1,213.00 | - |
| Retained earnings | | |
| Balance at the beginning of the year | (3,518.38) | (3,287.58) |
| Profit for the year | 2,851.03 | 1,922.36 |
| Adjustment on account of acquisition (Refer Note 37) | (286.94) | (2,144.34) |
| Other comprehensive (loss) - Re-measurement of defined benefit liabilities | (200.95) | (8.82) |
| Balance at the end of the year | (1,155.24) | (3,518.38) |
| Total other equity | (473.24) | (4,493.26) |

Nature and purpose of other equity

1. Retained earnings

Retained earnings comprises of accumulated balance of losses of current and prior years.

2. Remeasurements of defined benefit obligations

Remeasurements of defined benefit obligation comprises actuarial gains/(losses)

3. Securities Premium

Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provision of the Companies Act, 2013

4. Amalgamation adjustment deficit account

It comprise of deficit arising on account of acquisition

9. Borrowings

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|---|---------------------|--------------------------------|
| A. Non-current | | |
| Term loans | | |
| Indian rupee loan from banks (secured) (refer note (i) to (iv) below) | 1,299.67 | 3,566.12 |
| Loan from related parties (refer note (v) below) | 1,000.00 | - |
| Total | 2,299.67 | 3,566.12 |
| Aggregate secured loans | 1,299.67 | 3,566.12 |
| Aggregate unsecured loans (refer note (v) below) | 1,000.00 | - |
| B. Current | | |
| a) Current maturities of long term loans | | |
| Indian rupee loan from banks (secured) (refer note (i) to (iv) below) | 3,966.12 | 4,424.83 |
| b) Loan from Related Parties (refer note v below) | - | 2,625.00 |
| c) Cash credit from banks (secured) (refer note (vi) below) | 4,774.00 | - |
| Total | 8,740.12 | 7,049.83 |
| Aggregate secured loans | 8,740.12 | 4,424.83 |
| Aggregate unsecured loans | - | 2,625.00 |



| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|--|------------------------|--------------------------------------|
| Terms of borrowings | | |
| (a) Term Loan from Federal Bank (refer note (i) below) | 1,141.29 | 3,141.29 |
| (b) Term Loan from Kotak Mahindra Bank (refer note (ii) below) | 1,624.83 | 3,249.65 |
| (c) Term Loan from Bajaj Finserv (refer note (iii) below) | 1,800.00 | 1,600.00 |
| (d) Term Loan from Axis bank (refer note (iv) below) | 699.67 | - |

Term loan from banks/ NBFC referred to above to the extent

i) **Rs. 1,141.29 lakhs** were secured by way of first pari-passu charge over entire current assets, present and future, of the borrower. Second pari-passu charge on entire fixed Assets, present and future, of the borrower. The interest rate with in the range of 7.04% - 7.79% p.a. The loan is repayable over a period of 60 months (including 12 months moratorium) out of which 3 quarterly installment is pending as at 31 March 2026.

ii) **Rs. 1,624.83 lakhs** were secured by way of first pari-passu charge on immovable properties, being land and building situated at Mysore unit. In case of hypothecation, first pari passu to be shared with all banks on all existing and future moveable fixed assets of the borrower. Second pari passu to be shared with all banks on all existing and future moveable current assets of the borrower. The interest rate with in the range of 7.10% - 9.12% p.a. The loan is repayable over a period of 16 quarterly instalments out of which 4 equal quarterly instalments is pending as at 31 March 2026 (moratorium period of 12 months from the date of first disbursement of the term loan facility).

iii) **Rs. 800 lakhs** were secured by way of first pari-passu charge over entire immovable fixed assets and moveable fixed assets, of the borrower. Second pari-passu charge on entire current assets, of the borrower. The interest rate with in the range of 8.30% - 8.85% p.a. The loan is repayable over a tenure period of 24 months in 8 equal quarterly installment from date of disbursement out of which 4 equal quarterly instalments is pending as at 31 March 2026.

Rs. 1000 lakhs were secured by way of first pari-passu charge over entire immovable fixed assets and moveable fixed assets, of the borrower. Second pari-passu charge on entire current assets, of the borrower. The interest rate with in the range of 8.35% - 8.70% p.a. The loan is repayable over a tenure period of 36 months in 10 equal quarterly installment from date of disbursement out of which 10 equal quarterly instalments is pending as at 31 March 2026 (moratorium period of 12 months from the date of first disbursement of the term loan facility).

iv) **Rs. 699.67 lakhs** were secured by way of first pari-passu charge over entire immovable fixed assets and moveable fixed assets, of the borrower. Second pari-passu charge on entire current assets, of the borrower. The interest rate with in the range of 7.60 % p.a. The loan is repayable over a tenure period of 36 months in 10 equal quarterly installment from date of disbursement out of which 10 equal quarterly instalments is pending as at 31 March 2026 (moratorium period of 12 months from the date of first disbursement of the term loan facility).

v) The Company has taken an unsecured loan from Sandhar Technologies Limited (Holding Company) of **Rs. 1,000 lakhs** at an interest rate of 7.60 % p a out of which outstanding balance as on 31 March 2026 is Rs. 1,000 lakhs.

vi) Cash credits from banks of **Rs. 4,774 lakhs** are secured by way of first pari passu charge on the inventory and books debts of the company. The interest rate with in the range of 6.35% - 7.30% p.a.

Disclosures as per Schedule III to the Companies Act, 2013:

- The Company has utilised the borrowings for the purpose it was taken.
- The quarterly statements of current assets filed with the banks/ financial institutions are in agreement with the books of accounts.

10. Trade payables

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|--|------------------------|--------------------------------------|
| Total outstanding dues of micro enterprises and small enterprises (refer note 35) | 3,199.62 | 2,016.93 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 10,662.73 | 8,483.95 |
| Total trade payables ** | 13,862.35 | 10,500.88 |

Trade Payables ageing schedule as on 31 March 2026

| Particulars | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--|-------------|-------------|-------------------|-----------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) MSME | 3,199.62 | - | - | - | 3,199.62 |
| (ii) Others | 10,662.73 | - | - | - | 10,662.73 |
| (iii) Disputed dues — MSME | - | - | - | - | - |
| (iv) Disputed dues — Others | - | - | - | - | - |

* Above ageing includes unbilled payables of Rs. 497.91 lakhs.

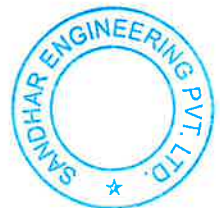
Trade Payables ageing schedule as on 31 March 2025

| Particulars | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--|-------------|-------------|-------------------|----------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) MSME | 2,015.16 | - | - | 1.77 | 2,016.93 |
| (ii) Others* | 7,781.66 | 700.24 | 1.85 | 0.20 | 8,483.95 |
| (iii) Disputed dues — MSME | - | - | - | - | - |
| (iv) Disputed dues — Others | - | - | - | - | - |

* Above ageing includes unbilled payables of Rs. 1,190.39 lakhs.

Terms and conditions of the above financial liabilities

** For explanation on the Company's credit risk management processes, refer to note 34 and for dues payables to related parties, refer to note 28.



