

SMT ENGINEERING LIMITED

(Formerly known as Adarsh Mercantile Limited)

Corporate Identity Number (CIN): L33120WB1992PLC055082

Registered Office Address: 8a & 8b, Satyam Towers 3, Alipore Road, Kolkata West Bengal, India, 700027.

Corporate Office Address: Plot No. 23 D Sector A Sanwer Road Industrial Area, Near Parle G Biscuit Factory, Indore 452015 Madhya Pradesh, India.

Email Id: compliance@saimachinetools.com | Website: www.smtel.in | Contact Details +91 9109197950

Date: 05.09.2025

To,
The Chief General Manager
Listing Operation,
BSE Limited,
20th Floor, P. J. Towers,
Dalal Street,
Mumbai – 400 001.

Unit: SMT Engineering Ltd (Scrip code: 538563)

Subject: Submission of Annual Report for the Financial Year 2024-25

Dear Sir/Madam,

This is to inform that the Annual General Meeting ('AGM') of the Members of SMT Engineering Limited will be held through Video Conferencing (VC)/Other Audio Visual Means (OAVM) on Tuesday, the 30th day of September, 2025 at 12.30 PM (IST), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report for the financial year 2024-25 along with Notice of the AGM of the Company.

In accordance with the circulars issued by the MCA and SEBI, the Annual Report of the Company for the financial year 2024-25 along with the Notice convening AGM is being sent through electronic mode to those members of the Company whose email address are registered with the RTA/Company/Depositories; and for Members who have not registered their e-mail address, a letter containing web-link of the website where details pertaining to the entire Annual Report is hosted is being sent at the address registered in the records of RTA/Company/Depositories.

The Company is providing the facility to the Members, to exercise their right to vote through remote e-voting in respect of the resolution proposed as set-forth in the Notice through the remote e-voting facility provided by Central Depository Services (India) Limited (CDSL) during the remote e-voting period. The remote e-voting facility will be available during the following period:

- a. Day, date and time of commencement of remote e-voting: Saturday, 27th September, 2025 at 9.00 a.m. (IST).
- b. Day, date and time of end of remote e-voting: Monday, 29th September, 2025 at 5.00 p.m. (IST).

The Company has fixed Tuesday, 23rd September, 2025, as the "Cut-off Date" for identifying the members who shall be eligible for voting either through remote e-voting during the remote e-voting period and for participation in the AGM.

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The Notice of the AGM and Annual Report for FY 2024-25 can be assessed/downloaded from the Company's website at following link:

Notice of the AGM and the Annual Report for the F.Y. 2024-25	https://smtel.in/investor-relation/
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Kindly arrange to take the same on your records.

For SMT Engineering Limited
(Formerly known as Adarsh Mercantile Limited)

Ajay Jaiswal
Managing Director
DIN: 01754887



SMT ENGINEERING LIMITED
(FORMERLY KNOWN AS ADARSH MERCANTILE LIMITED)

ANNUAL REPORT **2024-2025**



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SMT ENGINEERING LIMITED
CIN: L33120WB1992PLC055082

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CORPORATE INFORMATION

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- | | | |
|----|-----------------------------|---|
| 1. | MR. ASHOK JAISWAL | NON-EXECUTIVE, NON-INDEPENDENT DIRECTOR |
| 2. | MR. AJAY JAISWAL | MANAGING DIRECTOR & CFO |
| 3. | MR. VISHAL JAISWAL | WHOLETIME DIRECTOR |
| 4. | MR. YOGESH ARVINDBHAI BHUVA | INDEPENDENT DIRECTOR |
| 5. | MR. DEEPAK VYAS | INDEPENDENT DIRECTOR |
| 6. | MS. MITWA NAYAN SHAH | INDEPENDENT WOMEN DIRECTOR |
| 7. | MR. MOHD SHANAWAZ SHEKH | COMPANY SECRETARY & COMPLIANCE OFFICER |

**All the above-mentioned Directors and Key Managerial Personnel have been appointed with effect from 07th March 2025.*

- | | | |
|-----|--------------------------|---|
| 8. | MR. SHIV SHANKAR SHARMA | CHIEF FINANCIAL OFFICER
(up to 21 st December, 2024) |
| 9. | MS. RADHIKA MAYARAMKA | COMPANY SECRETARY & COMPLIANCE OFFICER
(up to 01 st February, 2025) |
| 10. | MS. SUCHITA CHHAWCHHARIA | WHOLETIME DIRECTOR
(up to 07 th March, 2025) |
| 11. | MR. ARITRA BASU | NON-EXECUTIVE NON-INDEPENDENT DIRECTOR
(up to 07 th March, 2025) |
| 12. | MR. SUNDAR LAL MOHTA | NON-EXECUTIVE - INDEPENDENT DIRECTOR
(up to 07 th March, 2025) |
| 13. | MR. MANISH KHAITAN | NON-EXECUTIVE - INDEPENDENT DIRECTOR
(up to 07 th March, 2025) |

<u>STATUTORY AUDITORS</u>	:	M/S. NKSJ & ASSOCIATES CHARTERED ACCOUNTANTS EMBASSY BUILDING, FLAT 1B, 1 ST FLOOR, 4 SHAKESPEARE SARANI, KOLKATA - 700071
<u>REGISTRAR AND SHARE TRANSFER AGENT</u>	:	NICHE TECHNOLOGIES PRIVATE LIMITED D-511, BAGREE MARKET, 71, B. R. B. B. ROAD, 5TH FLOOR, KOLKATA, WEST BENGAL, 700001
<u>REGISTERED OFFICE</u>	:	8A & 8B, SATYAM TOWERS, 3, ALIPORE ROAD, KOLKATA, WEST BENGAL – 700027
<u>CORPORATE OFFICE</u>	:	PLOT NO. 23 D, SECTOR-A, SANWER ROAD, INDUSTRIAL AREA, NEAR PARLEG BISCUIT FACTORY, INDUSTRIAL ESTATE, INDORE, MADHYA PRADESH, 452015
<u>CORPORATE IDENTIFICATION NUMBER</u>		L33120WB1992PLC055082
<u>ISIN</u>		INE673E01018

SMT ENGINEERING LIMITED

(Formerly known as Adarsh Mercantile Limited)

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Email Id: compliance@saimachinetools.com | Website: www.smtel.in | Contact Details +91 9109197950

NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of **SMT ENGINEERING LIMITED** (Formerly known as *Adarsh Mercantile Limited*) ("the company") will be held on Tuesday the 30th day of September 2025 at 12:30 P.M. through Video Conferencing ("VC") /Other Audio-Visual Means (OAVM) in accordance with the applicable provisions of the Companies Act, 2013 read with MCA Circulars to transact the following businesses: -

ORDINARY BUSINESS: -

1. To adopt the Audited - Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the year ended 31st March, 2025 together with the reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2025, together with the reports of the Board of Directors and the Auditors thereon, be and are hereby received, considered and adopted."

2. To adopt the Audited - Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2025 together with the reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2025, together with the reports of the Board of Directors and the Auditors thereon, be and are hereby received, considered and adopted."

3. To appoint a Director in place of Mr. Ajay Jaiswal (DIN: 01754887), who Retires by Rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment

Based on the terms of appointment, Executive Directors and the Non-Executive Directors (other than Independent Directors) are subject to retirement by rotation. Mr. Ajay Jaiswal (DIN: 01754887), Managing Director, of the Company whose office is liable to retire at this Annual General Meeting, being eligible, seeks re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. Ajay Jaiswal (DIN: 01754887), Managing Director, who retires by rotation at this Annual General Meeting and being eligible for re-appointment, be and is hereby re-appointed as the Managing Director of the Company."

The information required pursuant to Regulation 36(3) of the Listing Regulations, 2015 is attached herewith as **Annexure 1(A)**.

Mr. Ajai Jaiswal, Mr. Vishal Jaiswal, Mr. Ashok Jaiswal and their relatives (Mrs. Shikha Jaiswal, Mrs. Poonam Jaiswal and Mrs. Niharika Jaiswal), being interested, shall not vote in this matter.

4. To appoint M/s Anil Kamal Garg & Company, Chartered Accountants (Firm Registration. No. 004186C) as Statutory Auditor of the Company

The Board recommended to appoint M/s Anil Kamal Garg & Company, Chartered Accountants (Firm Registration No. 004186C) as Statutory Auditor of the Company to hold office for a period of 5 (five) consecutive financial years, from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting of the Company to be held in the year 2030 on such remuneration as may be mutually agreed by and between the Board of Directors of the Company and the Auditor of the Company.

To consider and thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provision, if, any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s Anil Kamal Garg & Company, Chartered Accountants (Firm Registration. No. 004186C) be and is hereby appointed as Statutory Auditor of the Company to hold office for a period of five consecutive financial years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2030, at such fees as may be decided by the Board of Directors of the Company (or any committee thereof) in consultation with the Statutory Auditor.”

“RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to file necessary E-Forms, returns with the Registrar of Companies and/or any other statutory authority and to do all such acts, deeds and thing as may be considered necessary to give effect the above said resolution.”

SPECIAL BUSINESS: -

5. To Appoint M/s P.S. Tripathi & Associates, Practicing Company Secretaries as Secretarial Auditor of the Company

The Board recommended to appoint M/s P.S. Tripathi & Associates, Practicing Company Secretaries as Secretarial Auditor of the Company to hold office for a period of 5 (five) consecutive financial years, from financial year 2025-26 till financial year 2029-30, at such fees, plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditor.

To consider and thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 204 and other applicable provisions, if any, of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s P.S. Tripathi and Associates, Practicing Company Secretaries, (Firm Registration Number: P2011MP024200) be and is hereby appointed as Secretarial Auditor of the Company to hold office for a period of five consecutive financial years from financial year 2025-26 till financial year 2029-30, at such fees, plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditor.”

“RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to file necessary E-Forms, returns with the Registrar of Companies and/or any other statutory authority and to do all such acts, deeds and thing as may be considered necessary to give effect the above said resolution.”

6. To approve the appointment of Mr. Abhishek Kanungo (DIN: 11259823) as a Non-Executive Independent Director of the Company

To consider and if thought fit to pass the following resolution in this respect as a **special resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 16(1)(b), 17 and 25 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Section 149, 150, 152 read with schedule IV read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions of the Companies Act, 2013 & SEBI Listing Regulations 2015 (including any statutory modification(s) or enactment(s) thereof, for the time being in force), and subject to the code of conduct specified by the company for directors and senior management and upon recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for the appointment of Mr. Abhishek Kanungo (DIN: 11259823), being eligible and has submitted a declaration for his independence, as a Non-executive Independent Director of the Company to hold office for a first term of 5 (five) consecutive years, w.e.f. 01.10.2025 to 30.09.2030, without any remuneration.”

“RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to file necessary E-Forms, returns with the Registrar of Companies and/or any other statutory authority and to do all such acts, deeds and thing as may be considered necessary to give effect the above said resolution.”

7. To approve the appointment of Mr. Rajendra Saxena (DIN: 11259763) as a Non-Executive Independent Director of the Company

To consider and if thought fit to pass the following resolution in this respect as a **special resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 16(1)(b), 17 and 25 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Section 149, 150, 152 read with schedule IV read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions of the Companies Act, 2013 & SEBI Listing Regulations 2015 (including any statutory modification(s) or enactment(s) thereof, for the time being in force), and subject to the code of conduct specified by the company for directors and senior management and upon recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for the appointment of Mr. Rajendra Saxena (DIN: 11259763), being eligible and has submitted a declaration for his independence, as a Non-executive Independent Director of the Company to hold office for a first term of 5 (five) consecutive years, w.e.f. 01.10.2025 to 30.09.2030, without any remuneration.”

“RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to file necessary E-Forms, returns with the Registrar of Companies and/or any other statutory authority and to do all such acts, deeds and thing as may be considered necessary to give effect the above said resolution.”

8. To approve the appointment of Mrs. Varsha Ravindra Bhadoriya (DIN: 10292688) as a Non-Executive Independent Director of the Company

To consider and if thought fit to pass the following resolution in this respect as a **special resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 16(1)(b), 17 and 25 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Section 149, 150, 152 read with schedule IV read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions of the Companies Act, 2013 & SEBI Listing Regulations 2015 (including any statutory modification(s) or enactment(s) thereof, for the time being in force), and subject to the code of conduct specified by the company for directors and senior management and upon recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company and subject to registration under The Indian Institute of Corporate Affairs (IICA), the approval of the Members of the Company be and is hereby accorded for the appointment of Mrs. Varsha Ravindra Bhadoriya (DIN: 10292688), being eligible and has submitted a declaration for his independence, as a Non-executive Independent Director of the Company to

hold office for a first term of 5 (five) consecutive years, w.e.f. 01.10.2025 to 30.09.2030, without any remuneration.”

“RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to file necessary E-Forms, returns with the Registrar of Companies and/or any other statutory authority and to do all such acts, deeds and thing as may be considered necessary to give effect the above said resolution.”

**For SMT Engineering Limited
(Formerly known as Adarsh Mercantile Limited)**

**Date: 02.09.2025
Place: Indore**

**Ajay Jaiswal
Managing Director
DIN: 01754887**

Registered Office:

8a & 8b, Satyam Towers 3, Alipore Road, Kolkata,
West Bengal, India, 700027.

Corporate Office Address:

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CIN: L33120WB1992PLC055082

Email Id: compliance@saimachinetools.com

Website: www.smtel.in

Contact Details +91 9109197950

NOTES: (Forming part of Notice convening the Annual General Meeting of the company)

1. As per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2022 dated January 13, 2022, Circular No. 10/2022 dated December 28, 2022, Circular No. 09/2023 dated September 25, 2023, and Circular No. 09/2024 dated September 19, 2024, the forthcoming Annual General Meeting (AGM) of the Company shall be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the requirement of a physical venue. Accordingly, Members can attend and participate in the ensuing AGM and vote through VC/OAVM, without being physically present at a common venue.
2. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the MCA Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Annual General Meeting of the Company is being conducted through Video Conferencing ("VC") (hereinafter referred to as "AGM"). In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April 15th, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be considered as the deemed Venue of the AGM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05th, 2020, January 13th, 2022, December 28th 2022, September 25th 2023 and September 19th 2024, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement/arrangement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e- Voting agency and service provider. The facility of casting votes on resolutions by a member using remote e- voting as well as the e-voting system on the date of the AGM will be provided by the said CDSL.
4. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting, by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to all the shareholders, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend and participate in the AGM.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to MCA Circular No. 14/2020 dated 8th April 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, Circular No. 10/2022 dated December 28, 2022, Circular No. 09/2023 dated September 25, 2023, and Circular No. 09/2024 dated September 19, 2024, the Notice of the AGM along with the Annual Report for the financial year 2024– 2025 is being sent only through electronic mode to those members whose email addresses are registered with the Company, Depositories, or the Registrar and Share Transfer Agent (RTA). Members may please note that the Notice of the AGM and the Annual Report have been uploaded on the website of the Company at www.smtel.in. The Notice and the Annual Report for the financial year 2024– 2025 can also be accessed on the website of the Stock Exchange, i.e., BSE Limited at www.bseindia.com Additionally, the AGM Notice is available on the website of CDSL, the agency providing the remote e-voting facility and the e-voting system during the AGM, at www.evotingindia.com.
8. Members are requested to send in their queries, if any, at least ten days in advance to the Company at the Registered Office of the Company to facilitate clarifications during the Annual General meeting.
9. The register of Members and Share transfer books of the company will remain closed from Wednesday, 24th September, 2025 to Tuesday, the 30th September, 2025 (both days inclusive) for the purpose of AGM.

10. VOTING THROUGH ELECTRONIC MEANS:

THE INTRUCTIONS TO SHAREHOLDERS FOR REMOTEE-VOTING AND E-VOTING DURING AGM THROUGH VC/OAVM ARE AS UNDER:

- Step - 1** : Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step - 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- (i) The voting period begins on **Saturday, 27th September, 2025 at (09:00 A.M.)** and ends on **Monday, 29th September, 2025 at (05:00) P.M.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the voting cut-off date of **23rd September, 2025** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the annual general meeting date would not be entitled to vote again during the AGM.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders resolutions. However, it has been observed that the participation by the public, non-institutional shareholders and retail shareholders is at a low level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided by the authorities to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020; on e-Voting facility/ arrangement provided by the Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:-

Type of Shareholder	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none">1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the E-voting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting his/her vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e- Voting Service Providers, so that the user can visit the e-Voting service providers" website directly.3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e- Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under “Shareholder/Member” section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login Through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e- Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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

Login Type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022-48867000 and 022-2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) Login method for e-Voting and joining virtual annual general meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
 1. The shareholders should log on to the e-voting website www.evotingindia.com
 2. Click on “Shareholders” module.
 3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e- voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ii) After entering these details appropriately, click on “SUBMIT” tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach “Password Creation” menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for SMT Engineering Limited on which you want to vote.
- (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (viii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) Facility for Non – Individual Shareholders and Custodians –Remote Voting.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; casoumyabumb27@gmail.com or compliance@saimachinetools.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote again at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at compliance@saimachinetools.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. 10 days in advance prior to the date of annual general meeting mentioning their name, demat account number/folio number, email id, mobile number at compliance@saimachinetools.com.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending/ participating the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository

Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N.M. Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

4. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the voting eligibility cut-off date i.e. Tuesday 23rd September, 2025. A person who is not a member as on cut-off date should treat this notice for information purpose only.
5. The Company is sending through email, the AGM Notice and the Annual Report to the shareholders whose name is recorded as on Friday, the 29th August, 2025, (cut-off date for dispatch) in the Register of Members or in the Register of Beneficial Owners maintained by the RTA/depositories.
6. The shareholders shall have one vote per equity share held by them as on the voting eligibility cut-off date. The facility of e-voting would be provided once for every folio/client id, irrespective of the number of joint holders.
7. Since the Company is required to provide members with the facility to cast their vote by electronic means, shareholders holding shares either in physical or dematerialized form as on the voting eligibility cut-off date, and who have not cast their vote electronically, may cast their vote during the Annual General Meeting through the e-voting facility provided specifically for the AGM, in accordance with the procedure outlined in this Notice.
8. Investors who become members of the Company subsequent to the dispatch of the Notice/email and hold shares as on the voting eligibility cut-off date are requested to send a written request or email to the Company's Registrar and Transfer Agent (RTA) at nichetechpl@nichetechpl.com, mentioning their Folio No./DPID and Client ID, in order to obtain the login credentials (Login ID and Password) for e-voting. The RTA will make every effort to accommodate and process such requests, enabling the shareholders to participate in the e-voting process, which commences on Saturday, September 27, 2025 (09:00 A.M.) and ends on Monday, September 29, 2025 (05:00 P.M.). Mr. Soumya Bumb, Practicing Chartered Accountant, email ID casoumyabumb27@gmail.com has been appointed as the Scrutinizer to oversee the remote e-voting process and the voting/polling conducted during the AGM in a fair and transparent manner. The Scrutinizer will submit a consolidated report on the total votes cast in favour of or against each resolution to the Chairman of the Company, or to a person authorized by him in writing, who shall countersign the report and declare the results of the voting on the day of the AGM or the following day, or within such time as prescribed under the Companies Act, 2013. The results will also include the e-votes cast by members who attend the AGM through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).
9. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.smtel.in. The results will also be communicated to the Bombay Stock Exchange viz. BSE Limited (where the company's shares are listed) within 48 hours of the conclusion of the AGM or such time as permitted under the law.

For SMT Engineering Limited
(Formerly known as Adarsh Mercantile Limited)

Date: 02.09.2025

Place: Indore

Ajay Jaiswal
Managing Director
DIN: 01754887

Registered Office:

8a & 8b, Satyam Towers 3, Alipore Road, Kolkata,
West Bengal, India, 700027.

Corporate Office Address:

Plot No. 23-D, Sector-A, Sanwer Road, Industrial Area,
Near Parle G Biscuit Factory, Indore, Madhya Pradesh, India 452015.

CIN: L33120WB1992PLC055082

Email Id: compliance@saimachinetools.com

Website: www.smtel.in

Contact Details +91 9109197950

ANNEXURE TO THE AGM NOTICE

Item No. 3: Additional Information about the Directors seeking Appointment / Re-appointment, Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard issued by ICSI:

S.No.	Annexure-1(A)	
1.	Brief resume of the Director	
	Name	Ajay Jaiswal
	Designation	Managing Director
	DIN	01754887
	Age	45 Years
	Nationality	Indian
	Qualification	MBA in Marketing & Finance
	Date of First Appointment in the Board	Originally appointed on 07 th March, 2025 (further Regularized w.e.f. 12 th May, 2025)
2.	Nature of Expertise in specific functional areas	Mr. Ajay Jaiswal brings extensive experience in managing business operations, with a strong focus on enhancing organizational efficiency and performance. His expertise includes streamlining administrative processes, managing human resources, and overseeing facility operations. He has successfully led the development and implementation of operational policies and procedures that align with strategic objectives. Mr. Jaiswal is also skilled in facilitating effective cross-departmental communication, ensuring smooth collaboration across teams. Additionally, he plays a key role in financial planning, including the development and maintenance of budgets. His oversight of day-to-day operations ensures consistent and efficient business functioning.
3.	Disclosure of Relationship between Directors (Inter-se), Manager and other Key Managerial Personnel of the company	He is the brother of Mr. Vishal Jaiswal and the son of Mr. Ashok Jaiswal
4.	List of Directorship held in other companies	Chemerix Life Sciences Private Limited Sai Machine Tools Private Limited Ashoka Polyplast Private Limited SMT Global Private Limited
5.	Names of listed entities in which the person also holds the directorship	Nil
6.	Names of Listed Entities in which the person holds membership / chairmanship of Committees of the Board	Nil
7.	Names of Listed Entities from which the person has resigned in the past three years	Nil
8.	Shareholding in the Company including shareholding as a beneficial owner	As on 31 st March, 2025, Mr. Ajay Jaiswal holds 35,68,902 Equity Shares (21.60%) of the Company
9.	Terms and conditions of appointment/ re-appointment	No changes in existing terms and conditions of appointment
10.	Details of remuneration sought to be paid	
11.	Details of remuneration last drawn	
12.	In case of Independent Director: The skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	N.A.
13.	Number of Meetings of the Board attended during the year (2024-25)	1

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4: To appoint M/s Anil Kamal Garg & Company, Chartered Accountants (Firm Registration. No. 004186C) as Statutory Auditor of the Company

The Members of the Company at the Annual General Meeting ('AGM') held on September 08, 2020 approved the appointment of M/s NKSJ & Associates, Chartered Accountants (Firm Registration No. 329563E), as Statutory Auditor of the Company for a term of five consecutive years from the conclusion of the said AGM until the conclusion of Annual General Meeting of the Company to be held in the Year 2025.

Hence, M/s NKSJ & Associates, Chartered Accountants, retires as the Statutory Auditors of the Company at the conclusion of this Annual General Meeting.

Accordingly, the Board of Directors on the recommendation of the Audit Committee has recommended the appointment of M/s Anil Kamal Garg & Company, Chartered Accountants (Firm Registration No. 004186C), as Statutory Auditor of the Company for a term of five consecutive years from the conclusion of this AGM till the conclusion of the AGM to be held in the year 2030, in place of the existing retiring auditor M/s NKSJ & Associates, Chartered Accountants.

The proposed Statutory Auditors has given their consent and eligibility certificate for their appointment as the Statutory Auditors of the Company if made, would be within the limits specified under Section 141(3)(g) of the Act.

The firm is also Peer Reviewed by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the SEBI (LODR) Regulations, 2015.

Disclosure pursuant to Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

Proposed Fees Payable to Auditor	(a) Statutory Audit Fee: Rs. 75,000/- plus applicable tax (b) Reimbursement of expenses: At actuals
Terms of Appointment	To hold office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the year 2030.
Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	The audit fees have been revised from ₹35,000/- to ₹75,000/-. The increase is due to an expansion in the scope of audit activities, including the consolidation of subsidiary accounts. Additionally, the revised fee aligns with prevailing market standards for similar audit engagements.
Basis of Recommendation of Appointment	Based on the recommendation of the Audit Committee the Board recommends the appointment of M/s Anil Kamal Garg & Company, Chartered Accountants, Indore as Statutory Auditor of the Company.
Details in relation to and credentials of the auditor proposed to be appointed	M/s Anil Kamal Garg & Company is a leading firm of Chartered Accountants headquartered in Indore, Madhya Pradesh. Since its establishment in 1988, the firm has been delivering a wide spectrum of professional services to the global business community. The firm offers a comprehensive range of services in the areas of Auditing, Assurance, Attestation, Legal, and other related domains. Its clientele spans across various sectors, including private, public, governmental, autonomous, and not-for-profit organizations. Currently, the firm boasts a team of approximately 75 professionals, which includes six Chartered Accountant partners, four qualified Chartered Accountant employees, two Company Secretaries, article trainees, and a dedicated group of skilled and semi-skilled staff.