11. Other financial liabilities

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|---|------------------------|--------------------------------------|
| Non-current | | |
| Lease liabilities | 1,421.78 | 392.07 |
| Total | 1,421.78 | 392.07 |
| Current | | |
| Payables for capital goods | 485.68 | 234.34 |
| Security deposit payable | 6.25 | 9.25 |
| Provision for interest - MSMED (refer note 35) | 119.02 | 71.92 |
| Lease liabilities | 1,019.42 | 336.23 |
| Purchase consideration payable (refer note 37)* | - | 6,518.48 |
| Interest accrued but not due on borrowings | 4.03 | 6.03 |
| Total | 1,634.40 | 7,176.25 |

*Amount is net of TDS

12. Other current liabilities

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|-----------------------|------------------------|--------------------------------------|
| Statutory dues | 75.82 | 319.88 |
| Advance from customer | 645.65 | 121.63 |
| Total | 721.47 | 441.51 |

13A. Provisions

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|--|------------------------|--------------------------------------|
| Provision for employee benefits | | |
| Non-current | | |
| Provision for gratuity (Refer Note 26) | 455.47 | 188.28 |
| Provision for compensated absences | 124.64 | 143.48 |
| Total | 580.11 | 331.76 |
| Current | | |
| Provision for gratuity (Refer Note 26) | 33.29 | 8.70 |
| Provision for compensated absences | 11.29 | 19.84 |
| Provision for Warranty Claims | 1.60 | 1.60 |
| Total | 46.18 | 30.14 |

13B. Deferred tax assets (net)

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|---|------------------------|--------------------------------------|
| Tax effect of items resulting in deductible temporary differences | | |
| Provision for employee benefits | 169.73 | 38.65 |
| Unabsorbed depreciation and business losses | 555.37 | 919.51 |
| Right-of-use assets | (11.61) | 15.11 |
| Other temporary disallowance | 3.21 | 0.99 |
| Total deferred tax assets | 716.70 | 974.26 |
| Tax effect of items resulting in taxable temporary differences | | |
| Depreciation and amortisation on property, plant, equipment and intangible assets | 105.12 | 227.93 |
| Adjustment on account of acquisition (Refer Note 37) | - | 192.10 |
| Deferred tax assets (net) | 611.58 | 938.43 |



14. Revenue from operations

| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|--------------------------------|-------------------------------------|---|
| Sale of products* | 79,305.27 | 67,802.33 |
| Sale of services | 3,142.42 | 2,442.61 |
| Other operating revenue | | |
| Scrap sale | 693.34 | 682.76 |
| Revenue from operations | 83,141.03 | 70,927.70 |

*The Company entered into contracts with customers under which certain materials were supplied by the customers for use in the manufacture of finished goods. Based on the assessment of the transfer of control in accordance with Ind AS 115, the Company concluded that control of such customer-supplied materials does not pass to the Company. Accordingly, the amounts paid or payable to customers in respect of these materials have been accounted for as consideration payable to a customer and reduced from the transaction price, resulting in a corresponding reduction in revenue recognised during the year, with a corresponding adjustment to purchases/consumption to reflect that such materials do not constitute costs of the Company.

The following table provides information on transaction with customers adjusted from transaction price:

| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|--|-------------------------------------|---|
| Gross revenue | 1,05,577.45 | 88,775.71 |
| Less: Consideration payable to customers | 22,436.42 | 17,848.00 |
| Revenue (as reported) | 83,141.03 | 70,927.70 |

15. Other income

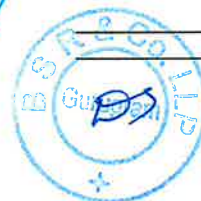
| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|---|-------------------------------------|---|
| Gain on termination of lease | 9.54 | - |
| Profit on sale of property, plant and equipment | - | 32.96 |
| Government grant | 1,053.11 | - |
| Interest from bank | 24.95 | 99.56 |
| Interest from others | 14.08 | 26.50 |
| Interest income on security deposits measured at amortised cost | 16.14 | 10.34 |
| Other miscellaneous income | 72.16 | 167.44 |
| | 1,189.98 | 336.80 |

16. Cost of materials consumed

| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|--|-------------------------------------|---|
| Inventory at the beginning of the year | 2,139.07 | 1,841.99 |
| Add: Purchases during the year | 57,194.02 | 49,440.40 |
| | 59,333.09 | 51,282.39 |
| Less: Inventory at the end of the year | 3,293.90 | 2,139.07 |
| Cost of materials consumed | 56,039.19 | 49,143.32 |

17. Changes in inventories of finished goods and work-in-progress

| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|---------------------|-------------------------------------|---|
| Closing inventories | | |
| Finished goods | 364.87 | 485.46 |
| Work in progress | 10.92 | 15.74 |
| Opening inventories | | |
| Finished goods | 485.46 | 241.25 |
| Work in progress | 15.74 | 5.08 |
| Net changes | 125.41 | (254.87) |



18. Employee benefits expenses

| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|---|-------------------------------------|---|
| Salaries, wages and bonus | 10,098.45 | 8,104.07 |
| Contribution to provident and other funds | 174.68 | 180.68 |
| Staff welfare expenses | 491.44 | 362.45 |
| Gratuity expense (refer note 26) | 86.79 | 44.09 |
| | 10,851.36 | 8,691.29 |

Note: The Government of India notified the provisions of the four new Labour Codes ("Labour Codes") on 21 November 2025, thereby consolidating twenty-nine existing labour laws into a comprehensive and unified framework. Among other changes, the Labour Codes provide a unified definition of "wages" to be applied across various employee benefit computations. In accordance with Ind AS 19 - Employee Benefits, the Company has recognised one-time expense of Rs. 50.15 lakhs towards increase in the gratuity and compensated absences liabilities. The Company continues to monitor the finalisation of Central/State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

19. Finance costs

| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|---|-------------------------------------|---|
| Interest to banks on | | |
| - Term loan | 514.20 | 547.15 |
| Interest to others* | 139.81 | 325.16 |
| Bank charges | 0.94 | 1.84 |
| Interest on lease liabilities (refer note 30) | 81.46 | 58.49 |
| Commission on corporate guarantee-Term loan (Refer note 28) | 61.50 | 69.00 |
| Total finance costs | 797.91 | 1,001.64 |

* Includes interest paid to related party amounting to Rs 37.93 lakhs (Previous year: Rs 306.18 lakhs) (refer note 28)

20. Depreciation and amortisation expense

| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|---|-------------------------------------|---|
| Depreciation on property, plant and equipment | 1,577.51 | 1,727.42 |
| Amortisation on right of use assets | 371.25 | 319.17 |
| Amortisation on intangible assets | 779.35 | 783.60 |
| | 2,728.11 | 2,830.19 |

21. Other expenses

| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|---|-------------------------------------|---|
| Consumption of stores and spares | 1,818.81 | 1,416.07 |
| Packing material | 265.44 | 224.08 |
| Job work charges | 1,627.36 | 1,233.92 |
| Rent (Refer Note 28) | 709.20 | 116.91 |
| Rates and taxes | 64.69 | 51.26 |
| Insurance | 51.25 | 41.69 |
| Freight and forwarding charges | 1,377.56 | 1,091.68 |
| Power and fuel | 2,657.95 | 2,235.90 |
| Repairs and maintenance | | |
| - Buildings | 38.67 | 41.49 |
| - Plant and machinery | 740.88 | 607.70 |
| - Others | 423.19 | 158.07 |
| Legal and professional charges | 160.91 | 176.83 |
| Travelling and conveyance | 62.65 | 80.59 |
| Payment to auditor* | 25.13 | 16.36 |
| Provision for doubtful debts and advances | 6.18 | - |
| Bad debts and advances written off | - | 43.50 |
| Loss on sale of property, plant and equipment | 49.72 | - |
| Security service charges | 219.94 | 225.60 |
| Testing and development expenses | 5.48 | 7.04 |
| Miscellaneous expenses | 264.48 | 235.75 |
| Total other expenses | 10,569.49 | 8,004.44 |



Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)
* Payment to auditors

| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|---|-------------------------------------|---|
| As auditor | | |
| - Audit fees | 20.00 | 15.00 |
| In other capacity | | |
| - Other services (certification fees, etc.) | 3.53 | - |
| - Reimbursement of expenses | 1.60 | 1.36 |
| Total | 25.13 | 16.36 |

22. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2026

| Particulars | Retained earnings | Total |
|--|-------------------|-----------------|
| Re-measurement (losses) on defined benefit plans | (242.58) | (242.58) |
| Tax impact on re-measurement gain on defined benefit plans | 41.63 | 41.63 |
| | (200.95) | (200.95) |

During the year ended 31 March 2025

| Particulars | Retained earnings | Total |
|--|-------------------|---------------|
| Re-measurement (losses) on defined benefit plans | (10.65) | (10.65) |
| Tax impact on re-measurement loss on defined benefit plans | 1.83 | 1.83 |
| | (8.82) | (8.82) |

23. Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the period.