The Board, based on the recommendation of the Audit Committee, recommends the resolution for the approval of Member's as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel or their relatives are in anyway concerned or interested in financially or otherwise in the resolutions except to the extent of their shareholding, if any, in the Company.

Item No. 5: To Appoint M/s P.S. Tripathi & Associates, Practicing Company Secretaries as Secretarial Auditor of the Company

Pursuant to Regulation 24A of Listing Regulations, the appointment of Secretarial Auditors is required to be approved by the Shareholders of the Company at the Annual General Meeting and such appointment cannot be for more than two consecutive terms of 5 (five) years each.

The Board of Directors of the Company at the Board Meeting held on March 07, 2025 approved the appointment of Ms. Aakruti Somani, Practicing Company Secretary, as Secretarial Auditor of the Company for the FY 2024-25. Further she has completed her tenure.

Accordingly, the Board of Directors on the recommendation of the Audit Committee has recommended the appointment of M/s P.S. Tripathi & Associates, Practicing Company Secretaries (Firm Registration Number: P2011MP024200) as Secretarial Auditor of the Company to hold office for a period of 5 (five) consecutive financial years, from financial year 2025-26 till financial year 2029-30, in place of the existing retiring auditor Ms. Aakruti Somani, Practicing Company Secretary.

M/s. P.S. Tripathi & Associates, Practicing Company Secretaries, Indore have consented to the said appointment and confirmed that their appointment, if made, would be within the limit specified by the Institute of Companies Secretaries of India. M/s P.S. Tripathi & Associates, Practicing Company Secretaries, Indore has confirmed that the firm has not incurred any disqualification and eligible to be appointed as Secretarial Auditor of the Company in terms of Regulation 24A (1A) of SEBI Listing regulations, provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated 31 December 2024.

Further, the Company may obtain certifications and avail other permissible services under statutory regulations from M/s P.S. Tripathi & Associates, Practicing Company Secretaries, Indore, as may be required from time to time.

Disclosure pursuant to Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

Proposed Fees Payable to Auditor	a. Rs 3,00,000/- plus applicable taxes. b. Reimbursement of expenses; At actuals if any
Terms of Appointment	For 5 (five) consecutive years commencing from the financial year 2025-26 till financial year 2029-30.
Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	The audit fees have been revised from Rs. 50,000/- to Rs. 3,00,000/-. The increase is attributable to an expansion in the scope of audit activities, which now includes the issuance of additional reports and certificates. Furthermore, the revised fee is in line with prevailing market standards for similar audit assignments.
Basis of Recommendation of Appointment	Based on the recommendation of the Audit Committee the Board recommends the appointment of M/s. P.S. Tripathi & Associates, Company Secretaries, Indore as Secretarial Auditor of the Company.
Details in relation to and credentials of the auditor proposed to be appointed	The Practicing Company Secretaries, Firm M/s P.S. Tripathi & Associates, based at Indore (MP) is having two FCS Partners namely Mrs. Swati Tripathi B.Com., FCS, Insolvency Professional and Mr. Pratik Tripathi B.Sc., ACA, FCS. And having CS and LLB qualified team of professional staff. Firm is providing professional services

	<p>firm from more than 18 years and providing services and consultancy relating to Corporate Laws, Insolvency & Bankruptcy Code, Oppression Mismanagement matter, Secretarial Audit, Taxation, Corporate Planning and Restructuring, Merger –Amalgamation, FDI (FEMA), ROC, SEBI, Stock Exchange compliances, Corporate Legal Compliances, Appearance before ROC, Regional Director and National Company Law Tribunal etc.</p> <p>Presently, the firm is providing professional services and corporate legal consultancy to more than 350 plus Companies including listed companies. Regularly handling cases relating to Oppression and Mismanagement and Insolvency before NCLT. And also handled the Government Companies related assignment particularly Smart City Project of Indore, Ujjain, Gwalior, Satna and Sagar, Madhya Pradesh Venture Fund Limited and Madhya Pradesh Venture Fund Trust Limited. In the Penal of Madhya Pradesh Financial Corporation, State owned financial corporation for NCLT matters.</p>
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The Board, based on the recommendation of the Audit Committee, recommends the resolution for the Member's approval as an Ordinary Resolution

None of the Directors and Key Managerial Personnel or their relatives are in anyway concerned or interested in financially or otherwise in the resolutions except to the extent of their shareholding, if any, in the Company.

Item No. 6: To approve the appointment of Mr. Abhishek Kanungo (DIN: 11259823) as a Non-Executive Independent Director of the Company

Mr. Abhishek Kanungo who has attained the age of 44 years is proposed to appoint as an Independent Director of the Company pursuant to the applicable provisions of Companies Act, 2013 read with the Companies Rules 2024 made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactment thereof for the time being in force, not liable to retire by rotation, for a first term of 5 (five) consecutive years from 01.10.2025 to 30.09.2030 without any remuneration on the Board of the Company.

Aforesaid Independent Director proposed for appointment is not disqualified to act as Director in terms of section 164 of the Act and other applicable laws and has given their consent to act as a Director and confirmed his registration under The Indian Institute of Corporate Affairs (IICA). The Company has also received declaration from him stating that he meets the criteria of independence as prescribed under section 149(6) of the Act and under the SEBI (LODR) Regulations, 2015. The Board proposing his appointment as director and in the opinion of the Board, he fulfills the criteria of independency and the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (LODR) Regulation, 2015. The copy of draft letter of appointment setting out the terms and conditions of the appointment is available for inspection by the members at the Registered Office of the Company.

As per the terms of provisions of Regulation 25(2A), Regulation 25 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015, the appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution. Hence, Board recommends the resolution to be passed as a special resolution.

Mr. Abhishek Kanungo has given his declaration to the Board that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director, he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and is not restrained from acting as a Non-Executive Independent Director under any order passed by the Securities and Exchange Board of India or any such authority and is eligible to be appointed as a Non-Executive

Independent Director in terms of Section 164 of the Act. In the opinion of the Board, Mr. Abhishek Kanungo is a person of integrity, possesses the relevant expertise/experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as a Non-Executive Independent Director and he is independent of the management.

In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Further Mr. Abhishek Kanungo has confirmed that, he had not been a partner of a firm that had transactions during last three financial years with Company or its subsidiaries amounting to ten percent or more of its gross turnover.

The aforesaid director may be deemed to be interested in the resolution to the extent of the fee for attending the meetings as may be payable, if any, in the Company.

The information about the Directors seeking Appointment / Re-appointment, Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard issued by ICSI:

S.No.	Particulars	
1.	Brief resume of the Directors	
	Name	Abhishek Kanungo
	Designation	Independent Director
	DIN	11259823
	Age	44 Years
	Nationality	Indian
	Qualification	Diploma in Electrical Engineering
	Date of First Appointment in the Board	N.A.
2.	Nature of Expertise in specific functional areas	<p>Mr. Abhishek Kanungo is a highly experienced Electrical Engineer with over 24 years of extensive expertise in project execution, plant engineering, and maintenance within the textile industry. He has successfully led multiple greenfield and expansion projects, overseeing the complete lifecycle from design and equipment selection to commissioning and operational readiness. His core strengths lie in electrical system design, maintenance planning (including predictive and preventive maintenance), vendor management, and cost optimization through lifecycle analysis.</p> <p>He has held senior leadership positions and managed multidisciplinary teams across spinning, weaving, dyeing, and recycling units. Since 2021, he has been working independently as a consultant and audit specialist, supporting numerous reputed textile units across India. His hands-on technical knowledge, combined with strategic planning and execution capabilities, make him a valuable asset for any industrial project or operational oversight.</p>
3.	Disclosure of Relationship between Directors (Inter-se), Manager and other Key Managerial Personnel of the company	Nil
4.	List of Directorship held in other companies	Nil
5.	Names of listed entities in which the person also holds the directorship	Nil
6.	Names of Listed Entities in which the person holds membership / chairmanship of Committees of the Board	Nil

7.	Names of Listed Entities from which the person has resigned in the past three years	Nil
8.	Shareholding in the Company including shareholding as a beneficial owner	Nil
9.	Terms and conditions of appointment/ re-appointment	The term of office of appointment of Mr. Abhishek Kanungo as Independent Director is for a period of five consecutive years w.e.f. 01.10.2025. The appointment is subject to the provisions of the Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactment thereof for the time being in force. He may also serve as an Independent Director on the Board Committees as may be decided by the Board from time to time.
10.	Details of remuneration sought to be paid	Nil
11.	Details of remuneration last drawn	N.A.
12.	In case of Independent Director: The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Mr. Abhishek Kanungo is an experienced Electrical Engineer with robust experience in project execution, plant maintenance, and utility systems, primarily in the textile industry. He has led several greenfield and expansion projects from design to commissioning and has strong expertise in electrical system design, maintenance planning, vendor coordination, and cost optimization. Since 2021, he has been working independently as a consultant, providing audit and engineering support to various reputed textile units across India. His blend of technical expertise and leadership makes him a strong candidate for strategic roles in industrial operations.
13.	Number of Meetings of the Board attended during the year.	N.A.

The Board, based on the recommendation of the Nomination & Remuneration Committee, recommends the resolution for the approval of Member's as a Special Resolution.

Except Mr. Abhishek Kanungo and his relatives, none of the Directors/Key Managerial Personnel of the Company or their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding, if any, in the Company.

Item No. 7: To approve the appointment of Mr. Rajendra Saxena (DIN: 11259763) as a Non-Executive Independent Director of the Company

Mr. Rajendra Saxena who has attained the age of 69 years is proposed to appoint as an Independent Director of the Company pursuant to the applicable provisions of Companies Act, 2013 read with the Companies Rules 2024 made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactment thereof for the time being in force, not liable to retire by rotation, for a first term of 5 (five) consecutive years from 01.10.2025 to 30.09.2030 without any remuneration on the Board of the Company.

Aforesaid Independent Director proposed for appointment is not disqualified to act as Director in terms of section 164 of the Act and other applicable laws and has given their consent to act as Director and confirmed his registration under The Indian Institute of Corporate Affairs (IICA). The Company has also received declaration from him stating that he meets the criteria of independence as prescribed under section 149(6) of the Act and under the SEBI (LODR) Regulations, 2015. The Board proposing his appointment as director and in the opinion of the Board, he fulfills the criteria of independency and the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (LODR) Regulation, 2015. The copy of draft letter of

appointment setting out the terms and conditions of the appointment is available for inspection by the members at the Registered Office of the Company.

As per the terms of provisions of Regulation 25(2A), Regulation 25 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015, the appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution. Hence, Board recommends the resolution to be passed as a special resolution.

Mr. Rajendra Saxena has given his declaration to the Board that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director, he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and is not restrained from acting as a Non-Executive Independent Director under any order passed by the Securities and Exchange Board of India or any such authority and is eligible to be appointed as a Non-Executive Independent Director in terms of Section 164 of the Act. In the opinion of the Board, Mr. Rajendra Saxena is a person of integrity, possesses the relevant expertise/experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as a Non-Executive Independent Director and he is independent of the management.

In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Further Mr. Rajendra Saxena has confirmed that, he had not been a partner of a firm that had transactions during last three financial years with Company or its subsidiaries amounting to ten percent or more of its gross turnover.

The aforesaid director may be deemed to be interested in the resolution to the extent of the fee for attending the meetings as may be payable, if any, in the Company.

The information about the Directors seeking Appointment / Re-appointment, Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard issued by ICSI:

S.No.	Particulars	
1.	Brief resume of the Directors	
	Name	Rajendra Saxena
	Designation	Independent Director
	DIN	11259763
	Age	69 Years
	Nationality	Indian
	Qualification	M.A. (Economics)
	Date of First Appointment in the Board	N.A.
2.	Nature of Expertise in specific functional areas	Mr. Rajendra Saxena holds a Master of Arts (M.A.) in Economics and brings with him over 38 years of experience in the pharmaceutical and healthcare marketing sector.
		He served for 35 years with Alkem Laboratories Ltd., Mumbai, as the Regional Marketing Manager for Madhya Pradesh, where he successfully led marketing operations, built strong networks with healthcare professionals, and played a key role in expanding the company's market presence across the region.
3.	Disclosure of Relationship between	For the past 3 years, he has been working with Gynocare Services Private Limited as a Marketing Executive, continuing to demonstrate his deep understanding of the healthcare market and dedication to patient-centric outreach.
		Nil

	Directors (Inter-se), Manager and other Key Managerial Personnel of the company	
4.	List of Directorship held in other companies	Nil
5.	Names of listed entities in which the person also holds the directorship	Nil
6.	Names of Listed Entities in which the person holds membership / chairmanship of Committees of the Board	Nil
7.	Names of Listed Entities from which the person has resigned in the past three years	Nil
8.	Shareholding in the Company including shareholding as a beneficial owner	Nil
9.	Terms and conditions of appointment/ re-appointment	The term of office of appointment of Mr. Rajendra Saxena as Independent Director is for a period of five consecutive years w.e.f. 01.10.2025. The appointment is subject to the provisions of the Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactment thereof for the time being in force. He may also serve as an Independent Director on the Board Committees as may be decided by the Board from time to time.
10.	Details of remuneration sought to be paid	Nil
11.	Details of remuneration last drawn	N.A.
12.	In case of Independent Director: The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Mr. Rajendra Saxena, M.A. in Economics, brings over 38 years of rich experience in pharmaceutical and healthcare marketing. He served for 35 years with Alkem Laboratories Ltd. as Regional Marketing Manager for Madhya Pradesh, where he successfully led marketing operations, expanded market presence, and built strong networks with healthcare professionals. For the past 3 years, he has been with Gynocare Services Pvt. Ltd. as a Marketing Executive, continuing to apply his deep industry knowledge and patient-centric approach. His proven leadership, strategic insight, and strong professional relationships make him a valuable asset to any healthcare marketing initiative.
13.	Number of Meetings of the Board attended during the year.	N.A.

The Board, based on the recommendation of the Nomination & Remuneration Committee, recommends the resolution for the approval of Member's as a Special Resolution.

Except Mr. Rajendra Saxena and his relatives, none of the Directors/Key Managerial Personnel of the Company or their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding, if any, in the Company.

Item No. 8: To approve the appointment of Mrs. Varsha Ravindra Bhadoriya (DIN: 10292688) as a Non-Executive Independent Director of the Company

Mrs. Varsha Ravindra Bhadoriya (DIN: 10292688) who has attained the age of 35 years is proposed to appoint as an Independent Director of the Company pursuant to the applicable provisions of Companies Act, 2013 read with the Companies Rules 2024 made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactment thereof for the time being in force, not liable to retire by rotation, for a first term of 5 (five) consecutive years from 01.10.2025 to

30.09.2030 without any remuneration on the Board of the Company. The said appointment is subject to registration under the Indian Institute of Corporate Affairs (IICA).

Aforesaid Independent Director proposed for appointment is not disqualified to act as Director in terms of section 164 of the Act and other applicable laws and has given their consent to act as Director. The Company has also received declaration from her stating that she meets the criteria of independence as prescribed under section 149(6) of the Act and under the SEBI (LODR) Regulations, 2015. The Board proposing her appointment as director and in the opinion of the Board, she fulfills the criteria of independency and the conditions for her appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (LODR) Regulation, 2015. The copy of draft letter of appointment setting out the terms and conditions of the appointment is available for inspection by the members at the Registered Office of the Company.

As per the terms of provisions of Regulation 25(2A), Regulation 25 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015, the appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution. Hence, Board recommends the resolution to be passed as a special resolution.

Mrs. Varsha Ravindra Bhadoriya has given his declaration to the Board that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as an Independent Director, she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and is not restrained from acting as a Non-Executive Independent Director under any order passed by the Securities and Exchange Board of India or any such authority and is eligible to be appointed as a Non-Executive Independent Director in terms of Section 164 of the Act. In the opinion of the Board, Mrs. Varsha Ravindra Bhadoriya is a person of integrity, possesses the relevant expertise/experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as a Non-Executive Independent Director and she is independent of the management.

In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. Further Mrs. Varsha Ravindra Bhadoriya has confirmed that, she had not been a partner of a firm that had transactions during last three financial years with Company or its subsidiaries amounting to ten percent or more of its gross turnover.

The aforesaid director may be deemed to be interested in the resolution to the extent of the fee for attending the meetings as may be payable, if any, in the Company.

The information about the Directors seeking Appointment / Re-appointment, Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard issued by ICSI:

S.No.	Particulars	
1.	Brief resume of the Directors	
	Name	Varsha Ravindra Bhadoriya
	Designation	Independent Director
	DIN	10292688
	Age	35 Years
	Nationality	Indian
	Qualification	MSW
	Date of First Appointment in the Board	N.A.
2.	Nature of Expertise in specific functional areas	Mrs. Varsha Ravindra Bhadoriya holds a Master's degree in Social Work (MSW) and brings with her 4 years of valuable experience working in the Department of Social Justice at the Collector Office, Indore. During her tenure, she contributed actively to policy implementation and welfare initiatives aimed at empowering marginalized communities. Her background in public service and social development adds a meaningful perspective to the board's vision and decision-making processes.

3.	Disclosure of Relationship between Directors (Inter-se), Manager and other Key Managerial Personnel of the company	Nil
4.	List of Directorship held in other companies	Nil
5.	Names of listed entities in which the person also holds the directorship	Nil
6.	Names of Listed Entities in which the person holds membership / chairmanship of Committees of the Board	Nil
7.	Names of Listed Entities from which the person has resigned in the past three years	Nil
8.	Shareholding in the Company including shareholding as a beneficial owner	Nil
9.	Terms and conditions of appointment/ re-appointment	The term of office of appointment of Mrs. Varsha Ravindra Bhadoriya as Independent Director is for a period of five consecutive years w.e.f. 01.10.2025. The appointment is subject to the provisions of the Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactment thereof for the time being in force. She may also serve as an Independent Director on the Board Committees as may be decided by the Board from time to time.
10.	Details of remuneration sought to be paid	Nil
11.	Details of remuneration last drawn	N.A.
12.	In case of Independent Director: The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Mrs. Varsha Ravindra Bhadoriya brings expertise in social welfare and community development, with a strong background in government liaison and coordination with public sector bodies. She has in-depth knowledge of Corporate Social Responsibility (CSR) practices, employee welfare, and workplace inclusion. Her experience also extends to ensuring compliance with social and labor regulations, making her a valuable asset in aligning organizational practices with ethical and regulatory standards.
13.	Number of Meetings of the Board attended during the year.	N.A.

The Board, based on the recommendation of the Nomination & Remuneration Committee, recommends the resolution for the approval of Member's as a Special Resolution.

Except Mrs. Varsha Ravindra Bhadoriya and her relatives, none of the Directors/Key Managerial Personnel of the Company or their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding, if any, in the Company.

**For SMT Engineering Limited
(Formerly known as Adarsh Mercantile Limited)**

**Date: 02.09.2025
Place: Indore**

**Ajay Jaiswal
Managing Director
DIN: 01754887**

BOARD'S REPORT

To,
The Members
SMT Engineering Limited
(Formerly known as Adarsh Mercantile Limited)

Your Directors have pleasure in presenting the Annual Report together with Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2025. Further, in compliance with the Companies Act, 2013 and the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has made requisite disclosures in this Board's Report with the objective of accountability and transparency in its operations to make you aware about its performance and future perspective of the Company.

FINANCIAL HIGHLIGHTS

The financial performance on the basis of Standalone & Consolidated Financial Statements for the year ended 31st March, 2025 is summarized as below:

(Figures in Hundreds)

Particulars	Standalone		Consolidated	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Revenue from operations	7,47,272.00	2,56,249.00	21,01,844.82	2,56,249.41
Other Income	10,212.00	61,053.00	8,171.12	61,053.00
Total Income	7,57,483.00	3,17,302.00	21,10,015.94	3,17,302.41
Less: Expenditure	7,38,727.00	5,02,872.00	18,44,395.83	5,02,870.90
Profit / Loss before exceptional items	18,757.00	(1,85,569.00)	2,65,620.11	(1,85,568.49)
Exceptional Items	-	-	4,619.04	-
Profit/(Loss) before tax	18,757.00	(1,85,569.00)	2,70,239.15	(1,85,568.49)
Tax Expense – Current, Deferred & earlier years	677.00	(11,880.00)	35,721.92	(11,880.00)
Profit/(Loss) for the Year	18,080.00	(1,73,689.00)	2,34,517.23	(1,73,688.49)
Share of Profit / (Loss) of Associate Entity	-	-	12,120.00	5,804.00
Other Comprehensive income	17.00	1,62,475.00	48,986.63	2,05,387.00
Total Comprehensive income	18,097.00	1,964.00	2,95,623.86	50,680.51
Earnings per Share	0.47	(4.73)	6.35	(4.57)

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

Standalone: The Company achieved revenue from operations of Rs. 7,47,27,200/- on a standalone basis, compared to Rs. 2,56,24,900/- in the previous year. During the year under review, the company earned profits of Rs. 18,08,000/- compared to the loss of Rs. 1,73,68,900/- in the previous year. The earnings per share (EPS) increased to Rs. 0.47 from Rs. (4.73) in the last financial year.

Consolidated: The Company achieved revenue from operations of Rs. 21,01,84,482/- on a Consolidated basis, compared to Rs. 2,56,24,941/- in the previous year. During the year under review, the company earned profits of Rs. 2,46,63,723/-, compared to the loss of Rs. (1,67,88,449) in the previous year. The earnings per share (EPS) increased to Rs. 6.35 from Rs. (4.57) in the last financial year.

Your Company is making all efforts to accelerate the growth of its business. In spite of the market risk faced by your Company, your Directors are optimistic about the future prospects of the Company. A detailed review of the operations, performance of the Company and its business is given in the Management Discussion & Analysis, which forms part of the Annual Report.

CHANGE IN NATURE OF COMPANY'S BUSINESS

During the year under review, there was no change in the business activities of the Company. The Company was engaged in the trading of goods, shares, and securities, as well as in investments in mutual funds, shares, and other securities.

However, subsequent to the close of the financial year 2024-25, the members of the Company through postal ballot on May 12th, 2025, approved the change in Main Object of the Company. The revised objects are detailed in the Management Discussion and Analysis Report forming part of this Annual Report.

RESERVES

Your Directors have not transferred any amount to the credit of the General Reserve of the Company for the year ended 31st March, 2025.

DIVIDEND

The Board of Directors has chosen not to recommend the distribution of a dividend to shareholders at this time. This decision is driven by a strategic emphasis on conserving the company's financial resources.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

REVISION IN FINANCIAL STATEMENTS OR BOARD'S REPORT U/S 131(1) OF THE COMPANIES ACT, 2013

In terms of Section 131 of the Companies Act, 2013, the Financial Statements and Board's Report are in compliance with the provisions of Section 129 or Section 134 of the Companies Act, 2013 and that no revision has been made during any of the three preceding financial years.

ANNUAL RETURN

The Annual Return of the Company as on 31st March 2025 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at www.smtel.in.

MATERIAL CHANGES AND COMMITMENTS

During the year under review, the Company issued equity shares on a preferential basis on March 26th, 2025. The allotment was made to non-promoter public category investors for cash consideration and to certain non-promoters for consideration other than cash, through a share swap arrangement involving 100% of the equity share capital of M/s Sai Machine Tools Private Limited (“SMTPL”) (CIN: U28939MP1989PTC005207). As a result of this share swap under the said preferential allotment, SMTPL became a wholly owned subsidiary of the Company.

Furthermore, SMTPL holds 100% of the equity share capital of M/s Chemerix Life Sciences Private Limited (“CLSPL”) (CIN: U24230RJ2022PTC083509). Accordingly, CLSPL has become a step-down subsidiary of the Company. Consequently, both SMTPL and CLSPL have been included in the consolidated financial statements of the Company.

Additionally, pursuant to a Share Purchase Agreement dated February 06th, 2025, and in compliance with the applicable SEBI regulations, the majority equity shareholding in the Company was transferred from the existing promoters to the new promoters, as disclosed in the Shareholding Pattern submitted to the Bombay Stock Exchange for the quarter ended 31st March, 2025, and 30th June, 2025, respectively. Additionally, in accordance with the open offer and applicable SEBI regulations, the remaining equity shareholding of the erstwhile promoters has been reclassified under the “Public” category.

During the year under review, the Company fully divested its stake in its associate company, Avon Credit Private Limited. Further details of this disinvestment are provided in Annexure AOC-1, which forms part of this Report.

Subsequent to the close of the financial year 2024-25, the members of the Company through postal ballot on May 12th, 2025, approved the following amendments to the Memorandum of Association (MOA) of the Company:

- a. Change in name of the Company from *Adarsh Mercantile Limited* to *SMT Engineering Limited*. The change has been duly approved and updated in the records of both the Ministry of Corporate Affairs (MCA) and the Bombay Stock Exchange (BSE).
- b. Shifting of the Registered office of the Company from the State of *West Bengal* to the state of *Madhya Pradesh*.
- c. Amendment in the Main Object of the Company. The revised objects are detailed in the Management Discussion and Analysis Report forming part of this Annual Report.

Furthermore, there have been no other material changes or commitments occurring between the end of the financial year and the date of this Report that would affect the financial position of the Company.

CHANGE IN CAPITAL STRUCTURE

During the year under review, the capital structure of the Company was increased as detailed below:

- a. Increase in Authorized Share Capital:

The Authorized Share Capital of the Company was increased from ₹4,00,00,000 (Rupees Four Crores only), divided into 40,00,000 (Forty Lakhs) Equity Shares of ₹10 (Rupees Ten only) each, to ₹17,00,00,000 (Rupees Seventeen Crores only), divided into 1,70,00,000 (One Crore Seventy Lakhs) Equity Shares of ₹10 (Rupees Ten only) each. The new shares rank *pari passu* in all respects with the existing Equity Shares of the Company, as per the Memorandum and Articles of Association.

b. Preferential Allotment (Non-Cash Consideration):

A preferential allotment was made to non-promoters for 94,64,134 (Ninety-Four Lakhs Sixty-Four Thousand One Hundred and Thirty-Four) Equity Shares of ₹10 (Rupees Ten only) each at a price of ₹29 (Rupees Twenty-Nine only) per share, aggregating up to ₹27,44,59,886 (Rupees Twenty-Seven Crores Forty-Four Lakhs Fifty-Nine Thousand Eight Hundred and Eighty-Six only). The allotment was made for consideration other than cash, through a share swap towards the acquisition of 1,26,120 Equity Shares, representing 100% shareholding in Sai Machine Tools Private Limited.

c. Preferential Allotment (Cash Consideration):

A preferential allotment was also made to non-promoter public investors for 33,80,866 (Thirty-Three Lakhs Eighty Thousand Eight Hundred and Sixty-Six) Equity Shares of ₹10 (Rupees Ten only) each at a price of ₹67 (Rupees Sixty-Seven only) per share, aggregating to ₹22,65,18,022 (Rupees Twenty-Two Crores Sixty-Five Lakhs Eighteen Thousand and Twenty-Two only), for cash.

Further, during the year under review, the Company did not issue any shares under employee stock option schemes, sweat equity shares, or equity shares with differential rights as to dividend, voting, or otherwise. Additionally, the Company did not undertake any buyback of its securities during the year.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Information related to Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo as required under section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 are annexed to this report as “**Annexure-A**”.

RISK MANAGEMENT

Your Director's have adopted a Risk Management Policy for the Company. The Audit Committee and the Board of Directors of the Company reviewed the risks, if any, involved in the Company from time to time, and took appropriate measures to minimize the same. The Audit Committee ensures that the Policy for Risk Management is adopted across the Company in an inclusive manner. Policy is available on the Company's website at www.smtel.in.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the remuneration and other details is being annexed to this report as “**Annexure-B**”.

Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing details prescribed under rule 5(3) of the said rules, which form part of the Directors' Report, will be made available to any member on request, as per provisions of section 136(1) of the Act.

COMMISSION RECEIVED BY DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANY

During the year under review, the Company does not have holding company and no commission received by Directors of Company from the subsidiary company, therefore, disclosure under Section 197 (14) of the Companies Act, 2013 is not applicable.

CODE OF CONDUCT AS PER SEBI (LODR) REGULATIONS, 2015

The Board of Directors has laid down The Amended Code of Conduct for all Board Members and Senior Management Personnel as per Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 of the Company. Additionally, all Independent Directors of the company shall be bound by duties of Independent Directors as set out in Companies Act, 2013 to be read with SEBI Listing Regulations, 2015. The Code is displayed on the Company's website: www.smtel.in.

All Board Members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director cum Chief Financial Officer is annexed as “Annexure-C”.

CODE OF CONDUCT AS PER SEBI (PREVENTION OF INSIDER TRADING) REGULATIONS, 2015

The Board of Directors has laid down the Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information as per Regulation 8(1) of SEBI (Prevention of Insider Trading) Regulations, 2015 & Code of Conduct to Regulate, Monitor and Report trading by the Designated Persons as per Regulation 9(1) of SEBI (Prevention of Insider Trading) Regulations, 2015.

SECRETARIAL STANDARDS

The Board of Directors of the Company state that, during the year under review the applicable Secretarial Standards, relating to Board Meetings and General Meetings respectively have been duly followed by the Company.

INDIAN ACCOUNTING STANDARDS (IND AS) - IFRS CONVERGED STANDARDS

Your Company adopted IND-AS pursuant to the Ministry of Corporate Affairs' notification dated 16 February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015. The Financial Statements which are part of the Annual Report are being prepared as per the Companies (Indian Accounting Standard) Rules, 2015.

DIRECTOR'S & KEY MANAGERIAL PERSONNEL (KMP)

Composition of Board & Key Managerial Personnel

As on March 31, 2025, the Board of Directors of the Company comprised a balanced mix of Executive and Non-Executive Directors, including Independent Directors, thereby ensuring strong governance and effective decision-making. The composition of the Board and Key Managerial Personnel as on the said date was as follows:

1. Mr. Ashok Jaiswal	Non-Executive, Non-Independent Director
2. Mr. Ajay Jaiswal	Managing Director & CFO
3. Mr. Vishal Jaiswal	Wholetime Director
4. Mr. Yogesh Arvindhbai Bhuvra	Independent Director
5. Mr. Deepak Vyas	Independent Director
6. Ms. Mitwa Nayan Shah	Independent Women Director
7. Mr. Mohd Shanawaz Shekh	Company Secretary & Compliance Officer

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the relevant provisions of the Companies Act, 2013. All the Directors possess requisite qualifications and experience in general corporate management, operations, technical expertise, strategy, governance, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

The Independent Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employees is stated on website of the Company i.e. www.smtel.in.

INDEPENDENT DIRECTORS

All the Independent Directors of the Company have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed there under and Regulation 16(1)(b) of the Listing Regulations and they continue to comply with the Code of Conduct laid down under Schedule IV of the Act.

In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based upon the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 & Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations that they are independent of the management and complied with the code for independent directors prescribed in Schedule IV to the Companies Act, 2013.

Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, the Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

RETIREMENT BY ROTATION

Pursuant to Section 149(13) of the Companies Act, 2013, the Independent Directors are not liable to retire by rotation. Further Section 152(6) of the Companies Act, 2013 stipulates that 2/3rd of the total number of directors of the public company should be liable to retire by rotation and out of such directors, 1/3rd should retire by rotation at every Annual General meeting of the Company. To meet the requirement of provisions of Section 152(6) of the Companies Act, 2013, Mr. Ajay Jaiswal (DIN: 01754887), Managing Director will

be retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment to the Board of Directors of the Company at the ensuing Annual General Meeting.

CHANGES IN KEY MANAGERIAL PERSONNEL

During the year under review, the following Directors and Key Managerial Personnel (KMPs) were appointed with effect from March 7, 2025, and their appointments were subsequently regularised by the members through a postal ballot on May 12, 2025.

1. Mr. Ashok Jaiswal as, Non-Executive, Non-Independent Director of the Company.
2. Mr. Ajay Jaiswal as the Managing Director & Chief Financial Officer of the Company for a tenure of three years, commencing from March 07th, 2025 to March 06th, 2028.
3. Mr. Vishal Jaiswal as a Wholetime Director of the Company for a tenure of three years, commencing from March 07th, 2025 to March 06th, 2028.
4. Mr. Yogesh Arvindbhai Bhuvra as an Independent Director of the Company, for a term of five years commencing from March 07th, 2025 to March 06th, 2030.
5. Mr. Deepak Vyas as an Independent Director of the Company, for a term of five years commencing from March 07th, 2025 to March 06th, 2030.
6. Ms. Mitwa Nayan Shah as an Independent Director of the Company, for a term of five years commencing from March 07th, 2025 to March 06th, 2030.
7. Mr. Mohd Shanawaz Shekh as the Company Secretary & Compliance Officer

Further, the following Directors and KMP's resigned during year under review:

1. Mr. Shiv Shankar Sharma, Chief Financial Officer, passed away on December 21st, 2024. The Board expresses its deepest condolences and places on record its appreciation for his valuable contributions to the Company.
2. Ms. Radhika Mayaramka, Company Secretary & Compliance Officer, resigned with effect from February 01st, 2025.
3. Ms. Suchita Chhawchharia, Whole-time Director, resigned with effect from March 07th, 2025.
4. Mr. Aritra Basu, Non-Executive, Non-Independent Director, ceased to be a Director with effect from March 07th, 2025.
5. Mr. Sundar Lal Mohta, Non-Executive, Independent Director, ceased to be a Director with effect from March 07th, 2025.
6. Mr. Manish Khaitan, Non-Executive, Independent Director, ceased to be a Director with effect from March 07th, 2025.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations u/s 149(7) of the Companies Act, 2013 from Independent Directors confirming they meet the criteria of independence as prescribed under Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPOSITION OF COMMITTEES

As required under the Regulation 18, 19 and 20 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Companies Act, 2013, and the Company has constituted the following statutory committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders Relationship Committee

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

NOMINATION & REMUNERATION POLICY

The company has a Nomination, Remuneration and Evaluation Policy under section 178 of the Companies Act 2013 and available at the website of the company at. www.smtel.in.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has framed Familiarization Programme for Independent Directors pursuant to Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and uploaded the same on the website of the Company. The web link to access the aforesaid programme is www.smtel.in.

MEETINGS

During the financial year ended on March 31, 2025, 07 (Seven) Board Meetings were held on May 30, 2024, August 09, 2024, November 07, 2024, January 08, 2025, February 06, 2025, March 07, 2025 and March 26, 2025. Further, details of the meetings of the Board and its Committees are given in the Corporate Governance Report, which forms part of the Annual Report and the intervening gap between meetings were within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. The necessary quorum was present for all the meetings.

AUDITORS REPORT

The observations of the auditors are self-explanatory and therefore, do not call for any further comments.

[A] STATUTORY AUDITOR

M/s NKSJ & Associates, Chartered Accountants (Firm Registration No. 329563E), were appointed as the Statutory Auditor of the Company for a term of five consecutive financial years, to hold office until the conclusion of the Annual General Meeting (AGM) for the financial year 2024-25. Their term shall accordingly conclude at the ensuing AGM.

Based on the recommendation of the Audit Committee, the Board of Directors proposes the appointment of M/s Anil Kamal Garg & Company, Chartered Accountants (Firm Registration No. 004186C), as the Statutory Auditor of the Company for a term of five consecutive financial years, from the conclusion of the forthcoming AGM until the conclusion of the AGM to be held in the year 2030. M/s Anil Kamal Garg & Company have confirmed their eligibility and given their consent to act as Statutory Auditors, if appointed. The Board recommends their appointment for approval by the members at the ensuing Annual General Meeting.

The Report given by the Auditor on the financial statements of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditor in their report. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Companies Act, 2013.

[B] SECRETARIAL AUDITOR

The Board of Directors had appointed Ms. Aakruti Somani, Practicing Company Secretary (COP No. 20395), as the Secretarial Auditor of the Company in accordance with the provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She conducted the Secretarial Audit and prepared the Annual Secretarial Compliance Report for the financial year 2024-25. The Secretarial Audit Report is annexed to this Report as “**Annexure-D**”. The Report is self-explanatory and does not contain any qualification, reservation, adverse remark, or disclaimer.

Based on the recommendation of the Audit Committee, the Board of Directors proposes to appoint M/s P.S. Tripathi & Associates, Practicing Company Secretaries (Firm Registration No. P2011MP024200) as the Secretarial Auditor of the Company for a term of five consecutive financial years, from the financial year 2025-26 to 2029-30. M/s P.S. Tripathi & Associates have confirmed their eligibility and have given their consent to act as Secretarial Auditor, if appointed. The Board recommends their appointment for approval by the members at the ensuing Annual General Meeting.

Further, in compliance with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Audit Report of the Company's material subsidiary, Sai Machine Tools Private Limited, as issued by Mrs. Archana Maheshwari, Proprietor of M/s Archana Maheshwari & Company, is annexed herewith as 'Annexure-D'.

[C] INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the rules made thereunder, the Board had appointed M/s NST & Associates, Chartered Accountants, as the Internal Auditors of the Company for the financial year 2024-25. The Internal Auditors have submitted their report to the Audit Committee for its review.

The Company has in place an internal control system that is commensurate with the size, scale, and complexity of its operations. The scope and authority of the internal audit function are defined by the Audit Committee, which delegates the responsibility to the Internal Auditor while ensuring the objectivity and independence of the function.

The Internal Auditor reports functionally to the Chairperson of the Audit Committee and administratively to the Chairperson of the Board. The Internal Auditor is responsible for monitoring and evaluating the adequacy and effectiveness of the internal control systems, and for ensuring compliance with operational procedures, accounting policies, and regulatory requirements across all locations of the Company. Any deficiencies or areas of concern identified are promptly communicated to the management for corrective action.

[D] COST RECORD AND COST AUDIT

During the year under review, the Company was not required to maintain cost records or conduct a cost audit as prescribed under Section 148(1) of the Companies Act, 2013.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATES

During the year under review, the Company fully divested its stake in its associate company, Avon Credit Private Limited, and accordingly, it ceased to be an associate company.

Further, as of 26th March, 2025, M/s Sai Machine Tools Private Limited (“SMTPL”) (CIN: U28939MP1989PTC005207) became a subsidiary of the Company. Consequently, M/s Chemerix Life Sciences Private Limited (CIN: U24230RJ2022PTC083509), a subsidiary of SMTPL, became a step-down subsidiary of the Company.

In accordance with Section 129(3) of the Act read with Rule 8(1) of Companies (Accounts) Rules, 2014, the Consolidated Financial Statements of the Company and its subsidiary and associate have been prepared by the Company and a separate statement containing the salient features of the financial statement of its subsidiary and associate company in form AOC-1 is attached as “Annexure – E” to this Annual Report.

In terms of provisions of Section 136 of the Act, separate audited accounts of the subsidiary company shall be available on Company’s website at www.smtel.in. The Company will make available physical copies of these documents upon request by any shareholder of the Company interested in obtaining the same and are available for inspection by any Member of the Company at the Registered Office of the Company.

CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

All the contracts, arrangements or transactions entered into during the year under review by the Company with related parties were in ordinary course of business and on an arm’s length basis. Prior omnibus approval is obtained for related party transactions (RPT’s) which are of a repetitive nature and entered in the Ordinary Course of Business and are at Arm’s Length. A statement on RPTs specifying the details of the transactions, pursuant to each omnibus approval granted, has been placed on quarterly basis for review by the Audit Committee.

Since all the Related Party Transactions that were entered into during the financial year were on arm’s length basis and in ordinary course of business. Therefore, the provisions of Section 188 of the Act are not applicable. Thus, the disclosure in Form AOC-2 is not required. Further, there are no materially significant Related Party Transactions during the year under review made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

As per the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has framed a policy on dealing with RPTs which can be accessed on the Company’s website at www.smtel.in. This Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions with the Related Parties.

PUBLIC DEPOSIT

Your Company has neither invited nor accepted any deposit from the public during the year under review and hence directives issued by Reserve Bank of India and the provisions of Chapter V (Acceptance of Deposits by Companies) of the Companies Act, 2013 and rules framed there under are not applicable for the year.

However, there are unsecured loans from a Director/Promoter of the Company amounting to Rs. 10.00 Lakh as on 31.03.2025, more clearly defined in Notes of the financial statements.

APPLICABILITY & PROCEEDING PENDING UNDER INSOLVENCY & BANKRUPTCY ACT, 2016 & THEIR STATUS

There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

DIFFERENCE IN VALUATION DONE AT ONE TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM BANKS & FINANCIAL INSTITUTIONS

There was no one time settlement of loan taken from Banks or any Financial Institutions. Hence, the difference in valuation does not arise.

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

In reference to “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013,” we would like to clarify that our Company does not fall under the applicability of the said Act based on the nature and structure of our organization. Accordingly, the constitution of an Internal Complaints Committee (ICC) is not mandated under the current legal framework.

However, the Company maintains a zero-tolerance policy towards any form of sexual harassment or inappropriate behavior at the workplace and is committed to ensuring a safe, respectful, and inclusive work environment for all employees.

STATEMENT WITH RESPECT TO COMPLIANCE OF THE PROVISIONS RELATING TO MATERNITY BENEFIT ACT 1961

During the year under review, the Company did not fall under the applicability of the Maternity Benefit Act, 1961, as the number of employees in the organization was below the threshold prescribed under the Act.

However, the Company remains committed to upholding employee welfare and ensuring a supportive and inclusive work environment, and voluntarily considers employee needs where applicable.

DISCLOSURE OF VOTING RIGHTS NOT EXERCISED

The Company has not made any provision of money for the purchase of, or subscription for, shares in the Company, if the purchase of, or the subscription for, the shares by trustees is for the shares to be held by or for the benefit of the employees of the Company and accordingly the disclosure under the provisions of Rule 16(4) of Chapter IV (Share Capital and Debentures) of the Companies Act, 2013 is not applicable for the year.

PROVISION OF VOTING BY ELECTRONIC MEANS:

Your Company is providing E-voting facility under Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. The details regarding e-voting facility is being given with the notice of the AGM Meeting.

ENHANCING SHAREHOLDER VALUE

Your Company firmly believes that its success in the marketplace and a good reputation are among the primary determinants of value to the shareholder. The organizational vision is founded on the principles of

good governance and by the resolve to be a customer-centric organization which motivates the Company's Management to be aligned to deliver leading-edge building products backed with dependable after sales services. Your Company is committed to creating and maximizing long term value for shareholder and essentially follows a four-pronged approach to achieve this end.

- a. By increasing all round operational efficiency,
- b. By identifying strategies that enhance its competitive advantage,
- c. By managing risks and pursuing opportunities for profitable growth
- d. By cementing relationships with other important stakeholder groups through meaningful engagement processes and mutually rewarding associations that enable it to create positive impacts on the economic, societal and environmental dimensions of the Triple Bottom Line.

Underlying this is also a dedication to value-friendly financial reporting that assures the shareholder and investor of receiving transparent and unfettered information on the Company's performance.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As on March 31, 2025, there were no outstanding guarantees covered under the provisions of Section 186 of the Act. The details of changes in the Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

PERFORMANCE EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the following manners;

- The performance of the board was evaluated by the board after seeking inputs from all the directors, on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.
- The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committees meetings, etc.
- The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meeting like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.
- In addition, the chairman was also evaluated on the key aspects of his role.

The Company has adopted a Code of Conduct for its employees including the Managing Director, Non-Executive Directors which includes Independent Directors. The same can be accessed on the website of the Company at www.smtel.in.

CORPORATE SOCIAL RESPONSIBILITY

The Company does not qualify under the criteria as prescribed to adopt the corporate social responsibility.

MD & CFO CERTIFICATION

In accordance with the provisions of Regulation 17(8), read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company, being the same individual, has issued a certificate certifying the authenticity of the Financial Statements for the financial year 2024-25. The certificate confirms that the Financial Statements present a true and fair view of the affairs of the Company. The said certificate, dated 16th June 2025, was placed before the Board at its meeting held on the same day and was reviewed and taken on record. A copy of the certificate is attached as “**Annexure – F**” to this Annual Report. As the Company does not have a separate Chief Executive Officer (CEO), the certificate has been duly issued by the Managing Director cum Chief Financial Officer.

CORPORATE GOVERNANCE

Your Company has been practicing the principles of good corporate governance and is committed to maintain high standards of the corporate ethics and professionalism. The tenets of inclusiveness and transparency are integral part of our corporate governance practices.

In compliance with the provisions of Regulations 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a report on Corporate Governance is available as a separate section in this Annual Report.

A certificate pursuant to Para E Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from Mr. Anand Khaldelia, Practicing Company Secretary, regarding compliance of conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as “**Annexure – G**” to this Report.

CERTIFICATE FROM PRACTICING COMPANY SECRETARY OF NON-DISQUALIFICATION OF DIRECTORS

The Company has obtained a certificate from Mr. Anand Khaldelia, Practicing Company Secretary, in accordance with the provisions of Regulation 34(3) and Schedule V Para C Clause (10)(i) of LODR Regulations, 2015 confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA) or any such statutory authority and the same is annexed hereto as “**Annexure – H**”.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the provisions of Regulation 34(2)(e) read with Para B Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management’s Discussion and Analysis Report on Company’s performance - industry trends and other material changes with respect to the Company and its subsidiary, wherever applicable, forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, the Directors state that;

- a) In the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards have been followed and there are no material departures from the same.

- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March 2025 and of the profit of the Company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SIGNIFICANT /MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

INTERNAL FINANCIAL CONTROLS

The Company has a proper internal control system, which provides adequate safeguards and effective monitoring of the transactions and ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition. The Audit Committee of the Company comprising majority of Independent Directors regularly reviews the audit plans, adequacy of internal control as well as compliance of accounting standards. Also the CFO has the responsibility for establishing and maintaining internal controls for financial reporting and that they also have the overall responsibility to evaluate the effectiveness of internal control systems of the company pertaining to financial reporting and they have to disclose to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify the deficiencies.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which requires the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Companies Act, 2013 and rules framed thereunder.

LISTING ON STOCK EXCHANGES

The Equity shares of the Company are listed on BSE Limited (BSE) and necessary listing fees have been paid up to date.

DEMATERIALIZATION:

The Company's shares are presently held in both electronic and physical modes.

DESIGNATED PERSON FOR THE PURPOSE OF DECLARATION OF BENEFICIAL INTEREST

The Company has appointed the Managing Director and the Company Secretary of the Company, as Designated Person for the purpose of declaration of beneficial interest in the shares of the Company pursuant to provision of Rule 9(4) of Companies (Management and Administration) Rules, 2014 as amended by MCA vide Notification dated 27th October, 2023.

HUMAN RESOURCES

Your Company treats its “Human Resources” as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people’s attention are currently underway. Your Company thrust is on promoting of talent internally through job rotation and job enlargement.

INDUSTRIAL RELATIONS

Company's Industrial relations continued to be healthy, cordial and harmonious during the period under review.

VIGIL MECHANISM

The Company has established a vigil mechanism, incorporating a whistle blower policy in lines with the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in order to protect the interest of the employees and executives in reporting their grievances in a protected manner. It also provides for the protection against victimization of directors and employees who avail this mechanism and allows direct communication with the Chairperson of the Audit Committee, in certain appropriate and exceptional circumstances. The policy on vigil mechanism may be accessed on the Company's website www.smtel.in.

ACKNOWLEDGEMENT

Your Director’s wish to place on record their appreciation for the contribution made by employees at all levels to the continued growth and prosperity of your Company. Yours directors also take the opportunity to offer thanks to all the stakeholders for their wholehearted and continued support, assistance and co-operation which had always been a source of strength for the Company. Without this appreciable support it would not have been possible for the company to stands in competitive market, therefore company seeks this support in future too.