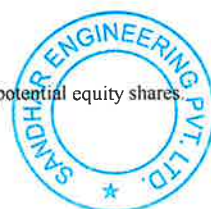
The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|---|-------------------------------------|---|
| Profit attributable to equity holders of the Company | 2,851.03 | 1,922.36 |
| Number of equity shares (Number of shares in lakhs) | 1,455.10 | 950.00 |
| Weighted average number of equity shares used for computing Earning per Share (Basic and Diluted) (Number of shares in lakhs) | 1,172.84 | 873.01 |
| Earning Per Share (Basic and Diluted) (Rs.) | 2.43 | 2.20 |
| Face value per share (Rs.) | 10 | 10 |

Reconciliation of weighted average number of equity shares for calculation of Basic and Diluted earnings per share:

| Particulars | Number of equity shares | Weighted average number of shares |
|---|-------------------------|--------------------------------------|
| Equity shares of face value of Rs. 10 per share: | | |
| Balance as at 1 April 2025 | 950.00 | 950.00 |
| Issued during the year (Number of shares in lakhs) | 505.10 | 222.84 |
| Balance as at 31 March 2026 | 1,455.10 | 1,172.84 |

As on 31 March 2026 and 31 March 2025, the Company does not have any dilutive potential equity shares.

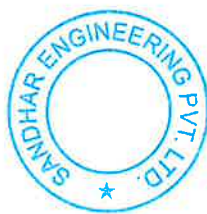


Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

24. Income tax

| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 (Restated) |
|--|-------------------------------------|---|
| (a) The major components of income tax expense for the year ended 31 March 2026 and 31 March 2025 : | | |
| Income tax recognised in Statement of Profit and Loss | | |
| Current income tax | | |
| Current tax | - | - |
| Deferred tax | | |
| Relating to origination and reversal of temporary differences | 326.88 | (73.87) |
| Income tax expense recognised in Statement of Profit and Loss | 326.88 | (73.87) |
| Income tax recognised in other comprehensive income | | |
| Deferred tax related to items recognised in OCI during the year | 41.63 | 1.83 |
| Net loss on remeasurements of defined benefit plans | - | - |
| Income tax charged to other comprehensive income | 41.63 | 1.83 |
| (b) Reconciliation of effective tax rate | | |
| Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2026 and 31 March 2025 : | | |
| Profits/ (Loss) before tax | 3,219.54 | 1,848.49 |
| Adjustment on account of acquisition | (286.94) | (1,952.24) |
| Statutory tax rate | 25.17% | 17.16% |
| Income tax expense at the statutory rate | 738.08 | (17.80) |
| Tax impact of deductible/ non-deductible expenses | | |
| - Tax effect of earlier years | 24.67 | - |
| - Effect of change in tax rate* | (194.59) | - |
| - Effect of income tax on non deductible expenses | 19.28 | - |
| - Others | (260.55) | (56.07) |
| Income tax expense after adjustment of tax impact of non deductible items | 326.88 | (73.87) |

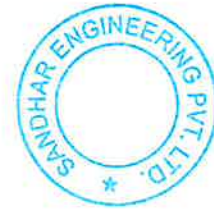
*During the current year, the tax rate has been changed and Deferred tax assets and liabilities have been remeasured using the revised tax rate, and the resulting impact has been recognized in the Statement of Profit and Loss.



Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

25. Ratios

| Particulars | Numerator | Denominator | 31 March 2026 | 31 March 2025 (Restated) | % Variance | Reason for variance (for variance more than 25%) |
|----------------------------------|--|---|---------------|-----------------------------|------------|---|
| Current ratio | Total current assets | Total current liabilities | 0.78 | 0.57 | 38.29% | Change is due to increase in Trade receivables and decrease in Other financial liabilities. |
| Debt-equity ratio | Total debt | Shareholder's equity | 0.78 | 2.12 | -63.02% | Change is due to increase in Equity share capital of the company during the year. |
| Debt service coverage ratio | Net profits after tax (excluding Other Comprehensive Income)+ Depreciation and amortizations +Interest on loans + Profit on sale of property, plant and equipments | Total amount of interest, lease payments and principle repayments of loan payable or paid during the period | 1.31 | 1.30 | 1.21% | Not applicable |
| Return on equity ratio | Net profits after tax | Average shareholder's equity | 29.88% | 42.22% | -29.23% | Change is due to increase in Equity share capital of the company during the year. |
| Inventory turnover ratio | Cost of goods sold | (Opening inventory+closing inventory)/2 | 14.27 | 16.40 | -12.96% | Not applicable |
| Trade receivables turnover ratio | Revenue from operations | (Opening trade receivables+closing trade receivables)/2 | 8.31 | 11.97 | -30.61% | Change is due to increase in credit terms with the customers. |
| Trade payables turnover ratio | Total purchases | (Opening trade payables+closing trade payables)/2 | 5.55 | 4.74 | 17.09% | Not applicable |
| Net capital turnover ratio | Revenue from operations | Working capital (Current Assets-Current liabilities) | (15.46) | (6.51) | 137.45% | Change is due to increase in Trade receivables and decrease in Other financial liabilities. |
| Net profit ratio | Net loss after tax | Revenue from operations | 3.43% | 2.71% | 26.52% | Change is due to increase in sales during the current year. |
| Return on capital employed | Earnings before interest and tax | Capital employed (Tangible net worth + Total debt + Deferred tax liability) | 0.17 | 0.21 | -20.07% | Not applicable |
| Return on investment | Interest income | Average investment | 23.68% | 22.18% | 6.78% | Not applicable |



26. Gratuity and other post-employment benefit plans

A. Defined benefit plan (Non funded)

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or termination of employment in accordance with the provisions under the Code on Social Security, 2020. Vesting occurs upon completion of contractual period of continuous years of service as defined in the Code on Social Security, 2020.

The following table sets out the details of the defined benefit retirement plans and the amount recognized in the financial statements.

I. Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets

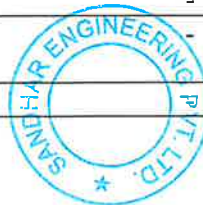
| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|--------------------------------------|--------------------------------|---|
| Liability for gratuity | 488.76 | 196.98 |
| Plan asset for gratuity | - | - |
| Net defined benefit liability | 488.76 | 196.98 |

II. Reconciliation of present value of defined benefit obligation

| Particulars | For the year ended 31.03.2026 | For the year ended 31.03.2025 (Restated) |
|--|--|---|
| Balance at the beginning of the year | 196.98 | 84.06 |
| Acquired under business combination (refer note 37) | (10.23) | 58.68 |
| Current service cost | 43.46 | 33.62 |
| Interest cost | 8.30 | 10.46 |
| Benefits paid | (22.67) | (0.49) |
| Past Service Cost including curtailment Gains/Losses | 30.34 | - |
| Actuarial (gain) / loss on obligation recognized in other comprehensive income | 242.58 | 10.65 |
| Balance at the end of the year | 488.76 | 196.98 |

III. Reconciliation of fair value of plan assets

| Particulars | For the year ended 31.03.2026 | For the year ended 31.03.2025 |
|---|--|--|
| Balance at the beginning of the year | - | - |
| Actual return on plan asset | - | - |
| Contribution paid into the plan | - | - |
| Benefits paid | - | - |
| Actuarial (gain)/loss on plan assets recognized in other comprehensive income | - | - |
| Closing fair value of plan asset | - | - |



Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

IV. Expense recognized in the Statement of Profit and Loss under employee benefits expense

| Particulars | For the year ended 31.03.2026 | For the year ended 31.03.2025 (Restated) |
|---|--|---|
| Current service cost | 78.49 | 33.62 |
| Interest cost | 8.30 | 10.47 |
| Expense recognized in the Statement of Profit and Loss | 86.79 | 44.09 |

V. Remeasurement recognised in other comprehensive income (OCI)

| Particulars | For the year ended 31.03.2026 | For the year ended 31.03.2025 (Restated) |
|--|--|---|
| Actuarial (loss) on defined benefit obligation | (242.58) | (10.65) |
| Return on plan assets excluding interest income | - | - |
| Amount recognised in the Other Comprehensive Income | (242.58) | (10.65) |

VI. Bifurcation of actuarial (loss) on defined benefit obligation

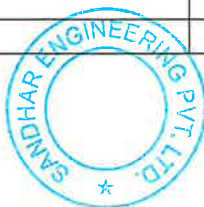
| Particulars | For the year ended 31.03.2026 | For the year ended 31.03.2025 (Restated) |
|--|--|---|
| Actuarial gain/(loss) due to demographic assumption change | - | - |
| Actuarial gain/(loss) due to financial assumption change | 75.12 | (3.34) |
| Actuarial (loss) due to experience adjustment | (317.70) | (7.31) |
| Amount recognized in the Other Comprehensive Income | (242.58) | (10.65) |

The principal assumptions used in determining gratuity and compensated absences are as follows:

(a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the Company.

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|-----------------------------------|--------------------------------|--------------------------------|
| Discount rate | 7.70% | 6.93% |
| Salary escalation rate | 6.00% | 7.00% |
| Expected rate of return on assets | NIL | NIL |



Sandhar Engineering Private Limited**Notes to the financial statements for the year ended 31 March 2026**

(Rupees in lakhs, except share data, per share data and unless otherwise stated)

(b) Demographic assumptions

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|-----------------------|------------------------|------------------------|
| Mortality table | IALM (2012 - 14) | IALM (2012 - 14) |
| Retirement age | 58 | 58 |
| Attrition rate | | |
| Up to 30 years | 10% | 10% |
| From 31 to 44 years | 3% | 3% |
| Above 44 years | 1% | 1% |

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

| Particulars | As at 31 March 2026 | | As at 31 March 2025 (Restated) | |
|---|---------------------|----------|-----------------------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (0.5% movement) | (18.91) | 20.16 | (9.47) | 10.22 |
| Expected rate of future salary increase (0.5% movement) | 19.71 | (18.62) | 9.24 | (8.60) |

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Gratuity expense expected to be incurred in the next year is Rs. 90.64 Lakhs (Previous Year: Rs.54.48 Lakhs).

Expected maturity analysis

| Particulars | As at 31 March 2026 | As at 31 March 2025 (Restated) |
|-------------------|---------------------|-----------------------------------|
| Less than 1 year | 33.29 | 3.48 |
| 1-2 years | 23.99 | 3.45 |
| 2-5 years | 95.89 | 43.61 |
| More than 5 years | 335.59 | 146.43 |

Other long-term employee benefits

During the year ended 31 March 2026, the Company has incurred an expense on compensated absences amounting to Rs. 22.07 Lakhs (Previous Year: Rs.69.32 Lakhs). The Company determines the expense for compensated absences basis the actuarial valuation of present value of the obligation, using the Projected Unit Credit Method.

Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

B. Defined contribution plans

During the year, the Company recognised Rs 157.40 (Previous Year Rs 160.28) for provident fund, Rs 13.49 (Previous Year 2.49) for national pension scheme, Rs 2.07 (Previous Year 17.23) for ESI and Rs 1.73 (Previous Year Rs 0.67) for Labour Welfare Fund deposited with the Government authorities and has been included under employee benefit expenses in the statement of profit and loss account.

27. Capital commitments (to the extent not provided for) and contingent liabilities

Capital commitments

| Particulars | As at 31 March 2026 | As at 31 March 2026 (Restated) |
|--|------------------------|--------------------------------------|
| Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for | 1,026.74 | 565.65 |

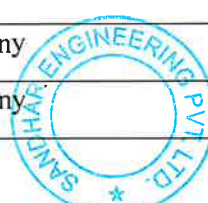
Contingent Liabilities

| Particulars | As at 31 March 2026 | As at 31 March 2026 (Restated) |
|--|------------------------|--------------------------------------|
| Claims against the company not acknowledged as debts:- | 263.18 | 263.18 |
| - Income tax matter (refer note below) | | |

Note: In respect of assessment year 2023-24, the assessment in the said case was completed at a loss of Rs.780.19 lakhs as against the returned loss of Rs. 2,313.88 lakhs vide order dated-14.03.2025 by adding back the business profit of Rs.1,533.69 lakhs on account of difference between the Turnover as per GST return and ITR return, against which an appeal is pending before CIT(A).

28. Related party disclosure

| | |
|---------------------------------|--|
| Holding Company | Sandhar Technologies Limited |
| Fellow Subsidiary Company | Sandhar Auto Castings Private Limited |
| Joint Venture of Parent Company | Sandhar Han Sung Technologies Private Limited |
| Fellow Subsidiary Company | Sandhar Auto Electric Solutions Private Limited |
| Fellow Subsidiary Company | Sandhar Automotive Systems Private Limited |
| Fellow Subsidiary Company | Sandhar Ascast Private Limited |
| Joint Venture of Parent Company | Jinyoung Sandhar Mechatronics Private Limited |
| Joint Venture of Parent Company | Kwangsung Sandhar Automotive Systems Private Limited |



Sandhar Engineering Private Limited**Notes to the financial statements for the year ended 31 March 2026****(Rupees in lakhs, except share data, per share data and unless otherwise stated)**

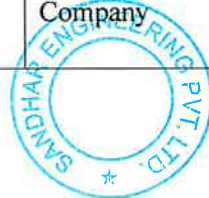
| | |
|--------------------------|--|
| Key Managerial Personnel | Mr. Niraj Hans (Whole time Director till 31.05.2025) |
| | Mr. Ankush Passi (Whole Time Director) (Appointed w.e.f. 26.05.2025) |
| | Mr. Ajay Kumar Raghav (Director till.10.06.2025) |
| | Mr. Gurvinder Jeet Singh (Director) (Appointed w.e.f. 23.04.2024) |
| | Ms. Shirin Sachdeva (Director) (Appointed w.e.f. 24.05.2025) |
| | Mr. Narender Kumar Dogra (Director till 23.04.2024) |
| | Mrs. Savita Panwar (Chief Financial Officer till 17.08.2024) |
| | Mr. Mohit Nangalia (Chief Financial Officer) (Appointed w.e.f. 07.01.2025) |
| | Mr. Abhishek Chaurasia (Company Secretary) (Appointed w.e.f. 07.05.2024) |