**For SMT Engineering Limited
(Formerly known as Adarsh Mercantile Limited)**

**Date: 02.09.2025
Place: Indore**

**Vishal Jaiswal
Wholetime Director
DIN: 01741062**

**Ajay Jaiswal
Managing Director
DIN: 01754887**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE
EARNINGS AND OUTGO**

[Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies
(Accounts) Rules, 2014]

S.No.	Particulars	Comments
(A) Conservation of Energy		
(i)	The steps taken or impact on conservation of energy	-
(ii)	The steps taken by the Company for utilizing alternate sources of energy	-
(iii)	The capital investment on energy conservation equipment	-
(A) Technology Absorption		
(i)	The efforts made towards technology absorption	
(ii)	The benefit derived like product improvement, cost reduction, product - development or import substitution	-
(iii)	In case of imported technology (imported during the last three years reckoned - from the beginning of the financial year)	-
	a. The details of technology imported	-
	b. The year of import	-
	c. Whether the technology been fully absorbed	-
	d. If not fully absorbed, areas where absorption has not taken place, and - the reason thereof	-
	e. The expenditure incurred on Research and Development	-
(C) Foreign exchange earnings and Outgo		
(i)	Foreign Exchange Earning	-
(ii)	Foreign Exchange Outgo	-

**For SMT Engineering Limited
(Formerly known as Adarsh Mercantile Limited)**

**Date: 02.09.2025
Place: Indore**

**Vishal Jaiswal
Wholetime Director
DIN: 01741062**

**Ajay Jaiswal
Managing Director
DIN: 01754887**

ANNEXURE-B

I. Disclosure pursuant to Section 197(12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the year ended 31st March, 2025 and Percentage increase/(decrease) in the remuneration:

Name of the Director and Key Managerial Personal	Designation	Remuneration (In Hundreds)	% Increase in remuneration from previous year	Ratio (Remuneration of Director to Median Remuneration)
Mrs. Suchita Chhawchharia*	Executive Director	1650	(8.33) %	1.72
Mr. Shiv Shankar Sharma**	Chief Financial Officer	2908	(46.35) %	3.03
Ms. Radhika Mayaramka***	Company Secretary	1600	N.A.	1.67

* Ms. Suchita Chhawchharia, Whole-time Director, resigned with effect from March 07th, 2025.

**Mr. Shiv Shankar Sharma, Chief Financial Officer, passed away on December 21st, 2024. The Board expresses its deepest condolences and places on record its appreciation for his valuable contributions to the Company.

***Ms. Radhika Mayaramka, Company Secretary & Compliance Officer, resigned with effect from February 01st, 2025.

Note:

- No other Director other than the Executive Director received any remuneration during the financial year 2024-25.
- The median remuneration of employees of the Company during the financial year was Rs. 96,000/- compared to the previous year was Rs. 96,000/-;
- In the financial year, there was no change in the median remuneration of employees; There were 3 permanent employees on the rolls of Company as on March 31st, 2025;
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was Nil and its comparison with the percentile increase in the managerial remuneration was Nil. There are no exceptional circumstances for increase in the managerial remuneration
- It is hereby affirmed that the remuneration paid during the year ended March 31st, 2025 is as per the Remuneration Policy of the Company.

II. STATEMENT PURSUANT TO RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Names of the top ten employees in terms of remuneration drawn and the name of every employee, who:

- If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 1,02,00,000/- (Rupees One Crore and Two Lakhs): **None**

- b. If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs. 8,50,000/- (Rupees Eight Lakh and Fifty Thousand) per month: **None**
- c. If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% (two percent) of the equity shares of the company: **None**
- d. Names of the employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month: **None**

Name of the Employee	Designation	Remuneration (Gross p.a.)	Nature of employment	Qualifications and experience	Date of commencement of employment	Age	Last employment held	% Of Equity shares held	Relative of any director or manager
-	-	-	-	-	-	-	-	-	-

For SMT Engineering Limited
(Formerly known as Adarsh Mercantile Limited)

Date: 02.09.2025
Place: Indore

Vishal Jaiswal
Wholetime Director
DIN: 01741062

Ajay Jaiswal
Managing Director
DIN: 01754887

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
SMT Engineering Limited

I, Ajay Jaiswal, Managing Director and Chief Financial Officer of the Company, do hereby declare that all the Directors and Senior Management Personnel have affirmed compliance with the code of the conduct of the company for the financial year ended on March 31, 2025.

**For SMT Engineering Limited
(Formerly known as Adarsh Mercantile Limited)**

**Date: 02.09.2025
Place: Indore**

**Ajay Jaiswal
Managing Director and CFO
DIN: 01754887**

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

To,
The Members,
SMT Engineering Limited
(Formerly Known as Aadarsh Mercantile Limited)
Plot No. 23 D Sector A Sanwer Road
Industrial Area, Near Parle G Biscuit Factory,
Indore 452015 Madhya Pradesh, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SMT Engineering Limited (Formerly known as Adarsh Mercantile Limited)** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made

there under;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings

The provisions of FEMA and Rules are not applicable since there are no Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings by the Company during the period under review.

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - *Not Applicable during the period under review*;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- *Not Applicable during the period under review*;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - *Not Applicable during the period under review*;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- *Not Applicable during the period under review*;

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

- a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company.

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

I further report that:

- 1) The Board of Directors of the Company is duly constituted with proper balance of Directors.
- 2) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 3) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the year, the capital structure of the Company was increased as detailed below:

a. Increase in Authorized Share Capital:

The Authorized Share Capital of the Company was increased from ₹4,00,00,000 (Rupees Four Crores only), divided into 40,00,000 (Forty Lakhs) Equity Shares of ₹10 (Rupees Ten only) each, to ₹17,00,00,000 (Rupees Seventeen Crores only), divided into 1,70,00,000 (One Crore Seventy Lakhs) Equity Shares of ₹10 (Rupees Ten only) each. The new shares rank *pari passu* in all respects with the existing Equity Shares of the Company, as per the Memorandum and Articles of Association.

b. Preferential Allotment (Non-Cash Consideration):

A preferential allotment was made to non-promoters for 94,64,134 (Ninety-Four Lakhs Sixty-Four Thousand One Hundred and Thirty-Four) Equity Shares of ₹10 (Rupees Ten only) each at a price of ₹29 (Rupees Twenty-Nine only) per share, aggregating up to ₹27,44,59,886 (Rupees Twenty-Seven Crores Forty-Four Lakhs Fifty-Nine Thousand Eight Hundred and Eighty-Six only). The allotment was made for consideration other than cash, through a share swap towards the acquisition of 1,26,120 Equity Shares, representing 100% shareholding in M/s Sai Machine Tools Private Limited (SMTPL).

As a result of this share swap under the said preferential allotment, SMTPL became a wholly owned subsidiary of the Company.

Furthermore, SMTPL holds 100% of the equity share capital of M/s Chemerix Life Sciences Private Limited ("CLSPL"). Accordingly, CLSPL has become a step-down subsidiary of the Company.

c. Preferential Allotment (Cash Consideration):

A preferential allotment was also made to non-promoter public investors for 33,80,866 (Thirty-Three Lakhs Eighty Thousand Eight Hundred and Sixty-Six) Equity Shares of ₹10 (Rupees Ten only) each at a price of ₹67 (Rupees Sixty-Seven only) per share, aggregating to ₹22,65,18,022 (Rupees Twenty-Two Crores Sixty-Five Lakhs Eighteen Thousand and Twenty-Two only), for cash.

Further, pursuant to a Share Purchase Agreement (SPA) dated February 06th, 2025, and in compliance with the applicable SEBI regulations, the majority equity shareholding in the Company was transferred by the existing promoters to the new management.

During the year under review, the following Additional Directors and Key Managerial Personnel (KMPs) were appointed with effect from March 7, 2025.

1. Mr. Ashok Jaiswal as, Non-Executive, Non-Independent Director of the Company.
2. Mr. Ajay Jaiswal as the Managing Director & Chief Financial Officer of the Company for a tenure of three years, commencing from March 07th, 2025.
3. Mr. Vishal Jaiswal as a Wholetime Director of the Company for a tenure of three years, commencing from March 07th, 2025.
4. Mr. Yogesh Arvindbhai Bhuva as an Independent Director of the Company, for a term of five years commencing from March 07th, 2025.

5. Mr. Deepak Vyas as an Independent Director of the Company, for a term of five years commencing from March 07th, 2025.
6. Ms. Mitwa Nayan Shah as an Independent Director of the Company, for a term of five years commencing from March 07th, 2025.
7. Mr. Mohd Shanawaz Shekh as the Company Secretary & Compliance Officer

Further, the following Directors and KMP's resigned during year under review:

1. Mr. Shiv Shankar Sharma, Chief Financial Officer, passed away on December 21st, 2024.
2. Ms. Radhika Mayaramka, Company Secretary & Compliance Officer, resigned with effect from February 01st, 2025.
3. Ms. Suchita Chhawchharia, Whole-time Director, resigned from directorship, with effect from March 07th, 2025 due to the change in management of the Company.
4. Mr. Aritra Basu, Non-Executive, Non-Independent Director, resigned from directorship, with effect from March 07th, 2025 due to the change in management of the Company.
5. Mr. Sundar Lal Mohta, Non-Executive, Independent Director, resigned from directorship, with effect from March 07th, 2025 due to the change in management of the Company.
6. Mr. Manish Khaitan, Non-Executive, Independent Director, resigned from directorship, with effect from March 07th, 2025 due to the change in management of the Company.

Further there were no other events or actions as following in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having any bearing on the company's affairs viz.,

- (i) Redemption / buy-back of securities
- (ii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;
- (iii) Merger / amalgamation / reconstruction, etc.;
- (iv) Foreign technical collaborations or

This report is to be read with the letter of even date which is annexed as **Annexure – I** which forms an integral part of this report.

Place : Indore (M.P.)

Date : 24.06.2025

CS Aakruti Somani

Practicing Company Secretary

Membership No.: 54612

COP No.: 20395

UDIN: A054612G000652649

Annexure- I

To,
The Members,
SMT Engineering Limited
(Formerly Known as Aadarsh Mercantile Limited)

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

- 1) Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of the financial records and books of the Company.
- 4) Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Indore (M.P.)
Date : 24.06.2025

CS Aakruti Somani
Practicing Company Secretary
Membership No.: 54612
COP No.: 20395
UDIN: A054612G000652649

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2025
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
SAI MACHINE TOOLS PRIVATE LIMITED
(CIN: U28939MP1989PTC005207)
25-B, SECTOR A, SANWER ROAD, INDUSTRIAL AREA,
INDORE – 452015 (M.P.)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. SAI MACHINE TOOLS PRIVATE LIMITED (hereinafter called ‘the Company’)**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2025, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;**(not applicable to the Company during the audit period);**
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’)to the extent applicable to the Company :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;**(Not applicable to the Company during the period under audit period);**

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the period under audit period);**
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period);**
- d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period);**
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period);**
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period);**
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period);**
- h) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period).**

vi) Other laws applicable specifically to the Company namely:

- a) Factories Act, 1960
- b) Industries (Development & Regulation) Act, 1951
- c) Labour laws and other incidental laws related to labour and employee appointed by the company either on it Payroll or on Contractual Basis as Related to Wages, Gratuity, Provident Fund, ESIC, Compensation etc.
- d) Acts prescribed under Prevention and Control of Pollution
- e) Acts prescribed under Environmental Protection
- f) Income Tax Act, 1961
- g) The Goods and Services Tax Act, 2017

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General Meetings;
- ii. The Listing Agreement entered into by the Company with Stock Exchange read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not applicable to the Company during the audit period);**

During the year under review, the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above. *The Company has appointed Cost Auditor M/s. Yash & Associates for the financial year 2024-25 in terms of the provisions of Section 148 of the Companies Act, 2013. However, the Cost Records and Compliance Report as contemplated under Rule 5 of the Companies (Cost Records and Audit) Rules, 2014 has not been produced by the Company for verification to the Auditors of the Company as per the auditors report for the year ending 31st March 2025.*

I further report that:

On the basis of information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also on the review of quarterly compliance reports by the respective department heads/ Company Secretary/CEO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like labour laws, competition law and environmental laws.

The compliance by the Company of applicable financial laws, like direct and indirect laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

The Board of the Company is duly constituted as per the provisions of the Companies Act, 2013 and rules made thereunder. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notices were given to all directors of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

There are adequate system and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Archana Maheshwari & Co.
Company Secretaries
(Peer Review Certificate No.1947/2022)**

**Place: Indore
Date: 31st July, 2025**

**Archana Maheshwari
Proprietor
FCS No.:9436
CP No.:12034
UDIN: F009436G000902097**

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

To,
The Members
SAI MACHINE TOOLS PRIVATE LIMITED
(CIN: U28939MP1989PTC005207)
25-B, SECTOR A, SANWER ROAD, INDUSTRIAL AREA,
INDORE, MADHYA PRADESH- 452015

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Archana Maheshwari & Co.
Company Secretaries
(Peer Review Certificate No.1947/2022)**

**Place: Indore
Date: 31st July, 2025**

**Archana Maheshwari
Proprietor
FCS No.:9436
CP No.:12034
UDIN: F009436G000902097**

FORM AOC-1**Part A Subsidiaries****Statement containing salient features of the financial statements of subsidiaries / associate companies and Joint Ventures**

(Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014)

(Amount in Hundred's except No. of share & % of Share Holding)

Name of the Subsidiary	Sai Machine Tools Limited	Chemerix Life Sciences Private Limited
The date since when subsidiary was acquired	26/03/2025	26/03/2025
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA
Share Capital (Rs.)	1,26,12,000	5,00,00,000
Reserves & Surplus	32,78,68,213	9,51,25,439
Total Assets	1,58,71,74,561	17,33,38,418
Total Liabilities	1,24,66,94,348	2,82,12,979
Investments	15,01,46,599	-
Turnover	1,30,47,10,233	2,61,69,522
Profit/ (Loss) before Taxation	19,21,62,813	(43,87,405)
Provision for taxation	4,39,42,976	(11,99,729)
Profit/ (Loss) after Taxation	14,82,19,838	(31,87,675)
Proposed Dividend	NA	NA
Percentage Shareholding	100%	100%

Other Information:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: NIL

Part B: Associates/Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related
to Associate Companies and Joint Ventures**

(Amount in Hundred's except No. of share & % of Share Holding)

Name of Associates or Joint Ventures Associate Company	None
Latest audited Balance Sheet Date	
Date on which the associate or joint venture was associated or acquired	
Shares of Associate or Joint Ventures held by the company on the year end	
- No. of Shares	
- Amount of Investment in Associates or Joint Venture	
- Extend of Holding (in percentage)	
Description of how there is significant influence	
Reason why the associate/joint venture is not consolidated	
Net worth attributable to Shareholding as per latest audited Balance Sheet	
Profit for the year (including other comprehensive income)	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

Other information:

- Names of associates or joint ventures which are yet to commence operations - Not Applicable
- Names of associates or joint ventures which have been liquidated or **sold during the year** —
Avon Credit Private Limited (cessation w.e.f September 19, 2024)

For NKSJ & Associates
Chartered Accountants
Firm Registration No. 329563E

For SMT Engineering Limited
(Formerly Adarsh Mercantile Limited)

CA Sneha Jain
Partner
M.No. 234454
UDIN: _____
Place: Indore
Date: 02.09.2025

Vishal Jaiswal
Wholetime Director
DIN: 01741062

Ajay Jaiswal
Managing Director
DIN: 01754887

Mohd Shanawaz Shekh
Company Secretary
& Compliance Officer

CERTIFICATE

[Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
SMT Engineering Limited

I, the undersigned, in my personal capacity as the Managing Director and Chief Financial Officer of SMT Engineering Limited ("the Company") do hereby certify, to the best of my knowledge and belief, that:

- A. I have reviewed the Standalone and Consolidated Financial Statements, Cash Flow Statements, Books of Accounts, detailed trial balance and grouping thereof for the Financial Year 2024-25 and that to the best of their knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. No transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the auditors and the Audit committee:
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**For SMT Engineering Limited
(Formerly known as Adarsh Mercantile Limited)**

**Date: 16.06.2025
Place: Indore**

**Ajay Jaiswal
Managing Director & CFO
DIN: 01754887**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE
GOVERNANCE AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015**

To
The Members
SMT Engineering Limited
Formerly known as Adarsh Mercantile Limited

We have examined the implementation of conditions of Corporate Governance by SMT Engineering Limited (the company) during the year ended 31.03.2025, as has been provided pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

On the basis of our review and according to the information and explanations provided to us, the conditions of corporate Governance as stipulated in the abovementioned Listing Agreement/ Regulations with the stock Exchange have been complied with in all material respect by the Company.

ANAND KHALDELIA
Practicing Company Secretary

CP No.: 5841
M. No.: 5803
UDIN: F005803G001138517
Peer Review No. 3985/2023
Place: Kolkata
Date: 02/09/2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015)

To,
The Members
SMT Engineering Limited
 (Formerly Known as Aadarsh Mercantile Limited)

I have examined the relevant registers, records, forms, returns and disclosure received from the Directors of **SMT Engineering Limited** having **CIN: L33120WB1992PLC055082** and having registered office at **8a & 8b, Satyam Towers 3, Alipore Road, Kolkata West Bengal, India, 700027** and (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2025** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority :

S No	Name of Director	DIN	Date of Appointment	Designation
1.	Mr. Ajay Jaiswal	01754887	07.03.2025	Managing Director and CFO
2.	Mr. Vishal Jaiswal	01741062	07.03.2025	Wholetime Director
3.	Mr. Ashok Jaiswal	01590607	07.03.2025	Non-Executive, Non-Independent Director
4.	Mr. Yogesh Arvindbhai Bhuvra	09293985	07.03.2025	Non-Executive, Independent Director
5.	Mr. Deepak Vyas	10988670	07.03.2025	Non-Executive, Independent Director
6.	Ms. Mitwa Nayan Shah	08869161	07.03.2025	Non-Executive, Independent Director

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

ANAND KHALDELIA
Practicing Company Secretary

CP No.: 5841
M. No.: 5803
UDIN: F005803G001138418
Peer Review No. 3985/2023
Place: Kolkata
Date: 02/09/2025

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

[Pursuant to Regulation 34 read with Part B Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Dear Stakeholders,
SMT Engineering Limited
(Formerly Adarsh Mercantile Limited)

This Management Discussion and Analysis report has been prepared in compliance with the requirements of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and contains expectations and projections about the strategy for growth, product development, market position, expenditures and financial results. The Company's actual results, performance or achievements could differ from those projected in such forward-looking statements on the basis of any subsequent development, information or events for which the Company do not bear any responsibility.

a) Industry structure and developments

The Company was previously engaged primarily in trading activities within the Commodity and Capital Markets, sectors that are highly influenced by global economic conditions, regulatory policies, and market volatility. In recent years, these markets have experienced increased fluctuations due to geopolitical tensions, inflationary pressures, and shifts in monetary policy. As a result, trading volumes and profitability in the commodity segment saw a substantial decline, particularly during the financial year 2024-25, due to a slackened domestic and global economy.

Recognizing the challenges and limited growth opportunities in the existing line of business, the Company undertook a strategic review of its operations. Pursuant to shareholder approval through a postal ballot on May 12, 2025, the Company amended its main object clause to diversify into manufacturing activities, specifically in the sectors of metal fabrications, machine tools, turbines, furnaces, castings, forgings, and steel-based components.

The new sectors present strong growth potential, supported by increasing infrastructure spending, industrial expansion, and policy support under initiatives like *Make in India* and the *National Steel Policy*. This transition positions the Company to participate in the evolving industrial manufacturing ecosystem, offering more stable and scalable growth avenues compared to the inherent volatility of trading-based operations.

b) Opportunities and threats/Risk and concerns:

Your Company's growth and profitability are closely linked to the performance of the Commodity and Capital Markets. Looking ahead, the Company anticipates a favorable market environment. To capitalize on emerging opportunities, the Company has strategically amended its main object, as detailed under the section "Segment-wise or Product-wise Performance," positioning itself to respond proactively to future developments.

c) Segment wise or product wise performance:

The Company is engaged primarily in the business of trading activities. Accordingly, there are no separate reportable segments. In view of the slackened economy there has been a substantial decline in the commodity trading.

Subsequent to the closure of the financial year 2024-25, the members of the Company through postal ballot on May 12th, 2025, approved an amendment to the main object clause of the Memorandum of Association of the Company. Pursuant to this approval, the main objects of the Company have been revised as follows:

1. To carry on the business as manufacturers of metal fabrications machine tools, turbines, engines furnaces, accessories & fittings of any plant and machineries and also to manufacture, repair, develop, sell purchase of plants & machineries, fittings & accessories thereof.
2. To carry on the business as manufacturers of and dealers of forgings Castings and forged components and to instal steel scrap melting electric furnace and foundry equipments for making steel castings, grinding media, and ingots of ordinary carbon steel and alloy steel and to carry on the business or iron founders, from workers steel makers, steel founders, non-ferrous metal founders, furnace proprietors, and operators, arc and metal workers, manufacturers of grinding medias, pipes and tubes, mill wrights, and steel converters and rerollers, smiths.

Your Directors are optimistic about the future growth prospects in the newly approved business sectors and believe that the strategic shift, as endorsed by the members, will enable the Company to explore new opportunities and enhance long-term value creation.

d) Outlook:

Your Company is making all efforts to accelerate the growth of its business. In spite of the market risk faced by your Company, your Directors are optimistic about the future prospects of the Company. The company is taking appropriate steps to keep the costs under control. The outlook for the current year remains positive.

e) Internal control systems and their adequacy:

Your company has an adequate system of internal control, which provides reasonable assurance with regard to safeguarding the company's assets, promoting operational efficiency and ensuring compliance with various statutory provisions. The Audit Committee of the Board plays a significant role in the internal control system and reviews the scope of internal audit work and internal audit reports, financial performance of the company and suggests improvements in the internal control systems wherever required.

f) Discussion on financial performance with respect to operational performance:

The discussions in this section relate to the consolidated financial results pertaining to the year that ended March 31, 2025. The financial statements of SMT Engineering Limited and its Subsidiaries/ Associate (collectively referred to as 'the Company') are prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.

The following table gives an overview of the consolidated financial results of the company:

Particulars	FY 2024-25		FY 2023-24	
	Amount	% of Revenue	Amount	% of Revenue
Revenue from operations	21,01,845	100	256,249	100
Earnings before interest, tax, depreciation and amortization (EBITDA)	2,70,970	12.89	159,701	62.32

(Rs. in hundred)

Profit Before Tax (PBT)	2,65,620	12.63	(1,85,568)	72.42
Profit after tax attributable to shareholders of the company	2,95,624	14.04	50,680	19.78
Earnings per share	6.35	-	(4.57)	-

g) Developments in Human Resources

The Company believes that its human resources as core strength. While the technology and product is fairly standardized in the present scenario, the results achieved by the Company are related primarily to the talent, spirit, commitment and contribution of its employees at all levels. The Company consistently nurtures a transparent and empowered work environment, which fosters meritocracy and incentivizes employees for high levels of delivery.

h) Changes (Change of 25% Or More) in significant key financial ratios and return on net worth:

The details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with the detailed explanations thereof, are as follows:

S.No.	Particulars	March, 31, 2025	March 31, 2024	%Change in Ratio	Reason for Significant Change
1.	Inventory Turnover	2,109.42	13.96	15011.24	Increased in sale during the year
2.	Operating / Net Profit Margin (%)	2.42	(67.81)	(103.57)	Increased in profit during the year
3.	Current Ratio	96	22.83	319.68	Loan has been given to subsidiary company
4.	Interest / Debt Service Coverage Ratio	-	(6.79)	(100)	No interest expense incurred during the year
5.	Return on Equity Ratio	0.57	(26.55)	(102.16)	Increased in profit during the year
6.	Trade Receivables / Debtors Turnover ratio	6.49	2	225.06	Increased in sale during the year
7.	Trade payables turnover ratio	200.72	0.05	443639.61	Increased in purchases during the year
8.	Net capital turnover ratio:	0.42	1.25	-66.28	Reduced due to increase in net working capital
9.	Return on Net Worth / Capital employed (%)	0.33	(24.74)	(101.34)	Profit made during the year

i) Disclosure of Accounting Treatment:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other relevant provisions of the Companies Act, 2013, as applicable. The accounting policies have been consistently applied and are in line with those adopted in the previous financial year. There have been no deviations in the accounting treatment prescribed under the applicable Ind AS or any other regulatory requirements.

j) Cautionary statement:

Statement made in this section of the report is based on the prevailing position in the market conditions. Actual results could however differ materially from those expressed or implied with regard to Company's Outlook and Performance.