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

| Nature of transaction | Name of related party | Relationship | For the year ended 31.03.2026 | For the year ended 31.03.2025 (Restated) |
|---|------------------------------|-----------------|-------------------------------|--|
| Allotment of equity share capital (including share premium) | Sandhar Technologies Limited | Holding Company | 5,051.00 | 1,000.00 |
| Loan Received | Sandhar Technologies Limited | Holding Company | 1,000.00 | 375.00 |
| Interest on Loan Paid | Sandhar Technologies Limited | Holding Company | 37.93 | 306.18 |
| Purchase of Plant and Machinery | Sandhar Technologies Limited | Holding Company | 5.11 | - |
| Purchase of Materials | Sandhar Technologies Limited | Holding Company | 2,538.33 | 1,415.93 |
| Reimbursement of exp. (IT & Insurance exp.) | Sandhar Technologies Limited | Holding Company | 379.50 | 401.07 |

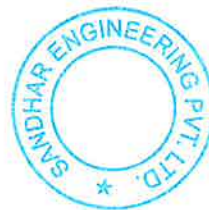
Sandhar Engineering Private Limited**Notes to the financial statements for the year ended 31 March 2026****(Rupees in lakhs, except share data, per share data and unless otherwise stated)**

| Nature of transaction | Name of related party | Relationship | For the year ended 31.03.2026 | For the year ended 31.03.2025 (Restated) |
|---|---|---------------------------------|--------------------------------------|---|
| Commission on Corporate Guarantee | Sandhar Technologies Limited | Holding Company | 70.20 | 77.83 |
| Sale of Plant and Machinery | Sandhar Technologies Limited | Holding Company | - | 4.34 |
| Sale of Materials | Sandhar Technologies Limited | Holding Company | 983.80 | 89.91 |
| Rent paid | Sandhar Technologies Limited | Holding Company | 757.73 | 1.10 |
| Reimbursement of exp. (IT & Insurance exp.) | Sandhar Auto Castings Private Limited | Fellow Subsidiary Company | 15.57 | 21.20 |
| Rent Received | Sandhar Auto Castings Private Limited | Fellow Subsidiary Company | 0.16 | 1.06 |
| Rent Received | Sandhar Han Sung Technologies Private Limited | Joint Venture of Parent Company | 11.40 | 45.61 |
| Reimbursement of exp. | Sandhar Han Sung Technologies Private Limited | Joint Venture of Parent Company | 14.98 | 54.13 |
| Purchase of Materials | Sandhar Han Sung Technologies Private Limited | Joint Venture of Parent Company | - | 0.13 |
| Rent Received | Sandhar Auto Electric Solutions Private Limited | Fellow Subsidiary Company | 5.20 | 20.78 |
| Reimbursement of exp. | Sandhar Auto Electric Solutions Private Limited | Fellow Subsidiary Company | 2.64 | 6.06 |
| Sale of Materials | Sandhar Automotive Systems Private Limited | Fellow Subsidiary Company | 5.89 | - |
| Reimbursement of exp. | Sandhar Automotive Systems Private Limited | Fellow Subsidiary Company | - | 0.14 |
| Purchase of Materials | Sandhar Ascast Private Limited | Fellow Subsidiary Company | 1,089.74 | - |
| Rent Received | Jinyoung Sandhar Mechatronics Private Limited | Joint Venture of Parent Company | - | 0.97 |



Sandhar Engineering Private Limited**Notes to the financial statements for the year ended 31 March 2026****(Rupees in lakhs, except share data, per share data and unless otherwise stated)**

| Nature of transaction | Name of related party | Relationship | For the year ended 31.03.2026 | For the year ended 31.03.2025 (Restated) |
|------------------------------|--|---------------------------------|--------------------------------------|---|
| Rent Received | Kwangsung Sandhar Automotive Systems Private Limited | Joint Venture of Parent Company | - | 0.49 |
| Reimbursement of expenses | Mr. Yatendra Singh Chauhan | Whole Time Director | - | 0.52 |
| Reimbursement of expenses | Mr. Niraj Hans | Whole Time Director | 2.56 | 9.80 |
| Reimbursement of expenses | Mr. Ankush Passi | Whole Time Director | 5.00 | - |
| Reimbursement of expenses | Ms. Savita Panwar | CFO | - | 0.11 |
| Reimbursement of expenses | Mr. Mohit Nangalia | CFO | - | 0.01 |
| Reimbursement of expenses | Mr. Abhishek Chaurasia | CS | 0.02 | 0.02 |
| Remuneration Paid | Mr. Niraj Hans | Whole Time Director | 20.26 | 124.89 |
| Remuneration Paid | Mr. Ankush Passi | Whole Time Director | 97.25 | - |
| Remuneration Paid | Mr. Upendra Bhardwaj | CFO | - | 2.74 |
| Remuneration Paid | Ms. Savita Panwar | CFO | - | 12.47 |
| Remuneration Paid | Mr. Mohit Nangalia | CFO | 22.90 | 5.95 |
| Remuneration Paid | Mr. Abhishek Chaurasia | CS | 7.56 | 5.40 |



Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

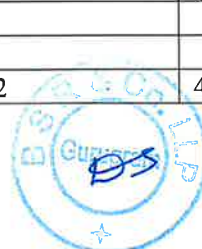
The following table provides the total amount outstanding as at year end:

| Nature of Balances outstanding | Name of related party | Relationship | Balance as at 31 March 2026 | Balance as at 31 March 2025 (Restated) |
|--------------------------------|--|---------------------------------|-----------------------------|--|
| Trade payables | Sandhar Technologies Limited | Holding Company | 470.81 | 530.37 |
| Trade Receivable | Sandhar Technologies Limited | Holding Company | 921.42 | 0.36 |
| Trade payables | Sandhar Ascst Private Limited | Fellow Subsidiary Company | 622.35 | - |
| Trade Receivable | Sandhar Auto Castings Private Limited | Fellow Subsidiary Company | 0.13 | 4.56 |
| Trade Receivable | Sandhar Han Sung Technologies Private Limited | Joint Venture of Parent Company | - | 14,61 |
| Trade Receivable | Sandhar Auto Electric Solutions Private Limited | Fellow Subsidiary Company | - | 4.01 |
| Trade Receivable | Jinyoung Sandhar Mechatronics Private Limited | Joint Venture of Parent Company | - | 0.16 |
| Trade Receivable | Kwangsung Sandhar Automotive Systems Private Limited | Joint Venture of Parent Company | - | 0.04 |
| Borrowings | Sandhar Technologies Limited | Holding Company | 1,000.00 | 2,625.00 |

29. Financial instruments- Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

| Particulars | Carrying value | Fair value | Carrying value | Fair value |
|--------------------------|---------------------|---------------------|--------------------------------|--------------------------------|
| | As at 31 March 2026 | As at 31 March 2026 | As at 31 March 2025 (Restated) | As at 31 March 2025 (Restated) |
| Financial assets | | | | |
| A. Amortised cost | | | | |
| Security deposit | 716.42 | 716.42 | 431.62 | 431.62 |



Sandhar Engineering Private Limited**Notes to the financial statements for the year ended 31 March 2026****(Rupees in lakhs, except share data, per share data and unless otherwise stated)**

| | | | | | |
|-----------|------------------------------|-----------|-----------|-----------|-----------|
| | | | | | |
| | Financial liabilities | | | | |
| B. | Amortised cost | | | | |
| | Lease Liabilities | 2,441.20 | 2,441.20 | 728.30 | 728.30 |
| | Borrowing | 11,039.79 | 11,039.79 | 10,615.94 | 10,615.94 |

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short-term maturities of these instruments. Accordingly, management has not disclosed fair values for financial instruments such as, trade payables, cash and cash equivalents, other bank balances, other financial assets, other financial liabilities etc.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors and individual creditworthiness of the customer, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments, is calculated by arriving at intrinsic value of the investee. The fair value of loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Discount rates used in determining fair value

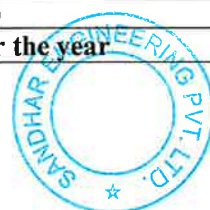
The interest rates used to discount estimated future cash flows, where applicable, are based on the discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

30. Leases

- (i) The Company has lease contracts for factory building used in its operations. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of guest house and other equipment with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.
- (ii) Impact of Ind AS 116 on the statement of profit and loss

| Particulars | For the year ended March 2026 | For the year ended March 2025 |
|--|--------------------------------------|--------------------------------------|
| Interest on lease liabilities | 81.46 | 58.49 |
| Depreciation of right-of-use assets (refer note 20) | 371.25 | 319.17 |
| Impact on the Statement of Profit and Loss for the year | 452.71 | 377.66 |



Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

(iii) Amount recognized in the statement of cash flows

| Particulars | For the year ended 31 March 2026 | For the year ended 31 March 2025 |
|--|----------------------------------|----------------------------------|
| Recognition of finance lease liabilities due to Ind AS 116 | 579.15 | 365.55 |

31. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial statements that are;

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

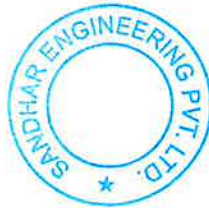
To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

All financial instruments for which fair value is recognised or disclosed 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 prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The company has an established control framework with respect to the measurements of fair values. This includes a valuation team and has overall responsibility for overseeing all significant fair value measurements and reports directly to the Chief Financial Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's audit committee.



Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

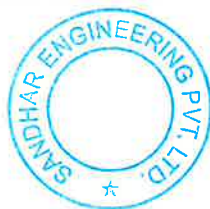
A. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2026

| Particulars | Total | Fair value measurement using | | |
|---|-----------|---------------------------------|-------------------------------|---------------------------------|
| | | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs |
| | | (Level 1) | (Level 2) | (Level 3) |
| Assets measured at amortised cost for which fair values are disclosed (refer note 29) | | | | |
| Security deposit | 716.42 | - | - | 716.42 |
| | | | | |
| Liabilities measured at amortised cost for which fair values are disclosed (refer note 29) | | | | |
| Lease Liabilities | 2,441.20 | - | - | 2,441.20 |
| Other Financial Liabilities | 614.98 | - | - | 614.98 |
| Borrowings | 11,039.79 | - | - | 11,039.79 |

B. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2025

| Particulars | Total (Restated) | Fair value measurement using | | |
|---|------------------|---------------------------------|-------------------------------|---------------------------------|
| | | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs |
| | | (Level 1) | (Level 2) | (Level 3) |
| Assets measured at amortised cost for which fair values are disclosed (refer note 29) | | | | |
| Security deposit | 431.62 | - | - | 431.62 |
| | | | | |
| Liabilities measured at amortised cost for which fair values are disclosed (refer note 29) | | | | |
| Lease Liabilities | 728.30 | - | - | 728.30 |
| Other Financial Liabilities | 6,840.01 | - | - | 6,840.01 |
| Borrowings | 10,615.94 | - | - | 10,615.94 |

During the period ended 31 March 2026 and 31 March 2025, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.



32. Segment reporting

The Company is engaged in the business of manufacturing and assembling of automotive components. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments' operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component. Further, the economic environment in which the company operates is significantly similar and not subject to materially different risk and rewards.

The operating segment of the Company is identified to be "Automotive Components" as the CODM reviews business performance at an overall Company level as one segment. Further since there is no export turnover therefore, disclosure relating to geographical segment is also not applicable.

Accordingly, as the company operates in a single business and geographical segment, the reporting requirements for primary and secondary disclosures under Indian Accounting Standard - 108 operating Segments have not been provided in the financial statements.

33. Capital management

The Board of Directors policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed, as well as the level of dividends to equity shareholders.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as Net debt divided by total equity.

The Company is having Rs.11,039.79 lakhs (Previous year Rs. 10,615.94 lakhs) borrowing as at 31 March 2026.

34. Financial risk management objectives and policies

The Company is primarily engaged in the business of designing and manufacture of electronic parts and accessories for automobiles segment. The Company's principal financial liabilities, comprises trade payables, borrowings, lease liabilities, payables for capital goods, security deposit payable, provision for interest – MSMED, interest accrued but not due on borrowings . The main purpose of these financial liabilities is to support the Company's operations. The Company's principal financial assets include cash and cash equivalents, loans, trade receivable, other financial assets that derive directly from its operations.

The Company has exposure to the following risks arising from financial instruments

- Market risk (see (b))
- Credit risk (see (c)); and
- Liquidity risk (see (d)).



Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

A. Risk management framework

The Company's activities make it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Company's senior management oversee the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

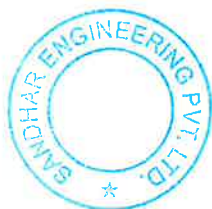
The Company's board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

| Risk | Exposure arising from | Measurement | Management of risk |
|----------------|--|---|---|
| Credit Risk | Cash and cash equivalents, Trade receivables, financial assets measured at amortised cost. | Ageing analysis, Credit ratings | Diversification of bank deposits, credit limits and letter of credit. |
| Liquidity Risk | Borrowings and liabilities | Cash flow forecasting, Sensitivity analysis | Availability of borrowing facilities. |

B. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk borrowings, short term deposits and derivative financial instruments.



Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

i) 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 not exposed to interest risk.

ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Details of unhedged foreign currency exposures

During the current year and previous year there is no unhedged foreign currency exposure.

C. 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.

Credit risk from balances with banks and financial institutions is managed by the Corporate finance department in accordance with the Company's policy.

D. Liquidity risk

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

| Particulars | Contractual cash flows | | | |
|-----------------------------|------------------------------------|------------------|-----------------|------------------|
| | Carrying value as at 31 March 2026 | 0- 1 year | 1- 5 year | More than 5 year |
| Trade payables | 13,862.35 | 13,862.35 | - | - |
| Other financial liabilities | 614.98 | 614.98 | - | - |
| Lease Liabilities | 2,441.20 | 1,104.85 | 1,866.21 | - |
| Borrowings | 11,039.79 | 8,740.12 | 2,299.67 | - |
| Total | 27,958.32 | 24,322.30 | 4,165.88 | - |



Sandhar Engineering Private Limited**Notes to the financial statements for the year ended 31 March 2026****(Rupees in lakhs, except share data, per share data and unless otherwise stated)**

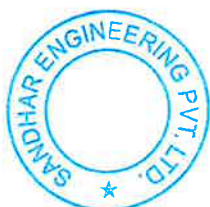
| Particulars | Contractual cash flows | | | |
|-----------------------------|---|------------------|-----------------|------------------|
| | Carrying value as at 31 March 2025 (Restated) | 0- 1 year | 1- 5 year | More than 5 year |
| Trade payables | 10,500.87 | 9,796.81 | 704.06 | - |
| Other financial liabilities | 6,840.01 | 6,840.01 | - | - |
| Lease Liabilities | 728.30 | 336.23 | 392.07 | - |
| Borrowings | 10,615.94 | 7,049.82 | 3,566.12 | - |
| Total | 28,685.12 | 24,022.87 | 4,662.25 | - |

35. Disclosure in relation to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|--|---------------------|---------------------|
| (a) The principal amount remaining unpaid to any supplier as at the end of the year | 3,199.62 | 2,016.93 |
| (b) The interest due on principal amount remaining unpaid to any supplier as at the end of the year | 6.48 | 22.11 |
| (c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year | - | - |
| - Interest paid | - | - |
| - Payment to Suppliers | 5,408.79 | 5.77 |
| (d) 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. | 40.62 | - |
| (e) Amount of Interest accrued and remaining unpaid at the end of the year | 119.02 | 71.92 |
| (f) 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 the MSMED Act. | - | - |

36. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international and domestic transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international and domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.