**For SMT Engineering Limited
(Formerly known as Adarsh Mercantile Limited)**

**Date: 02.09.2025
Place: Indore**

**Vishal Jaiswal
Wholetime Director
DIN: 01741062**

**Ajay Jaiswal
Managing Director
DIN: 01754887**

CORPORATE GOVERNANCE REPORT

(As required under Schedule V of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, herein referred as “Listing Regulations”)

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

SMT Engineering Limited (Formerly known as Adarsh Mercantile Limited) strives for excellence in corporate governance practices, which the Company recognizes is fundamental to securing the trust of investors and key stakeholders. The management, together with our Board of Directors, continually evaluates processes and implements procedures designed to maintain strong governance and operations standards. In doing so, we strive to manage the Company according to the highest principles of responsibility and integrity, compliance with all applicable laws with true letter and spirit and align the interests of management and the Board with those of our Stakeholder's. The Company is in full compliance with the requirements under SEBI(LODR) Regulations, 2015 and any amendment made thereunder, and the Listing Agreement entered with BSE Ltd. Our Corporate governance practices are illustrated as follows:

BOARD OF DIRECTORS:

The Company has an optimum combination of Executive and Non-Executive Directors.

Composition and Category of Directors as on March 31, 2025, is as follows:

S. No.	Name of Director	Designation / Category
1.	Mr. Ajay Jaiswal	Managing Director and CFO
2.	Mr. Vishal Jaiswal	Wholetime Director
3.	Mr. Ashok Jaiswal	Non-Executive, Non-Independent Director
4.	Mr. Yogesh Arvindbhai Bhuva	Non-Executive, Independent Director
5.	Mr. Deepak Vyas	Non-Executive, Independent Director
6.	Ms. Mitwa Nayan Shah	Non-Executive, Independent Director
7.	Ms. Suchita Chhawchharia*	Whole-time Director
8.	Mr. Aritra Basu*	Non-Executive, Non-Independent Director
9.	Mr. Sundar Lal Mohta*	Non-Executive, Independent Director
10.	Mr. Manish Khaitan*	Non-Executive, Independent Director

During the year under review, the following Directors were appointed with effect from March 7, 2025, and their appointments were subsequently regularised by the members through a postal ballot on May 12, 2025.

1. Mr. Ashok Jaiswal as, Non-Executive, Non-Independent Director of the Company.
2. Mr. Ajay Jaiswal as the Managing Director & Chief Financial Officer of the Company for a tenure of three years, commencing from March 07th, 2025 to March 06th, 2028.
3. Mr. Vishal Jaiswal as a Wholetime Director of the Company for a tenure of three years, commencing from March 07th, 2025 to March 06th, 2028.
4. Mr. Yogesh Arvindbhai Bhuva as an Independent Director of the Company, for a term of five years commencing from March 07th, 2025 to March 06th, 2030.

5. Mr. Deepak Vyas as an Independent Director of the Company, for a term of five years commencing from March 07th, 2025 to March 06th, 2030.
6. Ms. Mitwa Nayan Shah as an Independent Director of the Company, for a term of five years commencing from March 07th, 2025 to March 06th, 2030.

*Further, the following Directors resigned during year under review:

1. Ms. Suchita Chhawchharia, Whole-time Director, resigned from directorship, with effect from March 07th, 2025 due to the change in management of the Company.
2. Mr. Aritra Basu, Non-Executive, Non-Independent Director, resigned from directorship, with effect from March 07th, 2025 due to the change in management of the Company.
3. Mr. Sundar Lal Mohta, Non-Executive, Independent Director, resigned from directorship, with effect from March 07th, 2025 due to the change in management of the Company.
4. Mr. Manish Khaitan, Non-Executive, Independent Director, resigned from directorship, with effect from March 07th, 2025 due to the change in management of the Company.

The Board in consultation with Nomination and Remuneration Committee selects new Directors including Independent Directors. The Committee after considering qualifications, positive attributes, number of directorships and memberships held in various committees make recommendations for the selection of Directors. All independent directors possess the requisite qualifications and are very experienced in their own fields.

As per the current provisions of law, every Independent Director, at the first meeting of the Board where he participates as such as a director and thereafter at the first board meeting of every financial year, shall give a declaration of his independence as provided under law. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

Board Meetings, Attendance at the Board Meetings and the last Annual General Meeting, Outside Directorships and other Board Committees:

None of the Directors on the Board is a member of more than 10 committees and chairman of more than 5 committees {as specified in the Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}.

During the year, the Board met seven time in a year on May 30, 2024, August 09, 2024, November 07, 2024, January 08, 2025, February 06, 2025, March 07, 2025 and March 26, 2025. Attendances of Directors at the Board meeting was as follows:

Director	No. of Board meetings attended during the year	Attendance at previous AGM held on 16.09.2024	No. of other Directorship (s) held*	Number of membership/ Chairmanship in Committees**	Executive/ Non executive/ Independent	Number of Shares held as on 31.03.2025 ****
Ms. Suchita Chhawchhari	7	Yes	Nil	1	Wholetime Director	Nil
Mr. Aritra Basu	7	Yes	Nil	3	Non-Executive, Non-Independent Director	Nil
Mr. Sundar Lal Mohta	7	Yes	Nil	1	Non-Executive, Independent Director	Nil

Mr. Manish Khaitan	7	Yes	Nil	3	Non-Executive, Independent Director	Nil
Mr. Ajay Jaiswal	1	N.A.	Nil	Nil	Managing Director and CFO	35,68,902
Mr. Vishal Jaiswal	1	N.A.	Nil	Nil	Wholetime Director	34,92,964
Mr. Ashok Jaiswal	1	N.A.	Nil	Nil	Non-Executive, Non-Independent Director	28,39,541
Mr. Yogesh Arvindbhai Bhuvra	1	N.A.	Nil	Nil	Non-Executive, Independent Director	Nil
Mr. Deepak Vyas	1	N.A.	Nil	Nil	Non-Executive, Independent Director	Nil
Ms. Mitwa Nayan Shah	1	N.A.	1***	2	Non-Executive, Independent Director	Nil

* Excluding Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

** Membership & Chairmanship of the Audit Committees & Stakeholders Relationship Committees are only considered in terms of Regulation 26(1)(b) of the Listing Regulations.

***Ms. Mitwa Nayan Shah also holds a position as a Non-Executive, Independent Director on the Board of Moksh Ornaments Limited.

****During the year under review, the Company has not issued any convertible instruments/securities.

Name of Director	SKILLS/EXPERTISE/COMPETENCE				
	Industry knowledge	Accounts and Finance	Governance /Regulatory and Risk	Strategy/ Business Leadership	Human Resources
Mr. Ajay Jaiswal	✓	✓	✓	✓	✓
Mr. Vishal Jaiswal	✓	✓	✓	✓	✓
Mr. Ashok Jaiswal	✓	✓	✓	✓	✓
Mr. Yogesh Arvindbhai Bhuvra	✓	✓	✓	✓	✓
Mr. Deepak Vyas	✓	✓	✓	✓	✓
Ms. Mitwa Nayan Shah	✓	✓	✓	✓	✓
Ms. Suchita Chhawchharia *	✓	✓	✓	✓	✓
Mr. Aritra Basu*	✓	✓	✓	✓	✓
Mr. Sundar Lal Mohta*	✓	✓	✓	✓	✓
Mr. Manish Khaitan*	✓	✓	✓	✓	✓

*Mrs. Suchita Chhawchharia, Mr. Aritra Basu, Mr. Sundar Lal Mohta and Mr. Manish Khaitan, ceased to be a director with effect from March 07th, 2025.

Familiarization program for Directors

All new Non-Executive Independent Directors induced to the Board are being exposed to the familiarization program to understand their role and responsibilities in clear terms and thus to discharge their duties and responsibility in an efficient manner. The familiarization program can be accessed on

the company's website at www.smtel.in.

Also, the policy of separate meetings of independent directors also helps in achieving the goal of updating them with all recent business-related issues whereby the other executive directors throw light on relevant issues by sharing their views, opinions and expertise on those issues.

Performance Evaluation Criteria for Independent Directors:

Pursuant to the governing provisions of the Companies Act, 2013, the Listing Regulations and Guidance Note on Board evaluation issued by SEBI, a formal annual evaluation was carried out by the Board of its own performance, its committees and individual Directors including Independent Directors. During the year under review, Independent Directors met on March 31, 2025, without presence of non-independent directors and members of the management, wherein the performance of non-independent directors and the Board of Directors, as a whole were evaluated. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Performance of Independent Director is evaluated on the basis of ranking filled in the evaluation questionnaire by the non-executive director which is prepared by inserting parameters mentioned below:

1. Knowledge and competency of Independent Directors;
2. Extent of fulfillment of functions assigned;
3. Ability to function as a team;
4. Availability for various committee and board meeting;
5. Various skills viz. leadership, commitment, contribution, integrity, initiative taken by them;
6. Formulation and effective execution of business strategy;
7. Financial planning and performance during the year;
8. Relationship of Independent Directors with the Board and third parties;
9. Knowledge about the company and its succession plan, management and operations;
10. Personal qualities of Independent Directors which uplifts the growth of the Company.

Number of Board Meetings held and the date on which held

Generally, the Board meets once every quarter to discuss the quarterly results and other relevant items and also at the time of AGM of the shareholders. Additional Board meetings are convened as per the exigencies/ urgencies of business situations.

Seven Board meetings were held during the year ended March 31, 2025, which were held on the below mentioned dates: May 30, 2024, August 09, 2024, November 07, 2024, January 08, 2025, February 06, 2025, March 07, 2025 and March 26, 2025.

The Board has unrestricted access to the company related information and the items / matters which are generally placed before the Board include:

- Quarterly results of the company.
- Company's Annual Financial results, Financial Statements, Report of Board and Auditors.
- Minutes of the meeting of Audit Committee and other committees of the Board.
- Appointment, remuneration and resignation of Directors.
- Disclosures of Director's interest and their shareholding.
- Appointment/ removal of KMPs, Internal and Secretarial Auditor.
- Declaration of Independent Directors at the time of appointment/ on annual basis.
- Significant changes in accounting policies and internal controls.
- Statement of significant related party transactions.

- Borrowing of monies, giving guarantees or providing security.
- Compliance Certificate(s).

The Chairman/Company Secretary of the Company provides that while preparing the agenda items and minutes of the Board meeting, all the relevant provisions of the Companies Act, 2013 are being complied. The agenda of the meeting along with the notice are circulated in advance to all the Directors for facilitating meaningful and focused discussion on the agenda items.

COMMITTEES OF THE BOARD AND ITS COMPOSITION

Committees of the Board play a crucial role in enforcing the corporate governance policies in the Company. The Board Committees are set up under the approval of the Board of Directors and their terms are being decided by the Board as per the requirements of the Act and Listing Regulations. The Board has established the following committees for their effective functioning:

S.No.	Name of Directors	Audit Committee	Nomination and Remuneration Committee	Stakeholder Relationship Committee
1.	Mr. Yogesh Arvindbhai Bhuvra	Chairman	Chairman	Chairman
2.	Mr. Deepak Vyas	Member	Member	Member
3.	Ms. Mitwa Nayan Shah	Member	Member	Member
4.	Mr. Manish Khaitan*	Chairman	Member	Member
5.	Mr. Aritra Basu *	Member	Member	Chairman
6.	Mr. Sundar Lal Mohta*	Member	Chairman	-
7.	Mrs. Suchita Chhawchharia*	-	-	Member

*Mrs. Suchita Chhawchharia, Mr. Aritra Basu, Mr. Sundar Lal Mohta and Mr. Manish Khaitan, ceased to be a director with effect from March 07th, 2025.

AUDIT COMMITTEE:

The broad terms of reference of the Audit Committee are to interact with the Internal and Statutory Auditors, overseeing the Company's financial reporting process and to review with the management the annual financial statements before submitting to the Board and includes:

1. Appointment and fixation of remuneration payable to Auditors.
2. Review Quarterly, half yearly and annual financial results before submission to the Board
3. Review accounting policies followed by the Company
4. The adequacy and effectiveness of internal control system and procedures in the Company.

The Audit Committee's constitution and terms of reference are in consonance with the provisions of Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Committee have relevant working experience in financial matters. The Company Secretary of the Company acts as the Secretary to the Committee.

Brief description of terms of reference:

The Audit Committee of the Company's is entrusted with the primary responsibility to supervise the company's financial reporting process including:

- (1) Oversight of the Company financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

All recommendations made by the Committee during the year were accepted by the Board.

Composition, Meetings and Attendance of the meetings of the Audit Committee:

During the year under review, the Audit Committee met four times on the following dates: May 30, 2024; August 09, 2024; November 07, 2024; and February 06, 2025. All meetings were held with the requisite quorum being present. The attendance of each member at these meetings was as under:

S.No.	Name of the Members	Status	No. of meeting(s) held	No. of Meeting attended
1.	Mr. Manish Khaitan	Chairperson & Non-Executive Independent Director	4	4
2.	Mr. Aritra Basu	Member & Non-Executive Director	4	4
3.	Mr. Sundar Lal Mohta	Member & Non-Executive Independent Director	4	4
4.	Mr. Yogesh Arvindbhai Bhuva	Chairperson & Non-Executive Independent Director	N.A.	N.A.
5.	Mr. Deepak Vyas	Member & Non-Executive Independent Director	N.A.	N.A.
6.	Ms. Mitwa Nayan Shah	Member & Non-Executive Independent Director	N.A.	N.A.

NOMINATION & REMUNERATION COMMITTEE:

The terms of reference of the Nomination & Remuneration Committee satisfy the requirement of Section 178 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief description of terms of reference:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of performance of independent directors and the Board.
- Devising a policy on diversity of the Board.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their appointment and removal.
- Extension or continuance of the terms of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board of directors their appointment and removal and carry out evaluation of every director's performance (including that of independent directors).
- Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 or by any other applicable law or regulatory authority.

Composition, Meetings and Attendance of the meetings of the Nomination and Remuneration Committee:

During the year under review, the Nomination and Remuneration Committee met once, on March 07, 2025. The meeting was held with the requisite quorum being present. The attendance of each member at the meeting was as under:

S.No.	Name of the Members	Status	No. of meeting(s) held	No. of Meeting attended
1.	Mr. Sundar Lal Mohta	Chairperson & Non-Executive Independent Director	1	1
2.	Mr. Aritra Basu	Member & Non-Executive Director	1	1
3.	Mr. Manish Khaitan	Member & Non-Executive Independent Director	1	1
4.	Mr. Yogesh Arvindbhai Bhuvra	Chairperson & Non-Executive Independent Director	N.A.	N.A.
5.	Mr. Deepak Vyas	Member & Non-Executive Independent Director	N.A.	N.A.
6.	Ms. Mitwa Nayan Shah	Member & Non-Executive Independent Director	N.A.	N.A.

Remuneration paid to non-executive directors:

The Non-Executive Directors of the Company have voluntarily waived their entitlement to sitting fees for attending Board and Committee meetings during the financial year 2024-25.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee's composition and terms of reference are in consonance with the requirements of section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Stakeholders Relationship Committee shall include the following:

- Monitoring the grievance and redressal of all security holders' grievances such as complaints related to non-receipt of allotment/refund, review of cases for refusal of transfer/transmission of shares, including non-receipt of share certificates, non-receipt of balance sheet, non-receipt of declared dividends, nonreceipt of annual reports, etc. and assisting with quarterly reporting of such complaints.
- Allotting of equity shares, giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, splitting and issuing of duplicate/consolidated share certificates, complying with all the requirements related to shares, debentures and other securities from time to time.
- Reviewing statutory compliances pertaining to share/ security capital, processes, shareholders and depositories.
- Oversee the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of the adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar and Share Transfer Agent.

- g. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- h. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

The Committee expressed satisfaction on Company's performance for redressing the investor's complaints received during the year. All complaints received from shareholders during the year have been readdressed. No shareholders complaints were pending as on 31.03.2025.

Composition, Meetings and attendance of the Stakeholder's Relationship Committee:

The Stakeholder's Relationship Committee was constituted with the following members in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, four (4) meetings of the Stakeholders' Relationship Committee were held on May 30, 2024; August 09, 2024; November 07, 2024; and February 06, 2025. All meetings were conducted with the requisite quorum being present. The attendance of each member at these meetings was as under:

S.No.	Name of the Members	Status	No. of meeting(s) held	No. of Meeting attended
1.	Mr. Aritra Basu	Chairperson & Non-Executive Director	4	4
2.	Mrs. Suchita Chhawchharia	Member & Executive Director	4	4
3.	Mr. Manish Khaitan	Member & Non-Executive Independent Director	4	4
4.	Mr. Yogesh Arvindhbai Bhuva	Chairperson & Non-Executive Independent Director	N.A.	N.A.
5.	Mr. Deepak Vyas	Member & Non-Executive Independent Director	N.A.	N.A.
6.	Ms. Mitwa Nayan Shah	Member & Non-Executive Independent Director	N.A.	N.A.

NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Mr. Mohd Shanawaz Shekh is the Company Secretary and Compliance Officer of the Company appointed pursuant to the provisions of Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, Ms. Radhika Mayaramka, who was serving as the Company Secretary and Compliance Officer, resigned with effect from February 1, 2025.

DETAILS OF SHAREHOLDERS COMPLAINS:

S. No.	Particulars	No. of Complaint received	No. of complaint resolved	No. of complaint Pending
1	On receipt of shares lodged for transfer	Nil	Nil	Nil
2	Other (non-receipt of Annual Report etc.)	Nil	Nil	Nil

SHARE TRANSFER/ TRANSMISSION COMMITTEE:

The Share Transfer / Transmission Committee is formed as per the requirement of relevant rules exclusively to look into share transfer and related applications received from shareholders, with a view to accelerating the transfer procedures.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM:

The Company has established a well-defined vigil mechanism for addressing the grievances/unethical behavior by the employees and also to report prima facie violations of applicable laws. The aggrieved employee has direct access to the Chairman of the Audit Committee.

CODE OF CONDUCT FOR THE BOARD MEMBERS & SENIOR MANAGEMENT TEAM:

In compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant provisions of the Companies Act, 2013, the board has framed Code of Conduct for all Board Members and senior management Team. All Board members and senior management have affirmed compliance with the Code as on March 31, 2025 and declaration to that effect, signed by the Chief Executing officer. The Code of Conduct is also available on the Company's website www.smtel.in.

GENERAL BODY MEETINGS:

The details of the last three Annual General meeting:

Year	Date & Time	Venue	Whether Special Resolution(s) Passed
2023-24	16 September, 2024 12:30 P.M	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	Re-Appointment of Mrs. Suchita Chhawchharia (Din: 00044063) as an Executive Director
2022-23	14 September, 2023 02:30 P.M	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	No
2021-22	14 September, 2022 12:30 P.M	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	No

During the year under review, the Company has sought approval of members through postal ballot, the details of the same are given below:

I. Postal ballot at the Annual General Meeting held on September 16, 2024:**Items of special Business;****A. Details of Voting:**

- Adoption of Audited Standalone and Consolidated Financial Statement of the Company including Balance Sheets as at 31 March, 2024, Profit & Loss Accounts and the Cash Flow Statements for the year ended as on that date together with Report of Directors' and Auditors' thereon – Ordinary Resolution;

Mode of Voting	Total Valid Votes		Votes in favour			Votes against		
	Voters	No. of Votes	Voters	No. of Votes	Voting Percentage	Voters	No. of Votes	Voting Percentage
Remote e-voting	27	25,68,922	27	25,68,922	88.55	-	-	-

Postal Ballot	8	3,32,133	8	3,32,133	11.45	-	-	-
Total	35	29,01,055	35	29,01,055	100	-	-	-

2. Re-Appointment of Mr. Aritra Basu (DIN: 06779222), Director who retired by rotation and being eligible offered himself for re-appointment – Ordinary Resolution;

Mode of Voting	Total Valid Votes		Votes in favour			Votes against		
	Voters	No. of Votes	Voters	No. of Votes	Voting Percentage	Voters	No. of Votes	Voting Percentage
Remote e-voting	27	25,68,922	27	25,68,922	88.55	-	-	-
Postal Ballot	8	3,32,133	8	3,32,133	11.45	-	-	-
Total	35	29,01,055	35	29,01,055	100	-	-	-

3. Re-appointment of Mrs. Suchita Chhawchharia (DIN: 00044063) as an Executive Director – Special Resolution;

Mode of Voting	Total Valid Votes		Votes in favour			Votes against		
	Voters	No. of Votes	Voters	No. of Votes	Voting Percentage	Voters	No. of Votes	Voting Percentage
Remote e-voting	27	25,68,922	27	25,68,922	88.55	-	-	-
Postal Ballot	8	3,32,133	8	3,32,133	11.45	-	-	-
Total	35	29,01,055	35	29,01,055	100	-	-	-

B. Details of Scrutinizer: CS Santosh Kumar Tibrewalla.

C. Date of Scrutinizer's report: September 16, 2024.

D. Date of passing the resolution: September 16, 2024.

II. Postal ballot at the Extra-Ordinary General Meeting held on March 05, 2025:

Items of special Business;

A. Details of Voting:

1. Increase in Authorised Share Capital of the Company – Ordinary Resolution;

Mode of Voting	Total Valid Votes		Votes in favour			Votes against		
	Voters	No. of Votes	Voters	No. of Votes	Voting Percentage	Voters	No. of Votes	Voting Percentage
Remote e-voting	10	27,51,165	10	27,51,165	98.95	-	-	-
Postal Ballot	18	29,150	18	29,150	1.05	-	-	-
Total	28	27,80,315	28	27,80,315	100	-	-	-

2. To consider and approve issue of Equity Shares on Preferential Basis to the Non-Promoters for consideration other than cash – Special Resolution:

Mode of Voting	Total Valid Votes		Votes in favour			Votes against		
	Voters	No. of Votes	Voters	No. of Votes	Voting Percentage	Voters	No. of Votes	Voting Percentage
Remote e-voting	11	27,51,166	11	27,51,166	98.95	-	-	-
Postal Ballot	18	29,150	18	29,150	1.05	-	-	-
Total	29	27,80,316	29	27,80,316	100	-	-	-

3. To consider and approve issue of Equity Shares on Preferential Basis to the Non-Promoter public category investors for cash – Special Resolution:

Mode of Voting	Total Valid Votes		Votes in favour			Votes against		
	Voters	No. of Votes	Voters	No. of Votes	Voting Percentage	Voters	No. of Votes	Voting Percentage
Remote e-voting	11	27,51,166	11	27,51,166	98.95	-	-	-
Postal Ballot	18	29,150	18	29,150	1.05	-	-	-
Total	29	27,80,316	29	27,80,316	100	-	-	-

B. Details of Scrutinizer: CS Nuren Lodaya and Associates.

C. Date of Scrutinizer's report: March 05, 2025.

D. Date of passing the resolution: March 05, 2025.

Further, None of the business at the ensuing Annual General Meeting is proposed to be passed by postal ballot.

DISCLOSURES

The related party transactions have been disclosed in Notes of Account forming part of the Statement of Accounts for the financial year ended 31st March, 2025 and since the necessary disclosures were made in respect of the said transactions to the respective Boards of Directors, no transaction is considered to be in potential conflict with the interests of the company at large. The policy on for determining 'material' subsidiaries is disclosed on the website of the Company at www.smtel.in.

The Non-Executive Directors had no pecuniary relationships or transactions vis-à-vis the company during the year except receipt of sitting fee for attending the meetings of the Board/Committee. Further, Mr. Ashok Jaiswal, Non-Executive and Non-Independent Director of the Company, is the father of Mr. Ajay Jaiswal and Mr. Vishal Jaiswal, who are also Directors on the Board of the Company.

There has not been any non-compliance, penalties or structures imposed on the company by the Stock Exchange (s), Securities and Exchange Board of India or any other statutory authority, on any matter relating to the capital markets, during the last three years.

The Company has duly complied with all the mandatory Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DETAILS OF MATERIAL SUBSIDIARIES:

During the year under review, M/s Sai Machine Tools Private Limited became a wholly-owned subsidiary of the Company with effect from March 26, 2025. Pursuant to applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the said subsidiary qualifies as a Material Subsidiary of the Company.

In compliance with the aforesaid regulation, the Secretarial Audit Report of M/s Sai Machine Tools Private Limited is annexed with the Board Report as “Annexure – D”.

The policy for determining material subsidiaries is disclosed on the website of the Company at www.smtel.in.

Details of utilization of funds raised through preferential allotment:

Preferential Allotment (Non-Cash Consideration):

A preferential allotment was made to non-promoters for 94,64,134 (Ninety-Four Lakhs Sixty-Four Thousand One Hundred and Thirty-Four) Equity Shares of ₹10 (Rupees Ten only) each at a price of ₹29 (Rupees Twenty-Nine only) per share, aggregating up to ₹27,44,59,886 (Rupees Twenty-Seven Crores Forty-Four Lakhs Fifty-Nine Thousand Eight Hundred and Eighty-Six only). The allotment was made for consideration other than cash, through a share swap towards the acquisition of 1,26,120 Equity Shares, representing 100% shareholding in Sai Machine Tools Private Limited.

Preferential Allotment (Cash Consideration):

A preferential allotment was also made to non-promoter public investors for 33,80,866 (Thirty-Three Lakhs Eighty Thousand Eight Hundred and Sixty-Six) Equity Shares of ₹10 (Rupees Ten only) each at a price of ₹67 (Rupees Sixty-Seven only) per share, aggregating to ₹22,65,18,022 (Rupees Twenty-Two Crores Sixty-Five Lakhs Eighteen Thousand and Twenty-Two only), for cash. The entire amount raised has been duly utilized by the Company for the purpose for which it was raised.

COMMUNICATION TO THE SHAREHOLDERS

The Company follows the practice of disseminating timely information on financial performance and other relevant information to the stakeholders and to all Stock Exchanges where the shares of the Company are listed. The quarterly/annual financial results of the Company were published in the following newspapers: The Morning India and Sukhabar and displayed on the Company's website.

The Company also maintains its official website www.smtel.in wherein it maintains a separate and dedicated section called “Investor Relations” wherein it provides all the requisite information pertaining to shareholders.

Annual Reports in the downloadable format are also being provided for on the website and also regularly sent to the shareholders by-mail, whose e-mail address are available with the Registrar & Transfer Agent and with the company, further the physical copies had been sent by Registered post/Speed Post/Courier to the shareholders.

Moreover, the Quarterly, Half-yearly and Annual Results and other BSE Filings are also available on the BSE website, www.bseindia.com in an electronic website, which can be accessed by providing the Scrip Code- 538563 and can be downloaded.

The Company keeps regular track of the complaints of the investors through a user-friendly web based redressal forum-SCORES and resolve complaints in the form of Action Taken Reports (ATRs) which can also be viewed by the complainant shareholder as well as the concerned Stock Exchange.

The quarterly financial results for the financial year 2024-25 have been duly published.

Official news releases and notices etc. are sent to the BSE Limited via BSE Listing Centre Portal where shares of the company are listed.

GENERAL SHAREHOLDERS INFORMATION:

(a) Company Registration Details

The Company is registered in the State of West Bengal with Corporate Identity No. (CIN) L33120WB1992PLC055082.

(b) Annual General Meeting:

Date and time: 30th September, 2025 at 12:30 P.M to be held through Video Conferencing (VC).

(c) Financial Calendar (tentative and subject to change)

S. No.	Particulars	Information
1.	Annual General Meeting- Date & Time	30.09.2025, 12:30 P.M.
2.	Financial Year	01 st April 2024 to 31 st March 2025
3.	Financial Calendar	2024-25
4.	Book Closure Date	24.09.2025 to 30.09.2025
5.	Dividend Payment date	The Company has not recommended or paid any dividend during the financial year under review
6.	Stock Code	BSE 538563

(d) Listing of Equity Shares: Bombay Stock Exchange (BSE)

Phiroze Jeejebhoy Towers, Dalal Steet, Mumbai-400 001

The Company has paid the Annual Listing fees for the Financial Year 2024-25.

(e) Stock Market Data

: **Bombay Stock Exchange (BSE)**

BSE Quote : (SMTEL) - 538563

Month F.Y. 2024-2025	High Price	Low Price
Apr 24	9.29	7.29
May 24	NT	NT
Jun 24	NT	NT
Jul 24	NT	NT
Aug 24	NT	NT
Sep 24	NT	NT
Oct 24	NT	NT
Nov 24	NT	NT

Dec 24	NT	NT
Jan 25	NT	NT
Feb 25	9.75	9.75
Mar 25	10.23	10.23

Note: N.T. denotes 'NO TRADING' on the stock Exchange.

(f) Status of dematerialization as on 31.03.2025

Particulars	No. of shares	% of capital
NSDL	30,29,897	18.34 %
CDSL	6,45,003	3.90 %
Total Dematerialized	36,75,000	22.24%
PHYSICAL	100	0.001%
TOTAL	36,75,000	22.24%
Reason for difference	The Company issued a total of 1,28,45,000 equity shares, comprising 94,64,134 equity shares allotted for consideration other than cash and 33,80,866 equity shares allotted for cash through preferential allotment on March 26, 2025. In-principle approval for the allotment was received from BSE Limited on March 21, 2025. Following the close of the financial year, the Company obtained trading approval from BSE on June 30, 2025. Consequently, the total issued and paid-up equity share capital of the Company stands at 1,65,20,000 equity shares.	

(g) Registrar & Share Transfer Agent and Communication Address:

Niche Technologies Pvt. Ltd.

D-511, Bagree Market, 71, B. R. B. Road, 5th Floor, Kolkata, West Bengal, 700001

Share Transfer System:

The Board has delegated authority for approving transfer, transmission etc. of shares to the Stakeholder's Relationship Committee, who will approve the relevant transfers after being reviewed and approved by the Company Secretary, and the same will be forwarded to the Registrar & Share Transfer Agent. The decisions of the committee will be considered in the Board Meeting.

(h) Shareholding pattern as on 31.03.2025

Sl. No.	Category	No. of shares	Percentage
1	Promoters	61,153	0.37
2	Indian Financial Institutions, Banks, Mutual Funds	-	-
3	Foreign Institutional Investors/ NRIs	-	-
	Public	1,64,58,847	99.63
	Total	1,65,20,000	100.00

(ii) Distribution on shareholding as on 31.03.2025

Shares holding of nominal value of Rs.10	No. of Shareholders	% of shareholders	No. of Equity shares	% of shareholding
1 - 500	48	43.63636	1,137	0.006883
501-1000	1	0.909091	960	0.005811

1001-5000	5	4.545455	7,630	0.046186
5001-10000	1	0.909091	10,000	0.060533
10001-50000	31	28.18182	8,85,153	5.358069
50001-100000	4	3.636364	3,65,000	2.209443
100001 & Above	20	18.18182	1,52,50,120	92.31308
Total	110	100.0000	1,65,20,000	100.0000

Address for Correspondence:

Plot No. 23 D Sector A Sanwer Road Industrial Area, Near Parle G Biscuit Factory, Indore 452015
Madhya Pradesh, India.

Certificate from a Company Secretary in Practice of non-disqualification of Directors:

Certificate from a Company Secretary in Practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, forms part of the Board Report as “Annexure – H”.

The above report was adopted by the Board of Directors at their meeting held on September 02, 2025.

For SMT Engineering Limited
(Formerly known as Adarsh Mercantile Limited)

Date: 02.09.2025

Place: Indore

Vishal Jaiswal
Wholetime Director
DIN: 01741062

Ajay Jaiswal
Managing Director
DIN: 01754887

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AUDITORS REPORT ON THE STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF SMT ENGINEERING LIMITED

OPINION

We have audited the accompanying standalone financial statements of **SMT ENGINEERING LIMITED** (Formerly known as Adarsh Mercantile Limited) ("the Company") which comprises the Balance Sheet as at 31st March, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act"), as amended 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 31st March, 2025 and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matter to be communicated in our report.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), changes in equity and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information / financial statements of Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of the Company.

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 section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V of the Act.
2. 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

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Annexure - "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

3. As required by Section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with Ind AS specified under section 133 of the Act.
 - e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of internal financial controls with reference to financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure "B" wherein we have expressed an unmodified opinion; and
 - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position as at 31 March 2025.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025.
 - (iv) a. The management has represented that, to the best of its knowledge and belief. no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities (the intermediaries'). with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (the Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.

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- b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies). including foreign entities (the Funding Parties'), with the understanding, whether recorded in writing or otherwise. That the Company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries: and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- (v) The Company has not declared or paid any dividend during the year ended 31 March 2025.

(vi) **Reporting on Audit Trails**

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.

For NKSJ & Associates
Chartered Accountants
Registration No. 329563E
UDIN: 25234454BMLGZL2958

**Embassy Building, Flat No. 1B,
1st Floor,
4, Shakespeare Sarani,
Kolkata – 700 071**

Dated the 16th day of June, 2025

CA Sneha Jain
Partner
Membership No. 234454

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ANNEXURE “A “TO THE INDEPENDENT AUDITORS’ REPORT

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) (A) The Company has maintained proper records showing fall particulars, including quantitative details and situation of investment property but does not have any property, plant and equipment or intangible assets or right of use assets.
(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(1)(a)(B) of the Order is not applicable to the Company,
- b) The investment property have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- c) The title deeds of all the immovable properties (including investment properties) held by the Company are held in the name of the Company.
- d) The Company has not revalued its Property. Plant and Equipment (and Right of Use assets) or intangible assets during the year as it does not hold any of them.
- e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(1)(e) of the Order is not applicable to the Company.
2. (a) The Company maintains inventory of shares and securities. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
3. (a) During the year, the Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity. Accordingly, reporting under clauses 3(iii)(a) and 3(iii)(e) of the Order is not applicable to the Company.
- b) The investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not, prima facie, prejudicial to the Company's interest.

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c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

d) There is no overdue amount in respect of loans granted to such company.

e) The Company has granted loan which are repayable on demand, as per details below:

(Rs. in lakhs)

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loan			
-Repayable on demand (A)	--	--	10.00
-Agreement does not specify any terms or period of repayment (B)	--	--	--
Total (A+B)	--	--	10.00
Percentage of loans/advances in nature of loan to the total loans	--	--	100%

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made.
5. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
6. The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- 7.(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were due at the year-end for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following :

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<u>Name of the Statute</u>	<u>Nature of dues</u>	<u>Amount (Rs.)</u>	<u>Period to which the amount relates</u>	<u>Forum where dispute is pending</u>
Income Tax Act, 1961	Income Tax	44601	A.Y 2008-09	Assessing Officer, Income Tax Department
Income Tax Act, 1961	Income Tax	6014	A.Y 2007-08	Assessing Officer, Income Tax Department

8. Based on the audit procedures performed and the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts
9. (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company
- d) In our opinion and according to the information and explanations given to us. The Company has not raised any funds on short term basis during the year or in any previous year. Accordingly, reporting under clause 3(ix) (d) of the Order is not applicable to the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates.
- f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its associate company.

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10. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company
- b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company
11. a) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the period covered by our audit
- b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
12. In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company and the Nidhi Rules 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24. Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
14. (a) In our opinion and according to the information and explanations given to us. The company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
16. The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 Accordingly, reporting under clause xvi) of the Order is not applicable to The Company

NKSJ & Associates **Chartered Accountants**

17. The Company has incurred cash losses in the current and immediately preceding financial years amounting to Rs. 176.06 lakhs and Rs 38.75 lakhs respectively.
18. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company
19. 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, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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.
20. According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
21. The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For NKSJ & Associates
Chartered Accountants
Registration No. 329563E
UDIN : 25234454BMLGZL2958

**Embassy Building, Flat No. 1B,
1st Floor,
4, Shakespeare Sarani,
Kolkata – 700 071**

Dated the 16th day of June, 2025

CA Sneha Jain
Partner
Membership No. 234454

NKSJ & Associates

Chartered Accountants

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

REFERRED TO IN PARAGRAPH 2(g) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE.

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of **SMT ENGINEERING LIMITED** (Formerly known as Adarsh Mercantile Limited) (“**the Company**”) as of and for the year ended 31st March 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

NKSJ & Associates

Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting with reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NKSJ & Associates
Chartered Accountants
Registration No. 329563E
UDIN : 25234454BMLGZL2958

Embassy Building, Flat No. 1B,
1st Floor,
4, Shakespeare Sarani,
Kolkata – 700 071

Dated the 16th day of June, 2025

CA Sneha Jain
Partner
Membership No. 234454

SMT ENGINEERING LIMITED
(formerly known as Adarsh Mercantile Limited)
CIN: L33120WB1992PLC055082
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2025

		Amount in "00"	
Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
(1) Non-Current Assets			
(a) Financial Assets:			
(i) Investments	2(i)	27,44,599	2,043
(ii) Loans	2(ii)	-	28,000
(2) Current assets			
(a) Financial Assets:			
(i) Inventories	3(i)	-	709
(ii) Trade Receivables	3(ii)	-	2,30,383
(iii) Cash and cash equivalents	3(iii)	6,81,161	1,01,179
(iv) Loans	3(iv)	22,67,016	71,975
(v) Other Financial Assets		-	2,37,855
(b) Current Tax Assets (net)	4	591	11,636
TOTAL ASSETS		56,93,368	6,83,780
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	5	16,52,000	3,67,500
(b) Other Equity	6	40,10,588	2,87,642
Liabilities			
(2) Non-current liabilities		-	-
(3) Current liabilities			
(a) Financial Liabilities:			
(i) Borrowings	7	10,000	-
(ii) Trade Payables	8(i)	-	7,107
(iii) Other financial liabilities	8(ii)	20,745	19,404
(b) Other Current liabilities	9	35	2,127
TOTAL EQUITY AND LIABILITIES		56,93,368	6,83,780

Significant accounting policies and notes to financial statements

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

For and on behalf of the Board

For NKSJ & Associates

Chartered Accountants
Firm Registration No. 329563E

Ajay Jaiswal	Vishal Jaiswal
Managing Director & CFO	Whole-time Director
DIN- 01754887	DIN- 01741062

CA Sneha Jain

Partner
Membership No. 234454
UDIN:
Place: Indore
Date: 16th June, 2025

Mohd Shanawaz Shekh
Company Secretary
M No.- A65714

SMT ENGINEERING LIMITED

(formerly known as Adarsh Mercantile Limited)

CIN: L33120WB1992PLC055082

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

		Amount in "00"	
Particulars	Note No.	Year ended March 31, 2025	Year ended March 31, 2024
I. Revenue from operations	10	7,47,272	2,56,249
II. Other income	11	10,212	61,053
III. Total Income (I+II)		7,57,483	3,17,302
IV. Expenses			
Cost of materials consumed		-	-
Purchases of stock-in-trade	12	7,13,292	729
Changes in inventories of finished goods, stock-in-trade and work-in-progress	13	709	35,281
Employee benefits expense	14	7,603	12,275
Finance costs	15	-	23,505
Depreciation and amortisation expense		-	2,362
Other expenses	16	17,124	4,28,720
Total Expenses (IV)		7,38,727	5,02,872
V. Profit before exceptional items and tax (III-IV)		18,757	(1,85,569)
VI. Exceptional Items		-	-
VII. Profit/ (loss) before tax (V-VI)		18,757	(1,85,569)
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	(12,106)
(3) Income Tax for earlier years		677	226
IX. Profit/ (loss) for the period from continuing operations (VII-VIII)		18,080	(1,73,689)
X. Profit/ (loss) for the period from discontinued operations		-	-
XI. Tax expense of discontinued operations		-	-
XII. Profit/ (loss) from discontinued operations (after tax) (VIII-IX)		-	-
XIII. Profit/ (loss) for the period (IX+XII)		18,080	(1,73,689)
XIV. Other Comprehensive Income:			
A (i) Items that will not be reclassified to profit or loss		17	1,69,064
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(6,589)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV. Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		18,097	1,964
XVI. Earning per equity share (for continuing operation): (in Rs.)	17		
(1) Basic		0.47	(4.73)
(2) Diluted		0.47	(4.73)
XVII. Earning per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XVIII. Earning per equity share (for discontinued and continuing operation): (in Rs.)			
(1) Basic		0.47	(4.73)
(2) Diluted		0.47	(4.73)

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

As per our report of even date

For and on behalf of the Board

For NKSJ & Associates

Chartered Accountants

Firm Registration No. 329563E

CA Sneha Jain

Partner

Membership No. 234454

UDIN:

Place: Indore

Date: 16th June, 2025

Ajay Jaiswal

Managing Director & CFO

DIN- 01754887

Vishal Jaiswal

Whole-time Director

DIN- 01741062

Mohd Shanawaz Shekh

Company Secretary

M No.- A65714

SMT ENGINEERING LIMITED
(formerly known as Adarsh Mercantile Limited)
CIN: L33120WB1992PLC055082
Standalone Statement of Changes in Equity
for the year ended March, 31, 2025

A. Equity Share Capital

Amount in "00"

Particulars	No. of Shares	Amount
Balance as at April 1, 2023	36,75,000	3,67,500
Changes in equity share capital during the year	-	-
Balance as at March 31, 2024	36,75,000	3,67,500
Changes in equity share capital during the year	1,28,45,000	12,84,500
Balance as at March 31, 2025	1,65,20,000	16,52,000

B. Other Equity

Amount in "00"

Particulars				Equity Instruments through Other Comprehensive Income	Total
	Securities Premium	Other Reserves - General Reserves	Retained Earnings		
Balance at the beginning of the current reporting period	-	1,05,214	1,87,001	(4,573)	2,87,642
Profit for the year	-	-	18,080	17	18,097
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	18,080	17	18,097
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	(4,556)	4,556	-
Any other change (to be specified)	37,04,849	-	-	-	37,04,849
Balance at the end of the current reporting period	37,04,849	1,05,214	2,00,525	-	40,10,588

Amount in "00"

Particulars				Equity Instruments through Other Comprehensive Income	Total
	Securities Premium	Other Reserves - General Reserves	Retained Earnings		
Balance at the beginning of the previous reporting period	-	1,05,214	1,30,604	49,860	2,85,678
Profit for the year	-	-	(1,73,689)	1,75,653	1,964
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-
Total Comprehensive Income for the previous year	-	-	(1,73,689)	1,75,653	1,964
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	2,30,086	(2,30,086)	-
Any other change (to be specified)	-	-	-	-	-
Balance at the end of the previous reporting period	-	1,05,214	1,87,001	(4,573)	2,87,642

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

For and on behalf of the Board

For NKSJ & Associates

Chartered Accountants

Firm Registration No. 329563E

CA Sneha Jain

Partner

Membership No. 234454

UDIN:

Place: Indore

Date: 16th June, 2025

Ajay Jaiswal
Managing Director & CFO
DIN- 01754887

Vishal Jaiswal
Whole-time Director
DIN- 01741062

Mohd Shanawaz Shekh
Company Secretary
M No.- A65714

SMT ENGINEERING LIMITED

(formerly known as Adarsh Mercantile Limited)

CIN: L33120WB1992PLC055082

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

Amount in "00"

Particulars	for the year ended March 31, 2025	for the year ended March 31, 2024
Cash flow from operating activities		
Profit before tax	18,757	(1,85,569)
Depreciation	-	2,362
(Gain)/loss on sale of Investments	300	(2,41,951)
Rental Income	-	(2,298)
Dividend Income from Investments	-	(2,351)
Interest Income on Deposits	(10,212)	(8,272)
Interest Expenses	-	23,505
Operating profit before working capital changes	8,845	(4,14,575)
Movements in working capital :		
Decrease/(increase) in Inventories	709	35,281
Decrease/(increase) in Trade Receivables	2,30,383	(2,04,075)
Decrease/(increase) in Loans & Advances	(21,67,041)	19,848
Decrease/(increase) in Other Financial Assets	2,37,855	(2,34,655)
Decrease/(increase) in Other Non Current Assets	-	2,693
Decrease/(increase) in Other Current Assets	-	2,131
Increase/(decrease) in Trade Payables	(7,107)	(18,018)
Increase/(decrease) in Other Financial Liabilities	1,341	(1,812)
Increase/(decrease) in Other Current Liabilities	(2,092)	904
Cash generated from / (used in) operations	(16,97,108)	(8,12,277)
Direct taxes paid (net of refunds)	(10,368)	(8,337)
Net Cash flow from / (used in) operating activities (A)	(16,86,740)	(8,20,614)
Cash flow from investing activities		
Dividend Income	-	2,351
Gain/(loss) on sale of Investments	1,760	2,41,951
Rental Income	-	2,298
Interest Income	10,212	8,272
Sale/(Purchase) of Investments	-	8,09,412
Sale/(Purchase) of Property	-	2,44,232
Net Cash flow from / (used in) investing activities (B)	11,972	13,08,517
Cash flow from financing activities		
Proceeds/(Repayment) of Short term Borrowings	10,000	(3,65,250)
Interest paid	-	(23,505)
Proceeds from issuance of share capital	22,44,750	-
Net Cash flow from / (used in) financing activities (C)	22,54,750	(3,88,755)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	5,79,982	99,147
Cash and cash equivalents at the beginning of the year	1,01,179	2,032
Cash and cash equivalents at the end of the year	6,81,161	1,01,179
Components of cash and cash equivalents		
Balances with Banks		
In Current Accounts	6,80,779	1,01,082
Cash on hand	383	97
Total cash and cash equivalents	6,81,161	1,01,179

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

As per our attached report of even date

For NKSJ & Associates

Chartered Accountants

Firm Registration No. 329563E

For and on behalf of the Board

Ajay Jaiswal
Managing Director & CFO
DIN- 01754887

Vishal Jaiswal
Whole-time Director
DIN- 01741062

CA Sneha Jain

Partner

Membership No. 234454

UDIN:

Place: Indore

Date: 16th June, 2025

Mohd Shanawaz Shekh

Company Secretary

M No.- A65714

1. Significant Accounting Policies

1.1 Overview of the Company

SMT Engineering Limited (formerly known as Adarsh Mercantile Limited) ("The Company") is engaged in the business of trading of goods and shares and investments in mutual funds, shares and securities. The Company is a Public Limited company incorporated and domiciled in India and has its registered office at 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata 700027. The Company has its primary listing on Bombay Stock Exchange. In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2016.

1.2 Basis of preparation of Financial Statements

These financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values; the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in IND AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal except otherwise stated. The presentation and grouping of individual items in the balance sheet, the profit & loss statement and the cash flow statement, as well as the statement of changes in equity, are based on the principle of materiality.

1.3 Use of estimates and judgments

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Property, Plant and Equipment

On date of transition, the company has adopted the optional exception in accordance with IND AS 101 to measure Property, Plant and Equipment (PPE) at fair value and assumption of the same as deemed cost. Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition or construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of acquisition includes inward freight, duties and taxes (net of Cenvat availed), dismantling cost and installation expenses etc incurred upto the installation of the assets. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from use. Gain or loss arising on disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of Profit & Loss.

Depreciation is recognised on straight line method basis over the estimated useful lives (or lease term, if shorter) in accordance with Schedule II of the Companies Act, 2013.

1.5 Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher on an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.6 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) Financial assets

Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent Measurement:

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

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL);
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI). 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.
- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
 - The asset is held within a business model whose objective is achieved by both collecting 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.
After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.
 - Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
 - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
 - The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on re-measurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.
- Equity Instruments measured at FVTOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. 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. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

Derecognition

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses (ECL) in associates with its debt instruments carried at amortised cost and with the exposure arising from loan commitments and other financial assets. The company recognises a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customer defaulting and the resulting losses).

Write-off policy

The Company writes off financial assets, in whole or part, when it has exhausted all practical recovery efforts and has conducted there is no reasonable expectation of recovery.

(ii) Financial Liabilities

Recognition and Initial Measurement:

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

Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as 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 statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

1.7 Inventories

Stock in trade is measured at Fair Value as per IND AS.

1.8 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Companies satisfy a performance obligation by transferring a promised goods or service to a customer.

(i) Interest Income

Interest income is recognised using the effective interest rate

(ii) Dividend Income

Dividend income is recognised when the right to receive payment is established.

(iii) Income from investment

Profit / (loss) earned from sale of securities is recognised on trade date basis. The cost of securities is computed based on FIFO basis.

(iv) All other income are accounted for on accrual basis unless otherwise specified.