Sandhar Engineering Private Limited**Notes to the financial statements for the year ended 31 March 2026****(Rupees in lakhs, except share data, per share data and unless otherwise stated)****37. Business Combination**

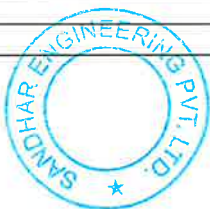
Pursuant to a Business Transfer Agreement (“BTA”) dated 1 July 2025, entered into with Sandhar Technologies Limited, the Holding Company, the Company acquired three manufacturing units engaged in the business of manufacturing automobile components. The transfer of the said manufacturing units was effected for an aggregate purchase consideration of Rs. 6,525 lakhs. The net assets acquired as at 1 July 2025 amounted to Rs. 5,994 lakhs. The resultant excess of consideration over the carrying value of net assets, amounting to Rs. 531 lakhs, has been recognised as an “Amalgamation Adjustment Deficit Account” under Other Equity.

In accordance with Appendix C to Ind AS 103 Business Combinations, the above transaction has been accounted for as a business combination under common control using the pooling of interests method. Accordingly, the assets and liabilities of the acquired units have been recognised at their respective carrying amounts as appearing in the books of the transferor in the financial statements of the company and the financial statements, including those for the comparative period (Financial Year 2024-25), have been restated as if the combination had occurred from the beginning of the comparative period presented i.e. with effect from 1 April 2024, irrespective of the actual legal date of transfer. The difference between the consideration paid and the carrying value of the net assets transferred has been appropriately adjusted in Other Equity through the Amalgamation Adjustment Deficit Account.

Consequently, the comparative financial information of prior periods has been restated as if the business combination had occurred from the beginning of the preceding financial year, i.e. 1 April 2024, irrespective of the actual date of acquisition, being 1 July 2025.

a.) The book value of assets and liabilities taken over as on 1 April 2024 are as follows:

| Particulars | Amount |
|---------------------------------|-----------------|
| Assets | |
| Non-current assets | |
| Property, plant and equipment | 2,963.00 |
| Capital work-in-progress | 9.24 |
| Other intangible assets | 1.70 |
| Financial assets | |
| - Other financial assets | 200.95 |
| Deferred Tax Asset (net) | 154.03 |
| Other non-current assets | 3.43 |
| Total non-current assets | 3,332.35 |
| | |
| Current assets | |
| Inventories | 1,125.35 |
| Financial assets | |
| - Loans | 2.26 |
| - Trade receivables | 4,484.66 |
| - Other financial assets | 1.81 |
| Other current assets | 50.36 |
| | |
| Total current assets | 5,664.44 |
| | |
| Total assets (A) | 8,996.79 |

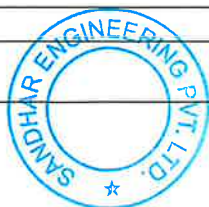


Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

| Particulars | Amount |
|--|-------------------|
| Liabilities | |
| Non-current liabilities | |
| Provisions | 113.13 |
| Total non-current liabilities | 113.13 |
| Current liabilities | |
| Financial liabilities | |
| - Trade payables | 947.51 |
| • total outstanding dues of micro enterprises and small enterprises | |
| • total outstanding dues of creditors other than micro enterprises and small enterprises | 2,202.56 |
| - Other financial liabilities | 211.66 |
| Other current liabilities | 96.15 |
| Provisions | 13.42 |
| Total current liabilities | 3,471.30 |
| Total Liabilities (B) | 3,584.43 |
| Net assets (C= A-B) | 5,412.36 |
| Purchase consideration transferred (D) | 6,525.00 |
| Net impact transferred to Amalgamation adjustment deficit account (C-D) | (1,112.64) |

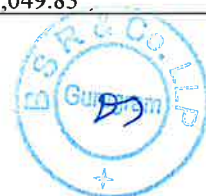
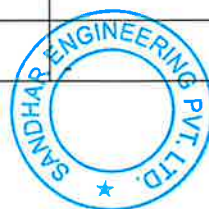
b.) Restated Balance Sheet

| Particulars | As at 31 March 2025 (Audited) | Effects of Business Combination | As at 31 March 2025 (Restated) |
|---------------------------------|-------------------------------------|---------------------------------------|--------------------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 11,154.11 | 2,876.93 | 14,031.04 |
| Capital work-in-progress | 1,290.01 | 34.50 | 1,324.51 |
| Other intangible assets | 2,217.79 | 6.96 | 2,224.75 |
| Right-of-use assets | 1,094.87 | - | 1,094.87 |
| Financial assets | | | |
| - other financial assets | 225.95 | 199.76 | 425.71 |
| Deferred tax asset (net) | 746.33 | 192.10 | 938.43 |
| Income-tax assets | 81.52 | - | 81.52 |
| Other non-current assets | 44.18 | 28.72 | 72.90 |
| Total non-current assets | 16,854.76 | 3,338.97 | 20,193.73 |



Sandhar Engineering Private Limited**Notes to the financial statements for the year ended 31 March 2026****(Rupees in lakhs, except share data, per share data and unless otherwise stated)**

| Particulars | As at 31 March 2025 (Audited) | Effects of Business Combination | As at 31 March 2025 (Restated) |
|--------------------------------------|--|--|---|
| Current assets | | | |
| Inventories | 2,024.70 | 1,286.91 | 3,311.61 |
| Financial assets | | | |
| - Loans | - | 3.23 | 3.23 |
| - Trade receivables | 2,771.88 | 4,058.90 | 6,830.78 |
| - Cash and cash equivalents | 3,454.03 | - | 3,454.03 |
| - Other bank balances | 5.01 | - | 5.01 |
| - Other financial assets | - | 6.31 | 6.31 |
| Other current assets | 645.98 | 44.61 | 690.59 |
| Total current assets | 8,901.60 | 5,399.96 | 14,301.56 |
| Total Assets | 25,756.36 | 8,738.93 | 34,495.29 |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 9,500.00 | - | 9,500.00 |
| Other equity | (3,518.38) | (974.88) | (4,493.26) |
| Total equity | 5,981.62 | (974.88) | 5,006.74 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 3,566.12 | - | 3,566.12 |
| - Lease liabilities | 392.07 | - | 392.07 |
| Provisions | 179.45 | 152.31 | 331.76 |
| Total non current liabilities | 4,137.64 | 152.31 | 4,289.95 |
| Current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 7,049.83 | | 7,049.83 |

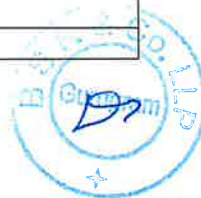
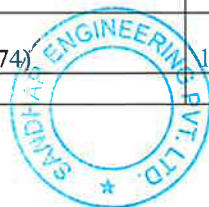


Sandhar Engineering Private Limited**Notes to the financial statements for the year ended 31 March 2026****(Rupees in lakhs, except share data, per share data and unless otherwise stated)**

| Particulars | As at 31 March 2025 (Audited) | Effects of Business Combination | As at 31 March 2025 (Restated) |
|--|-------------------------------------|---------------------------------------|--------------------------------------|
| -Lease liabilities | 336.23 | - | 336.23 |
| - Trade payables | | | |
| ● total outstanding dues of micro enterprises and small enterprises | 1,132.37 | 884.56 | 2,016.93 |
| ● total outstanding dues of creditors other than micro enterprises and small enterprises | 6,572.75 | 1,911.20 | 8,483.95 |
| - Other financial liabilities | 151.18 | 6,688.83 | 6,840.01 |
| Other current liabilities | 381.34 | 60.17 | 441.51 |
| Provisions | 13.40 | 16.74 | 30.14 |
| Total current liabilities | 15,637.10 | 9,561.50 | 25,198.60 |
| | | | |
| Total equity and liabilities | 25,756.36 | 8,738.93 | 34,495.29 |

c.) Restated Statement of Profit and Loss

| Particulars | For the year ended 31 March 2025 (Audited) | Effects of Business Combination | For the year ended 31 March 2025 (Restated) |
|---|--|---------------------------------------|---|
| REVENUE | | | |
| Revenue from operations | 39,486.33 | 31,441.37 | 70,927.70 |
| Other income | 234.05 | 102.75 | 336.80 |
| Total income (I) | 39,720.38 | 31,544.12 | 71,264.50 |
| | | | |
| EXPENSES | | | |
| Cost of materials consumed | 27,970.52 | 21,172.80 | 49,143.32 |
| Changes in inventories of finished goods and work-in-progress | (235.16) | (19.71) | (254.87) |
| Employee benefits expenses | 5,066.90 | 3,624.39 | 8,691.29 |
| Finance costs | 995.67 | 5.97 | 1,001.64 |
| Depreciation and amortisation expense | 2,117.82 | 712.37 | 2,830.19 |
| Other expenses | 3,908.37 | 4,096.07 | 8,004.44 |
| Total expenses (II) | 39,824.12 | 29,591.89 | 69,416.01 |
| | | | |
| (Loss)/ Profit before tax (III) | (103.74) | 1,952.23 | 1,848.49 |

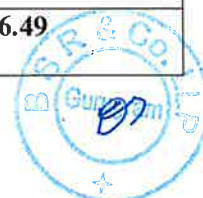
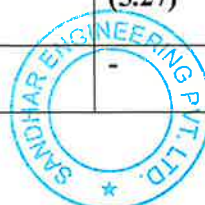


Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

| Particulars | For the year ended 31 March 2025 (Audited) | Effects of Business Combination | For the year ended 31 March 2025 (Restated) |
|--|--|---------------------------------------|---|
| Tax expense | | | |
| Current tax | - | - | - |
| Deferred tax | 118.23 | (192.10) | (73.87) |
| Total tax expense (IV) | 118.23 | (192.10) | (73.87) |
| | | | |
| (Loss)/ Profit for the year (V = III - IV) | (221.97) | 2,144.33 | 1,922.36 |
| | | | |
| Other comprehensive income (VI) | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Re-measurement gain/(loss) on defined benefit plans | (10.65) | - | (10.65) |
| Income tax relating to re-measurement gain/(loss) on defined benefit plans | 1.83 | - | 1.83 |
| Total other comprehensive loss for the year (net of tax) | (8.82) | - | (8.82) |
| | | | |
| Total comprehensive (loss)/ income for the year (VII = V-VI) | (230.79) | 2,144.33 | 1,913.54 |

d.) Restated Statement of Cash flows

| Particulars | For the year ended 31 March 2025 (Audited) | Effects of Business Combinations | For the year ended 31 March 2025 (Restated) |
|---|--|--|---|
| A. Cash flow from operating activities | | | |
| 1. (Loss)/ Profit before tax | (103.74) | 1,952.23 | 1,848.49 |
| 2. Adjustments for non-cash items | 3,003.59 | (1,277.69) | 1,725.90 |
| 3. Operating profit before working capital changes (1+2) | 2,899.85 | 674.54 | 3,574.39 |
| 4. Movements in working capital | 1,642.47 | (17.30) | 1,659.77 |
| 5. Cash generated from operations (3+4) | 4,542.32 | 691.84 | 5,234.16 |
| 6. Income tax paid (net of refund) | 53.87 | - | 53.87 |
| Net cash generated from operating activities (5-6) | 4,488.45 | 691.84 | 5,180.29 |
| | | | |
| B. Net Cash flows (used in) investing activities | (2,031.66) | (686.57) | (2,718.23) |
| C. Net Cash flows (used in) financing activities | (1,330.30) | (5.27) | (1,335.57) |
| D. Net increase in cash and cash equivalents (A+B+C) | 1,126.49 | - | 1,126.49 |



Sandhar Engineering Private Limited**Notes to the financial statements for the year ended 31 March 2026****(Rupees in lakhs, except share data, per share data and unless otherwise stated)**

| | | | |
|---|-----------------|---|-----------------|
| Cash and cash equivalents as at the beginning of year | 2,327.54 | - | 2,327.54 |
| Cash and cash equivalents as at the end of year | 3,454.03 | - | 3,454.03 |
| Cash and cash equivalents include | | | |
| Balances with banks | - | - | - |
| - In current accounts | - | - | - |
| - In cash credit accounts | 842.27 | - | 842.27 |
| Cash on hand | - | - | - |
| Deposits with original maturity of less than 3 months | 2,611.76 | - | 2,611.76 |
| Cash and cash equivalents at the end of the year | 3,454.03 | - | 3,454.03 |

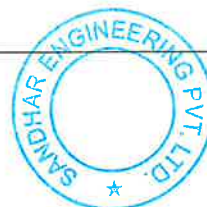
As a result of such retrospective restatement:

- Revenue from Operations for the current year (Financial Year 2025-26) includes revenue of Rs. 7,297.80 lakhs pertaining to the period 1 April 2025 to 30 June 2025 (i.e., the period prior to the actual date of business transfer, being 1 July 2025), which legally and economically accrued to, and was earned by, Sandhar Technologies Limited, the Holding Company (Transferor), in respect of the three acquired manufacturing units.
- Expenses for the current year (Financial Year 2025-26) include expenses of Rs 7,036.75 lakhs pertaining to the period 1 April 2025 to 30 June 2025, which were actually incurred by Sandhar Technologies Limited, the Holding Company (Transferor) in respect of the three acquired manufacturing units, and have likewise been incorporated in the financial statements of the Company solely on account of such retrospective restatement.

38. Additional Information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company have below transactions with struck off companies:

| Name of the struck off company | Nature of transactions with struck off companies | Balance Outstanding as at 31 March 2026 | Relationship with the struck off company |
|--------------------------------|--|---|--|
| CAS WEIGHING INDIA PVT. LTD. | Weighing machine repair & maintenance | - | Vendor |



Sandhar Engineering Private Limited

Notes to the financial statements for the year ended 31 March 2026

(Rupees in lakhs, except share data, per share data and unless otherwise stated)

- c. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- d. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- e. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- f. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g. The Company have 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).
- h. The Company is not declared as a willful defaulter by any bank of financial institution or other lender.
- i. The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- j. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- k. The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.
- l. The Company has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayments as at 31 March 2026 (as at 31 March 2025: Nil).



Sandhar Engineering Private Limited
Notes to the financial statements for the year ended 31 March 2026
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

- m. The provisions of Section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility are not applicable to the Company. Accordingly, no disclosure or expenditure on CSR activities is required for the year ended 31 March 2026 and 31 March 2025.

For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration number: 101248W/W-100022

For and on behalf of the Board of Directors of
Sandhar Engineering Private Limited



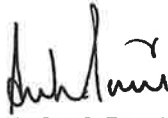
Deepesh Sharma
Partner
Membership No. 505725
Place: Gurugram
Date: 18 May 2026



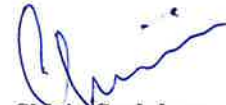
Mohit Nangalia
Chief Financial Officer
Place: Gurugram
Date: 18 May 2026



Abhishek Chaurasia
Company Secretary
ICSI M NO. A71249
Place: Gurugram
Date: 18 May 2026



Ankush Passi
Whole Time Director
DIN: 11124109
Place: Gurugram
Date: 18 May 2026



Shirin Sachdeva
Director
DIN 10501199
Place: Gurugram
Date: 18 May 2026