1.9 Provisions, Contingent Liabilities and Contingent Assets, legal or constructive

(i) Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(ii) A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within 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. When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

(iii) Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.

1.10 Employee Benefits

- (i) Short term Employee benefits are accrued in the year services are rendered by the employees.
- (ii) Contribution to defined contribution plans such as Provident Fund etc. is being made in accordance with the statute and are recognized as and when incurred. Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. Other costs recognised in the Statement of Profit or Loss.
- (iii) Other long term employee benefits consisting of Leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain or loss are recognised in the Statement of Profit or Loss.

1.11 Taxes on Income

Income Tax expenses comprise current tax and deferred tax charge or credit.

(i) Current Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

(ii) Deferred Tax

Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

1.12 Investment Property

Recognition

Investment property shall be recognised as an asset when, and only when: (a) it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and (b) the cost of the investment property can be measured reliably.

Depreciation on Investment Property is provided under the straight line method on the rates as per the useful life prescribed as per Schedule II of the Companies Act, 2013.

Measurement at recognition

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services (i.e., property transfer taxes and other transaction costs).

Measurement after recognition

After initial recognition, an entity shall measure all of its investment properties in accordance with Ind AS 16's requirements for cost model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations.

Transfers

An entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

Disposals

An investment property shall be derecognised (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in profit or loss in the period of the retirement or disposal.

1.13 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

1.14 Earnings per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

1.15 Critical estimates and judgements

The Company makes estimates and assumptions that affect the amounts recognised in the Standalone Ind AS financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have most significant effect on the amount recognised in the Standalone Ind AS financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include the following:

Estimation of fair value of unlisted investment

The fair value of financial instrument that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period and also for, details of key assumptions used and the impact of changes to these assumptions.

Current Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred Tax

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition therefore involves judgement regarding the future financial performance of the Company.

Provisions and Contingencies

Provisions and contingencies are based on Management's best estimate of the liabilities based on the facts known at the balance sheet date.

2	Non- Current Financial Assets	As at		As at	
		31 March 2025		31 March 2024	
		Qty. (nos.)	Amount	Qty. (nos.)	Amount
	(i) Non Current Investments				
	(a) Investment in Subsidiary Company (Valued at Amortized Cost)				
	In Equity Instruments (Face Value of Rs. 100 Each, unless otherwise stated)				
	Sai Machine Tools Private Limited	1,26,120	27,44,599	-	-
	(b) Investments in Equity Instruments of Associate Company (Unquoted) (valued at amortized Cost)				
	Avon Credit Pvt. Ltd.	-	-	12,000	1,500
	(c) Investment in Others (Unquoted) (Valued at FVTOCI)				
	Electrosteel Steels Ltd.	-	-	1,750	543
	Total (a+b+c)		27,44,599		2,043
	Aggregate amount of unquoted investments		27,44,599		2,043

Note:

- i) On March 26, 2025, the Company had acquired 100% equity shares of M/s Sai Machine Tools Private Limited for a consideration of Rs. 27.45 Crore.
ii) During the year ended 31st March, 2025, the company has made disinvestment in associate company namely Avon Credit Private Limited

(ii) Loans	As at		As at	
	31 March, 2025		31 March, 2024	
(Unsecured, Considered good, unless otherwise stated)				
Loans & Advances - related parties		-		28,000
Total		-		28,000

3	Current Financial Assets	31 March 2025		31 March 2024	
		Qty. (nos.)	Amount	Qty. (nos.)	Amount
	(i) Inventory (fair value through profit & loss)				
	a. Equity Shares (Quoted)				
	RPSG Ventures Ltd (earlier known as CESC Ventures Ltd)	-	-	114	709
	Total		-		709

(ii) Trade Receivables	As at		As at	
	31 March, 2025		31 March, 2024	
Unsecured, considered good		-		2,30,383
Trade Receivables which have significant increase in credit risk		-		-
Trade Receivables - Credit impaired		-		-
Total		-		2,30,383

For reporting period ended 31st March 2025

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 6 months	6 months -1 year	1-2 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	-	-	-	-
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-

For reporting period ended 31st March 2024

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 6 months	6 months -1 year	1-2 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	2,22,921	-	7,462	-	2,30,383
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-
					2,30,383

(iii) Cash and Cash Equivalents	As at		As at	
	31 March, 2025		31 March, 2024	
Balances with banks in Current Accounts		6,80,779		1,01,082
Cash on hand		383		97
Total		6,81,161		1,01,179

(iv) Loans	As at		As at	
	31 March, 2025		31 March, 2024	
(Unsecured, Considered good, unless otherwise stated)				
Loans & Advances - other parties		-		58,895
Loans & Advances - related parties		22,67,016		13,080
Total		22,67,016		71,975

For reporting period ended 31st March 2025

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	22,67,016	100.00

For reporting period ended 31st March 2024

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	13,080	18.17

	As at 31 March, 2025	As at 31 March, 2024
4 Current Tax Assets (net)		
Advances tax and TDS (Net of provisions)	591	11,636
Total	591	11,636

	As at 31 March, 2025	As at 31 March, 2024
5 Equity Share Capital		
a) Capital Structure		
Authorised		
1,70,00,000 Equity Shares of Rs. 10/- each (Previous year - 40,00,000 Equity Shares of Rs. 10/- each)	17,00,000	4,00,000
	17,00,000	4,00,000
Issued, Subscribed and Fully Paid Up		
1,65,20,000 Equity Shares of Rs. 10/- each (Previous year - 36,75,000 Equity Shares of Rs. 10/- each)	16,52,000	3,67,500
	16,52,000	3,67,500

b) Share Capital Reconciliation

Equity Shares	31 March 2025	31 March 2024
	Nos. Amount	Nos. Amount
Balance at the beginning of the current reporting period	36,75,000 3,67,500	36,75,000 3,67,500
Issued during the year	1,28,45,000 12,84,500	- -
Balance at the end of the current reporting period	1,65,20,000 16,52,000	36,75,000 3,67,500

c) Particulars of Equity Shareholders holding more than 5% Shares at Balance Sheet date

	31 March 2025	31 March 2024
	Nos. % holding	Nos. % holding
Avon Credit Private Limited	- 0.00%	14,93,130 40.63%
Winy Commercial & Fiscal Services Limited	- 0.00%	3,15,000 8.57%
Kshitiz Chhawchharia as the Karta of Kshitiz Chhawchharia HUF	- 0.00%	3,54,650 9.65%
Ashish Chhawchharia as the Karta of Ashish Chhawchharia HUF	- 0.00%	3,51,643 9.57%
Sushil Kumar Chhawchharia as the Karta of Sushil Kumar Chhawchharia HUF	- 0.00%	2,73,355 7.44%
Ajay Jaiswal	35,68,902 21.60%	- 0.00%
Vishal Kumar Jaiswal	34,92,964 21.14%	- 0.00%
Ashok Jaiswal	28,39,541 17.19%	- 0.00%
Poonam Jaiswal	10,26,113 6.21%	- 0.00%
	1,09,27,520 66.15%	27,87,778 75.86%

The above shareholding represents both legal and beneficial ownership of shares.

d) Terms of issue of equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs 10. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholding.

e) The Company has not allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash or by way of fully paid bonus shares nor has bought back any shares during the period of five years immediately preceeding the date at which the Balance Sheet is prepared.

f) Shareholding of Promoters

Promoter's name	No. of Shares as on 31.03.2025	% of total shares	No. of Shares as on 31.03.2024	% of total shares	% change during the year
Sushil Kumar Chhawchharia HUF	-	0.00%	2,73,355	7.44%	-7.44%
Ashish Chhawchharia	30,577	0.19%	1,38,375	3.77%	-3.58%
Ashish Chhawchharia HUF	-	0.00%	3,51,643	9.57%	-9.57%
Kshitiz Chhawchharia	30,576	0.19%	1,40,000	3.81%	-3.62%
Kshitiz Chhawchharia HUF	-	0.00%	3,54,650	9.65%	-9.65%
Avon Credit Private Limited	-	0.00%	14,93,130	40.63%	-40.63%
Total	61,153.00	0.37%	27,51,153	74.86%	-74.49%

6 <u>Other Equity</u>	As at 31 March, 2025	As at 31 March, 2024
(i) General Reserve		
Balance b/f	2,450	2,450
(ii) General Reserve on Amalgamation		
Balance b/f	1,02,764	1,02,764
(iii) Security Premium		
Balance at the beginning of the year	-	-
Add: Addition during the year	37,25,279	-
Less: Share Issued Expenses	20,430	-
Balance at the end of the year	37,04,849	-
(iv) Retained Earnings		
Balance at the beginning of the year	1,87,001	1,30,604
Add: Profit for the year	18,080	(1,73,689)
Add: Transfer from OCI	(4,556)	2,30,086
Balance at the end of the year	2,00,525	1,87,001
(v) Other Comprehensive Income		
Balance at the beginning of the year	(4,573)	49,860
Add: Investments carried at FVTOCI	17	1,75,653
Less: Transfer to retained earnings	4,556	2,30,086
Equity instrument through other comprehensive income	-	(4,573)
Total	40,10,588	2,87,642

Description of nature and purpose of each reserve

Security Premium

The amount received in excess of face value of the equity shares is recognized in Securities Premium. The amount of securities premium can be utilized only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

General Reserve and General Reserve on Amalgamation

General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. On amalgamation, earlier done, the amalgamating company reserve was transferred as it is.

Retained Earning

Created out of accretion of profits.

Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investment in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earning when the securities are derecognised.

7 <u>Current Borrowings</u>	As at 31 March, 2025	As at 31 March, 2024
Loans and advances from related parties		
<u>Unsecured</u>		
From Directors	10,000	-
Total	10,000	-
8 <u>Current Financial Liabilities</u>	As at 31 March, 2025	As at 31 March, 2024
(i) <u>Trade Payables</u>		
(A) Total outstanding dues of micro enterprise and small enterprises	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	7,107
Total	-	7,107

For the reporting period ended 31st March 2025

Particulars	Outstanding for following periods from due date of payments #				Total
	Less than 6 months	6 months -1 year	1-2 years	More than 3 years	
MSME	-	-	-	-	-
Others	-	-	-	-	-
Disputed- MSME	-	-	-	-	-
Disputed- others	-	-	-	-	-

where no due of payment is specified- date of transaction is to be considered

For the reporting period ended 31st March 2024

Particulars	Outstanding for following periods from due date of payments #				Total
	Less than 6 months	6 months -1 year	1-2 years	More than 3 years	
MSME	-	-	-	-	-
Others	-	-	7,107	-	7,107
Disputed- MSME	-	-	-	-	-
Disputed- others	-	-	-	-	-

where no due of payment is specified- date of transaction is to be considered

(ii) <u>Other Financial Liabilities</u>	As at 31 March, 2025	As at 31 March, 2024
Interest accrued and due on borrowings	-	18,323
Others Payables (Year end accruals for expenses)	20,745	1,081
Total	20,745	19,404
9 <u>Other Current Liabilities</u>	As at 31 March, 2025	As at 31 March, 2024
Statutory Dues Payables	35	2,127
Total	35	2,127

SMT ENGINEERING LIMITED

(formerly known as Adarsh Mercantile Limited)

CIN: L33120WB1992PLC055082

Notes to the Standalone Financial Statements for the year ended 31st March 2025

(All Amounts are in Rs. Hundreds, unless otherwise stated)

10 REVENUE FROM OPERATIONS	For the year ended 31 March, 2025	For the year ended 31 March, 2024
a) Sale of Products		
Shares & Securities	7,47,572	52,755
Profit on sale of Investment measured at FVTPL	-	2,03,383
Loss on sale of Investment measured at Amortised Cost	(300)	-
Total (a)	7,47,272	2,56,138
b) Other Operating Income		
Dividend Income - Measured as FVTPL	-	111
Total (b)	-	111
Total (a+b)	7,47,272	2,56,249
11 OTHER INCOME	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Profit on sale of Investment Property	-	38,568
Rental Income	-	2,298
Commission Income	-	9,675
Dividend Income from Investment - Measured as FVTOCI	-	2,240
Interest income	10,212	8,272
Total	10,212	61,053
12 PURCHASES OF STOCK-IN-TRADE	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Shares & Securities	7,13,271	729
Total	7,13,271	729
13 CHANGES IN INVENTORIES OF STOCK-IN-TRADE	For the year ended 31 March, 2025	For the year ended 31 March, 2024
<u>Inventories at the beginning of the year</u>		
Shares & Securities	709	35,989
<u>Inventories at the end of the year</u>		
Shares & Securities	-	709
Total	709	35,281
14 EMPLOYEE BENEFITS EXPENSE	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Salaries, Bonus & Allowances	7,598	12,272
Staff welfare expenses	6	3
Total	7,603	12,275
15 FINANCE COSTS	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Interest expense	-	23,505
Total	-	23,505
16 OTHER EXPENSES	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Advertisement expenses	185	170
<u>Auditors' Remuneration</u>		
- Audit Fees	350	350
- Out of pocket expenses	8	6
Legal & Professional fees	5,000	353
Listing expenses	7,866	4,426
Repair & Maintenance Charges	-	1,133
Miscellaneous expenses	248	768
Brokerage & Commission	-	880
Rates & Taxes	1,817	689
Sundry Balances written off	1,650	4,19,945
Total	17,124	4,28,720

17 EARNING PER SHARE (EPS)

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

	As at 31 March, 2025	As at 31 March, 2024
Net Profit / (Loss) attributable to equity shareholders	18,080	(1,73,689)
Weighted average number of equity shares in calculating EPS	38,86,151	36,75,000
Nominal value of Equity Shares	10	10
Basic & Diluted EPS (in Rs.)	0.47	(4.73)

SMT ENGINEERING LIMITED
(formerly known as Adarsh Mercantile Limited)
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Notes to the Standalone Financial Statements
for the year ended 31st March 2025

18 Business Combinations

Acquisition of Sai Machine Tools Private Limited (SMTPL)

The Company, through Share Swap Arrangement dated March 25, 2025, with Sai Machine Tools Private Limited acquired 100% Stake on a going concern basis, at a consideration of Rs. 27.45 Crores arrived at based on independent fair valuation.

The fair value of the identifiable assets and liabilities of acquisition date were as under :

Particulars	Rs. in Lacs
Amount	
ASSETS	
Non- Current Assets	
(a) Property, Plant and Equipment	1,745.89
(b) Right-of-use assets	70.41
(c) Capital Work-In-Progress	232.12
(d) Intangible Assets other than Goodwill	6.04
(e) Goodwill on Consolidation	6.76
(d) Financial Assets	
i) Investments	3.47
ii) Others	727.41
Total Non-Current Assets	2,792.10
Current Assets	
(a) Inventories	7,156.10
(b) Financial Assets	
i) Trade Receivables	1,157.66
ii) Cash and Cash Equivalents	72.09
(c) Other Current Assets	2,475.42
Total Current Assets	10,861.27
Total Assets	13,653.37
LIABILITIES	
Non-Current Liabilities	
(a) Financial Liabilities	
i) Borrowings	1,695.58
ii) Lease Liabilities	61.95
(b) Long-Term Provisions	31.61
(c) Deferred tax liabilities (Net)	44.27
Total Non-Current Liabilities	1,833.41
Current Liabilities	
(a) Financial Liabilities	
i) Borrowings	3,941.43
ii) Lease Liabilities	0.07
iii) Trade Payables	
-Total outstanding dues of micro enterprises & small enterprises	16.25
-Total outstanding dues of creditors other than micro enterprises & small enterprises	2,053.38
iv) Other Financial Liabilities	2,076.81
(b) Other Current Liabilities	180.48
(c) Provisions	58.23
(d) Current Tax Liabilities (Net)	344.92
Total Current Liabilities	8,671.57
Total Liabilities	10,504.98
Net Assets of SMTPL (Total Assets Less Total Liabilities)	3,148.39
Purchase Consideration	2,744.60
Goodwill / (Capital Reserve) on acquisition	-403.79

SMT ENGINEERING LIMITED
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Notes to the Standalone Financial Statements
for the year ended 31st March 2025

		Amount In Rs.	
		As at 31 March, 2025	As at 31 March, 2024
19	CONTINGENT LIABILITIES		
	Contingent Liability in respect of contested demand of AY 2007-08	6,014	6,014
	Contingent Liability in respect of contested demand of AY 2008-09	44,601	44,601

20 SEGMENT REPORTING

The Company's activities during the year were limited to Trading Activities and accordingly no separate disclosure is required in terms of Indian Accounting Standard 108, 'Operating Segments'.

21 RELATED PARTY DISCLOSURES

As required by IND AS 24 'Related Party Disclosures', the disclosure of transactions with related parties are given below:

(i) Names of the related parties and description of relationship

List of related parties where control exists:

1 Wholly Owned Subsidiary

Sai Machine Tools Private Limited

2 Associates

Avon Credit Private Limited - ceases to be associate with effect from 19th September 2024

3 Key Management Personnel (KMP) and their relatives

Mrs. Suchita Chhawchharia	Executive Director (Resigned w.e.f 07.03.2025)
Mr. Aritra Basu	Director (Resigned w.e.f 07.03.2025)
Mr. Shiv Shankar Sharma	Chief Financial Officer (Casual Vacancy arised on 21.12.2024)
Ms. Salu Agarwal	Company Secretary (appointed w.e.f. 21.04.2023 and resigned w.e.f 05.07.2023)
Ms. Kajol Modi	Company Secretary (appointed w.e.f. 18.09.2023 and resigned w.e.f 04.12.2023)
Ms. Radhika Mayaramka	Company Secretary (appointed w.e.f. 08.02.2024 and resigned w.e.f 01.02.2025)
Mr. Ashok Jaiswal	Chairman & Director (Appointed w.e.f 07.03.2025)
Mr. Ajay Jaiswal	Managing Director & CFO (Appointed w.e.f 07.03.2025)
Mr. Vishal Jaiswal	Whole- Time Director (Appointed w.e.f 07.03.2025)
Mr. Mohd Shanawaz Shekh	Company Secretary (Appointed w.e.f 07.03.2025)

4 Enterprises where KMP/ relatives of KMP have significant influence or control

BCCO Commodities Private Limited
BCCO Holdings Private Limited
Aster Dealcom Pvt. Ltd.
Ambicon Ventures Private Limited

(ii) Transactions with related parties during the period and year end balances with them

		(Rs. In hundrerds)	
Sr No.	Name of the Related Party	31 March, 2025	31 March, 2024
a	Sai Machine Tools Private Limited		
	<u>Transactions</u>		
	Investment	27,44,599	-
	<u>Closing Balance:</u>		
	Year end Balance	27,44,599	-
b	Sai Machine Tools Private Limited		
	<u>Transactions</u>		
	Loan	22,66,812	-
	Interest Receivable	204.05	-
	<u>Closing Balance:</u>		
	Year end Balance	22,67,016	-
c	Avon Credit Private Limited		
	<u>Transactions</u>		
	Buy Back of Equity Shares	1,200	-
	<u>Closing Balance:</u>		
	Year end Balance	-	1,500

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d BCCO Commodities Private Limited		
<u>Transactions</u>		
Received of advances given	28,000	-
<u>Closing Balance:</u>		
Year end Balance	-	28,000
e BCCO Holdings Private Limited		
<u>Transactions</u>		
Interest received	1,111	1,200
Loan received back	13,080	-
<u>Closing Balance:</u>		
Year end Investments	-	-
Year end loan receivable	-	13,080
f Aster Dealcom Pvt. Ltd.		
<u>Transactions</u>		
Advance Refund	-	73,250
g Ambicon Ventures Pvt. Ltd.		
<u>Transactions</u>		
Loan given during the period	-	-
Loan received back	-	32,823
h Mr. Shiv Shankar Sharma		
<u>Transactions</u>		
Advance against salary Given	250	-
Advance against salary received back	200	1,500
Balances written off	1,750	-
<u>Closing Balance:</u>		
Year end advance receivable	-	1,700
i Mrs. Suchita Chhawchharia		
<u>Transactions</u>		
Consultancy charges	5,000	-
j Remuneration to Key Management Personnel		
<u>Short Term Employee Benefits</u>		
Mrs. Suchita Chhawchharia	1,650	1,800
Mr. Shiv Shankar Sharma	2,908	6,503
Ms. Salu Agarwal	-	350
Ms. Kajol Modi	-	917
Ms. Radhika Mayaramka	1,600	300

22 ACCOUNTING FOR TAXES ON INCOME

Provision for Tax is made for current and deferred taxes.

Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current income tax for current period is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax assets and liabilities are set off and presented as net.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured at the tax rates that have been enacted or substantively enacted.

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

The Company has significant amount of unused tax credits, since availability of future taxable income is not certain, no provision for deferred tax assets has been made under IND AS 12 'Income Taxes'.

23 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT 2006

The Company has circulated confirmation for the identification of suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006. On the basis of information available with the Company under the aforesaid Act, there are no Enterprises to whom the Company owes dues which are outstanding at year end. This has been relied upon by the Auditors.

24 VALUATION OF CURRENT ASSETS, LOANS & ADVANCES

In the opinion of the management, current assets, loans and advances have the value at which these are stated in the Balance Sheet, unless otherwise stated, and adequate provisions for all known liabilities have made and are not in excess of the amount reasonably required.

25 Financial Instrument and Related Disclosure

A. Fair Value of Financial Assets and Financial Liabilities with Fair Value Hierarchy

As at 31st March, 2025					(in Rs. hundreds)
Financial assets and financial liabilities at fair value	Level 1	Level 2	Level 3	Amortised Cost	Total
Financial assets					
Financial assets at FVTPL					
- Investments	-	-	-	-	-
- Inventories	-	-	-	-	-
Financial assets at FVTOCI					
- Investments	-	-	-	-	-
Financial assets at Amortised cost					
- Cash & Cash Equivalents	-	-	-	6,81,161	6,81,161
- Loans	-	-	-	22,67,016	22,67,016
- Trade Receivables	-	-	-	-	-
- Investments	-	-	-	27,44,599	27,44,599
- Other Financial Assets	-	-	-	-	-
Total Financial assets	-	-	-	56,92,777	56,92,777
Financial Liabilities					
Financial Liabilities at Amortised Cost					
- Borrowings	-	-	-	10,000	10,000
- Trade payables	-	-	-	-	-
- Other Financial Liabilities	-	-	-	20,745	20,745
Total Financial Liabilities	-	-	-	30,745	30,745

As at 31st March, 2024					(in Rs. hundreds)
Financial assets and financial liabilities at fair value	Level 1	Level 2	Level 3	Amortised Cost	Total
Financial assets					
Financial assets at FVTPL					
- Investments	-	-	-	-	-
- Inventories	709	-	-	-	709
Financial assets at FVTOCI					
- Investments	543	-	-	-	543
Financial assets at Amortised cost					
- Cash & Cash Equivalents	-	-	-	1,01,179	1,01,179
- Loans	-	-	-	99,975	99,975
- Trade Receivables	-	-	-	2,30,383	2,30,383
- Investments	-	-	-	1,500	1,500
- Other Financial Assets	-	-	-	2,37,855	2,37,855
Total Financial assets	1,252	-	-	6,70,892	6,72,144
Financial Liabilities					
Financial Liabilities at Amortised Cost					
- Borrowings	-	-	-	-	-
- Trade payables	-	-	-	7,107	7,107
- Other Financial Liabilities	-	-	-	19,404	19,404
Total Financial Liabilities	-	-	-	26,511	26,511

B. Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company continues to focus on a system-based approach to business risk management. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

(i) Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Currently the Company does not have any foreign currency exposure.

Interest rate risk

The main business of the Company is trading in goods and shares and investment in mutual funds, shares and securities. These activities expose us to interest rate risk.

Interest rate risk is measured through earnings at risk from an earning perspective. The Company monitors the change in economic value of equity arising out of change in the Interest rate. Further, an interest rate sensitivity gap report is prepared by classifying all rate sensitive assets into various time period categories according to earliest of contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets. The Company monitors interest rate risk through above measures on a monthly basis. Currently the company does not have any borrowings.

(ii) Liquidity Risk

Liquidity risk is the risk than an entity will encounter difficulty in meeting obligation associated with financial liabilities that are settled by delivering cash or other financial assets. The Company mitigates its liquidity risks by ensuring timely collections of its receivables and close monitoring of its credit cycle.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date:

Particulars	Carrying value	On Demand	Less than 1 year	Total
As at 31st March, 2025				
- Borrowings	10,000	10,000	-	10,000
- Trade payables	-	-	-	-
- Other Financial Liabilities	20,745	-	20,745	20,745
As at 31st March, 2024				
- Borrowings	-	-	-	-
- Trade payables	7,107	-	7,107	7,107
- Other Financial Liabilities	19,404	-	19,404	19,404

(iii) Credit Risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Financial instruments that are subject to credit risk and concentration thereof principally consist of rent receivables, loans receivables, investments in equity and preference share and mutual funds and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk except some loans made by the company and against which sufficient provision for expected credit loss has been provided.

The carrying value of financial assets represents the credit risk. The exposure to credit risk was Rs. 50.12 crores and Rs. 5.68 crores as at March 31, 2025 and March 31, 2024 respectively, being the total carrying value of rent receivables, loans receivables, investments in equity and preference share and mutual funds and other financial assets.

(iv) Expected Credit Loss

Ind AS 109 outlines a 'three stages' model for impairment based on changes in credit quality since initial recognition as summarized below. The objective of the impairment requirements is to recognize life time expected credit loss (ECLs) on all financial instrument for which there have been significant increases in credit risk since initial recognition – whether assessed on an individual or collective basis.

At the reporting date, an allowance (or provision for loan and advances) is required on stage 1 assets at 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognised for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

The measurement of ECL is calculated using three main components:

- (i) Probability of Default (PD)
- (ii) Loss Given Default (LGD) and
- (iii) the Exposure At Default (EAD).

The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD.

The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities.

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

Probability of default represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months (12M PD) or over the remaining lifetime (Lifetime PD) of the obligation.

Exposure at Default (EAD) is the total amount of an asset the entity is exposed to at the time of default. EAD is define based on the characteristics of the assets. EAD is dependent on the outstanding exposure of an assets sanctioned amount of loan and credit conversion factor for non-funded exposure.

Loan Given Default (LGD) it is part of an assets which is lost provided the assets default. The recovery rate is derive as a ratio of discounted value of recovery cash flow (incorporating the recovery time) to total exposure of amount at the time of default.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

- i. Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are 90 calendar days or more past due move to Stage 3 automatically.
- ii. Qualitative test: Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring. High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress.
- iii. Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met.

The definition of default for the purpose of determining ECLs has been aligned to the RBI definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due.

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26 Accounting Ratios : The followings are the analytical ratios:

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
(i) Current Ratio: (Current Assets / Current Liabilities)		
Current Assets	29,48,769	6,53,736
Current Liabilities	30,780	28,638
Current Ratio (times)	96	22.83
% of changes as compare to the preceeding year	319.68%	
Reason for Variance	Loan has been given to subsidiary company	
(ii) Debt Service Coverage Ratio: (EBIDTA/ Interest + Current maturities of debt)		
EBIDTA	18,757	(1,59,702)
Interest + Current maturities of debt	-	23,505
Debt Service Coverage Ratio (times)	-	(6.79)
% of changes as compare to the preceeding year	-100.00%	
Reason for Variance	No interest expense incurred during the year	
(iii) Return on Equity Ratio: (Profit after tax / Average shareholder's equity)		
Profit after tax	18,080	(1,73,689)
Average shareholder's equity	31,58,865	6,54,160
Return on Equity Ratio (%)	0.57%	-26.55%
% of changes as compare to the preceeding year	-102.16%	
Reason for Variance	Increased in profit during the year	
(iv) Inventory turnover ratio: (Sales/ Average Inventory)		
Sales	7,47,272	2,56,138
Average Inventory	354	18,349
Inventory turnover ratio (times)	2,109.42	13.96
% of changes as compare to the preceeding year	15011.24%	
Reason for Variance	Increased in sale during the year	
(v) Trade Receivables turnover ratio: (Sales / Average Trade Receivables)		
Sales	7,47,272	2,56,138
Average trade receivables	1,15,192	1,28,346
Trade Receivables turnover ratio (times)	6.49	2.00
% of changes as compare to the preceeding year	225.06%	
Reason for Variance	Increased in sale during the year	
(vi) Trade payables turnover ratio: (Purchase of raw material and stock in trade / Average trade payables)		
Purchase of raw material and stock in trade	7,13,271	729
Average trade payables	3,554	16,116
Trade payables turnover ratio (times)	200.72	0.05
% of changes as compare to the preceeding year	443639.61%	
Reason for Variance	Increased in purchases during the year	

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26 Accounting Ratios : The followings are the analytical ratios:

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
(vii) Net capital turnover ratio: (Sales / Average Working capital)		
Sales	7,47,272	2,56,138
Average Working capital	17,71,544	2,04,731
Net capital turnover ratio (times)	0.42	1.25
% of changes as compare to the preceeding year	-66.28%	
Reason for Variance	Increase in average working capital during the year	
(viii) Net profit ratio: (Profit after tax/Sales)		
Profit after tax	18,080	(1,73,689)
Sales	7,47,272	2,56,138
Net profit ratio (%)	2.42%	-67.81%
% of changes as compare to the preceeding year	-103.57%	
Reason for Variance	Increased in profit during the year	
(ix) Return on Capital employed: (EBIT / Capital employed)		
Earning before interest and tax (EBIT)	18,757	(1,62,064)
Capital Employed	56,62,588	6,55,142
Return on Capital employed (%)	0.33%	-24.74%
% of changes as compare to the preceeding year	-101.34%	
Reason for Variance	Profit made during the year	

SMT ENGINEERING LIMITED

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Notes to the Standalone Financial Statements for the year ended 31st March 2025**27 Disclosure of significant interest in Subsidiaries / Associates**

Name of the subsidiaries / Associates	Country	March 31, 2025	March 31, 2024
Sai Machine Tools Private Limited	India	100%	-

28 Additional Disclosures

(a) During the year, the company has granted loans to related parties (as defined under Companies Act, 2013) which are repayable on demand. The Company has not granted any Loans or Advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment to promoters, directors and KMPs either severally or jointly with any other person.

(b) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, the company for the financial year 2024-25.

(c) The Company has not taken any borrowings from banks or financial institutions on the basis of security of current assets during the financial year ended 31.03.2025.

(d) The Company is not declared as wilful defaulter by any Bank or Financial Institution or other lender.

(e) The Company has not entered into any transactions with companies which are struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year ended on 31.03.2025.

(f) 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 persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). Further, No funds have been received by the Company from any parties (Funding Parties) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party or provide any guarantee, security or the like on behalf thereof.

(g) The Company does not have any transaction relating to earlier years that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 and also there are no such previously unrecorded income and related assets relating to earlier years which have been recorded in the books of account during the year.

(h) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(i) Section 135 of the Companies Act, 2013 read with respective rules in relation to Corporate Social Responsibility is not applicable to the Company under the said Section/Rule.

29 On the basis of physical verification of assets and cash generation capacity of those assets, in the management perception, there is no impairment of assets as on 31st March, 2025.

30 Previous year figures have been reclassified wherever appropriate to confirm to current year's presentation.

31 According to the management's evaluation of events subsequent to the balance sheet date, there were no significant adjusting events that occurred other than those disclosed / given effect to, in these financial statements as of June 16, 2025.

As per our report of even date

For NKSJ & Associates

Chartered Accountants

Firm Registration No. 329563E

For and on behalf of the Board

CA Sneha Jain

Partner

Membership No. 234454

Place: Indore

Date: 16th June, 2025

Ajay Jaiswal
Managing Director & CFO
DIN- 01754887

Vishal Jaiswal
Whole-time Director
DIN- 01741062

Mohd Shanawaz Sheikh

Company Secretary

M No.- A65714

NKSJ & Associates

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SMT ENGINEERING LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Financial Statements of **SMT ENGINEERING LIMITED** (Formerly known as Adarsh Mercantile Limited) ('the Holding Company') and its Subsidiaries M/s Sai Machine Tools Private Limited and M/s Chemerix Lifesciences Private Limited and its associate M/s Avon Credit Private Limited (the Holding Company, Subsidiaries and its associate together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the associate the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2025, and its consolidated profit performance including other comprehensive profit, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

NKSJ & Associates

Chartered Accountants

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the associate, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are

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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, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group...

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

As part of an audit in accordance with Standards specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information / financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other audits on responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

OTHER MATTER

The consolidated financial statements include the Group's share of net profit (including other comprehensive income) of Rs. 277.53 lakhs for the year ended 31 March 2025, as considered in the consolidated financial statements, in respect of two subsidiaries and one associate whose financial statements has not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act,

NKSJ & Associates **Chartered Accountants**

in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph Other Matter section, on separate financial statements of the associate, we report that the Holding Company paid remuneration to its respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to one associate company covered under the Act, since that company is not a public company as defined under section 2(71) of the Act.
2. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditor as mentioned in paragraph of the Other Matter section above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
3. As required by Section 143(3) of the Act based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the associate, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditor;
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

NKSJ & Associates

Chartered Accountants

- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;;
- e) On the basis of written representations received from the directors of the Holding Company and its associate and taken on record by the Board of Directors of the Holding Company and its associate respectively and the reports of the statutory auditors of its associate company covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March, 2025 from being appointed as a director in terms of Section 164(2) of the Act
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its associate company covered under the Act and the operating effectiveness of such controls, refer to our separate report in "Annexure-A' wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the associates:
 - (i) There were no pending litigations as at 31 March, 2025 which would impact its consolidated financial position of the Group:
 - (ii) The Holding Company and its associate company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate company covered under the Act, during the year ended 31 March 2025.
 - (iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Group to or in any person(s) or entity(ies), including foreign entities (the intermediaries), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or

NKSJ & Associates

Chartered Accountants

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

- b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("the Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- (v) The Holding Company, its subsidiaries and its associate company has not declared or paid any dividend during the year ended 31 March 2025.

(vi) Reporting on Audit Trails

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 our audit we did not come across any instance of audit trail feature being tampered with.

For NKSJ & Associates
Chartered Accountants
(Registration No. 329563E)
UDIN: 25234454BMLGZM9084

Dated the 16th day of June, 2025

CA Sneha Jain
Partner
Membership No. 234454

NKSJ & Associates

Chartered Accountants

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 3(0) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (1) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the Consolidated Financial Statements of **SMT ENGINEERING LIMITED** (Formerly known as Adarsh Mercantile Limited) ("the Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls over financial reporting (IFCOFR) of the company and its associate company which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associate company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its associate company incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company and its associate company which are incorporated in India, IFCOFR based on our audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of IFCOFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCOFR was established and maintained and if such controls operated effectively in all material respects,

NKSJ & Associates **Chartered Accountants**

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCOFR and their operating effectiveness. Our audit of IFCOFR included obtaining an understanding of IFCOFR, 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 evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCOFR.

Meaning of Internal Financial Controls over Financial Reporting with reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Consolidated Financial Statements

Because of the inherent limitations of IFCOFR, 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 IFCOFR to future periods are subject to the risk that IFCOFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its associate company incorporated in India has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

NKSJ & Associates

Chartered Accountants

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Other Matters

We did not audit the IFCoFR insofar as it relates to one associate company, which is a company incorporated in India, in respect of which, the Group's share of net profit (including other comprehensive income) of Rs 5.80 lakhs for the year ended 31st March 2025 has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Company, and its associate company, which is a company incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid associate company, which is company incorporated in India, is solely based on the corresponding report of the auditor of such company. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

For NKSJ & Associates
Chartered Accountants
Registration No. 329563E
UDIN: 25234454BMLGZM9084

Dated the 16th day of June, 2025

CA Sneha Jain
Partner
Membership No. 234454

SMT ENGINEERING LIMITED
(formerly known as Adarsh Mercantile Limited)
CIN: L33120WB1992PLC055082
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2025

		Amount in "00"	
Particulars	Notes	As at March 31, 2025	As at March 31, 2024
A. ASSETS			
(1) NON- CURRENT ASSETS			
(a) Property, Plant and Equipment	2	17,51,714.58	-
(b) Capital Work-In-Progress	3	2,37,269.77	-
(c) Right-of-Use Assets	4	70,413.46	-
(d) Intangible Assets Other than Goodwill	5	6,817.81	-
(e) Goodwill on consolidation	5	6,764.55	-
(f) Financial Assets			
i) Investments	6	3,465.99	1,04,134.00
ii) Loans	7	-	99,975.00
iii) Others	8	7,43,110.39	2,37,855.00
		28,19,556.55	4,41,964.00
(2) CURRENT ASSETS			
(a) Inventories	9	67,20,461.38	708.51
(b) Financial Assets:			
i) Trade Receivables	10	21,38,675.75	2,30,383.00
ii) Cash and cash equivalents	11	25,10,809.22	1,01,179.00
iii) Bank Balance other than (ii) above	12	9,227.10	-
(c) Other Current Assets	13	25,11,345.82	-
		1,38,90,519.27	3,32,270.51
TOTAL ASSETS		1,67,10,075.82	7,74,234.51
B. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	16,52,000.00	3,67,500.00
(b) Other Equity	15	46,30,811.09	3,89,732.51
		62,82,811.09	7,57,232.51
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial Liabilities:			
i) Borrowings	16	15,41,537.49	-
ii) Lease Liabilities	17	61,949.38	-
(b) Provisions	18	31,606.71	-
(c) Deferred tax liabilities (Net)	19	44,271.03	-
		16,79,364.61	-
(2) CURRENT LIABILITIES			
(a) Financial Liabilities:			
i) Borrowings	20	35,48,320.72	-
ii) Lease Liabilities	21	66.03	-
iii) Trade Payables			
-Total outstanding dues of micro enterprises & small enterprises	22	14,847.61	-
-Total outstanding dues of creditors other than micro enterprises & small enterprises	23	23,35,919.33	7,107.00
iv) Other financial liabilities	24	22,02,852.02	19,404.00
(b) Other Current liabilities	25	1,54,743.93	2,127.00
(c) Provisions	26	1,35,342.12	-
(d) Current Tax Liabilities (Net)	27	3,55,808.36	(11,636.00)
		87,47,900.12	17,002.00
TOTAL EQUITY AND LIABILITIES		1,67,10,075.82	7,74,234.51

The accompanying notes are an integral part of these consolidated financial statements.
As per our attached report of even date

For and on behalf of the Board

For NKSJ & Associates
Chartered Accountants
Firm Registration No. 329563E

Ajay Jaiswal **Vishal Jaiswal**
Managing Director & CFO Whole-time Director
DIN: 01754887 DIN- 01741062

CA Sneha Jain
Partner
Membership No. 234454
UDIN:
Place: Indore
Date: 16th June, 2025

Mohd Shanawaz Shekh
Company Secretary
M No.- A65714

SMT ENGINEERING LIMITED

(formerly known as Adarsh Mercantile Limited)

CIN: L33120WB1992PLC055082

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

			Amount in "00"
Particulars	Note No.	Year ended March 31, 2025	Year ended March 31, 2024
<u>INCOME</u>			
I. Revenue from Operations	27	21,01,844.82	2,56,249.41
II. Other income	28	8,171.12	61,053.00
III. Total Income (I+II)		21,10,015.94	3,17,302.41
<u>EXPENSES</u>			
Cost of materials consumed	29	6,93,399.93	-
Purchase of Stock in Trade		7,13,291.54	728.69
Changes in Inventories of Finished Goods, Work In Progress and Stock-in-Trade	30	2,58,530.83	35,280.83
Employee benefits expense	31	27,022.91	12,275.00
Finance costs	32	5,554.18	23,505.00
Depreciation and amortisation expense	33	331.37	2,362.00
Operating and Other Expenses	34	1,46,265.07	4,28,719.38
Total Expenses (IV)		18,44,395.83	5,02,870.90
V. Profit before exceptional items and tax (III-IV)		2,65,620.11	(1,85,568.49)
VI. Exceptional Items		4,619.04	-
VII. Profit/ (loss) before tax from continuing business(V+VI)		2,70,239.15	(1,85,568.49)
VIII. Tax expense:			
(1) Current tax		16,319.44	-
(2) Deferred tax		-	(12,106.00)
(3) Income Tax for earlier years		19,402.48	226.00
IX. Profit/ (loss) for the period before share of profit / (loss) from associate entity (VII-VIII)		2,34,517.23	(1,73,688.49)
X. Share of Profit / (Loss) of Associate Entity		12,120.00	5,804.00
XI. Profit/ (loss) for the period from Continuing Operations		2,46,637.23	(1,67,884.49)
XII. Other Comprehensive Income:			
A (i) Items that will not be reclassified to profit or loss		48,986.63	2,11,976.00
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(6,589.00)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XIII. Total Comprehensive Income for the period (XI+XII)		2,95,623.86	50,680.51
XIV. Earning per equity share (for continuing operation): (in Rs.)			
(1) Basic		6.35	(4.57)
(2) Diluted		6.35	(4.57)

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

As per our attached report of even date

For and on behalf of the Board

For NKSJ & Associates

Chartered Accountants

Firm Registration No. 329563E

Ajay Jaiswal **Vishal Jaiswal**
Managing Director & CFO Whole-time Director
DIN- 01754887 DIN- 01741062

CA Sneha Jain

Partner

Membership No. 234454

UDIN:

Place: Indore

Date: 16th June, 2025

Mohd Shanawaz Shekh

Company Secretary

M No.- A65714

SMT ENGINEERING LIMITED

(formerly known as Adarsh Mercantile Limited)

CIN: L33120WB1992PLC055082

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

	Amount in "00"	
Particulars	for the year ended March 31, 2025	for the year ended March 31, 2024
Cash flow from operating activities		
Profit before tax	18,96,511.08	(1,85,568.49)
Depreciation	79,698.40	2,361.82
(Gain)/loss on sale of Investments	300.00	(2,41,951.41)
Rental Income	-	(2,298.00)
Dividend Income from Investments	-	(2,351.00)
Interest Income on Deposits	(10,212.00)	(8,272.00)
Other Interest Income	(2,947.97)	-
Interest on Lease Liability	5,433.03	-
Interest Expenses	3,25,929.00	23,505.00
Net Loss/(Gain) on disposal of Property, Plant & Equipment	(1,62,672.66)	-
Remeasurement of Actuarial Gain or Loss	2,572.60	-
Operating profit before working capital changes	21,34,611.48	(4,14,574.08)
Adjustment for :		
Decrease/(increase) in Inventories	(15,52,250.85)	35,281.00
Decrease/(increase) in Trade Receivables	(11,10,686.76)	(2,04,075.00)
Decrease/(increase) in Loans & Advances	(21,67,041.00)	19,848.00
Decrease/(increase) in Other Financial Assets	7,70,545.30	(2,34,655.00)
Decrease/(increase) in Other Non Current Assets	-	2,693.00
Decrease/(increase) in Other Current Assets	(7,32,558.79)	2,131.00
Increase/(decrease) in Trade Payables	(3,59,083.21)	(18,018.00)
Increase/(decrease) in Other Financial Liabilities	(2,11,085.61)	(1,812.00)
Increase/(decrease) in Other Current Liabilities	2,23,668.34	904.00
Increase/(decrease) in Provision	32,177.25	-
Cash generated from / (used in) operations	(29,71,703.85)	(8,12,276.08)
Direct taxes paid (net of refunds)	(1,65,876.03)	(8,337.00)
Net Cash flow from / (used in) operating activities (A)	(31,37,579.88)	(8,20,613.08)
Cash flow from investing activities		
Dividend Income	-	2,351.00
Gain/(loss) on sale of Investments	1,760.00	2,41,951.41
Rental Income	-	2,298.00
Interest Income	13,159.97	8,272.00
Sale/(Purchase) of Investments	8,688.18	8,09,412.00
Sale/(Purchase) of Property	859.81	2,44,232.00
Net Cash flow from / (used in) investing activities (B)	24,467.96	13,08,517.41
Cash flow from financing activities		
Proceeds/(Repayment) of Long term Borrowings	20,17,119.18	-
Proceeds/(Repayment) of Short term Borrowings	13,91,163.21	(3,65,250.00)
Interest paid	(3,25,929.00)	(23,505.00)
Proceeds from issuance of share capital	22,44,750.19	-
Interest on Lease Liabilities	(5,494.06)	-
Net Cash flow from / (used in) financing activities (C)	53,21,609.52	(3,88,755.00)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	22,08,496.78	99,147.00
Cash and cash equivalents at the beginning of the year	3,02,312.44	2,032.00
Cash and cash equivalents at the end of the year	25,10,809.22	1,01,179.00
Components of cash and cash equivalents		
Balances with Banks		
In Current Accounts	24,92,734.94	1,01,082.00
Cash on hand	18,074.28	97.00
Total cash and cash equivalents	25,10,809.22	1,01,179.00

Notes :

1 The Consolidated Statement of Cash Flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.

2 The Consolidated Cash Flow Statement has been prepared by adding line-by-line items of the Cash Flow of Parent as well as Subsidiary.

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

As per our attached report of even date

For NKSJ & Associates

Chartered Accountants

Firm Registration No. 329563E

For and on behalf of the Board

Ajay Jaiswal

Managing Director & CFO

DIN- 01754887

Vishal Jaiswal

Whole-time Director

DIN- 01741062

CA Sneha Jain

Partner

Membership No. 234454

UDIN:

Place: Indore

Date: 16th June, 2025

Mohd Shanawaz Shekh

Company Secretary

M No.- A65714

SMT ENGINEERING LIMITED
(formerly known as Adarsh Mercantile Limited)
CIN: L33120WB1992PLC055082
Consolidated Statement of Changes in Equity
for the year ended March 31, 2025

A. Equity Share Capital

Particulars	Amount in "00"	
	No. of Shares	Amount
Balance as at April 1, 2023	36,75,000	3,67,500
Changes in equity share capital during the year	-	-
Balance as at March 31, 2024	36,75,000	3,67,500
Changes in equity share capital during the year	1,28,45,000	12,84,500
Balance as at March 31, 2025	1,65,20,000	16,52,000

B. Other Equity

Particulars	Reserves & Surplus				Equity Instruments through Other Comprehensive Income	Total
	Securities Premium	Other Reserves - General Reserves	Gain on Bargain Purchase	Retained Earnings		
Balance as at April 1, 2023	-	1,05,214.23	-	1,83,545.00	64,926.00	3,53,685.23
Profit for the year	-	-	-	(1,67,884.49)	-	(1,67,884.49)
Other Comprehensive Income for the year	-	-	-	-	2,18,560.77	2,18,560.77
Total Comprehensive Income for the year	-	-	-	(1,67,884.49)	2,18,560.77	50,676.28
Transfer to retained earnings	-	-	-	2,30,086.00	(2,30,086.00)	-
Any other changes	-	-	-	(14,629.00)	-	(14,629.00)
Balance as at March 31, 2024	-	1,05,214.23	-	2,31,117.51	53,400.77	3,89,732.51
Profit for the year	-	-	-	2,46,637.23	-	2,46,637.23
Other Comprehensive Income for the year	-	-	-	-	48,986.63	48,986.63
Total Comprehensive Income for the year	-	-	-	2,46,637.23	48,986.63	2,95,623.86
Transfer to retained earnings	-	-	-	1,02,387.40	(1,02,387.40)	-
Any other changes	-	-	4,03,786.13	(1,63,180.60)	-	2,40,605.53
Fresh Issue of Securities during the year	37,04,849.19	-	-	-	-	37,04,849.19
Balance as at March 31, 2025	37,04,849.19	1,05,214.23	4,03,786.13	4,16,961.54	-	46,30,811.09

The accompanying notes are an integral part of these consolidated financial statements.
As per our attached report of even date

For and on behalf of the Board

For NKSJ & Associates
Chartered Accountants
Firm Registration No. 329563E

CA Sneha Jain
Partner
Membership No. 234454
UDIN:
Place: Indore
Date: 16th June, 2025

Ajay Jaiswal
Managing Director & CFO
DIN- 01754887

Vishal Jaiswal
Whole-time Director
DIN- 01741062

Mohd Shanawaz Shekh
Company Secretary
M No.- A65714

Note 2: Property, Plant & Equipment

Amount in "00"

Particulars	Land	Factory Building	Plant & Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total
Year Ended March 31, 2025								
Gross Carrying Value								
Opening Gross Carrying Value	-	-	-	-	-	-	-	-
Acquisition through Business Combination (Refer note below)	7,89,195.22	3,32,685.20	4,63,873.24	38,652.52	10,804.52	86,736.60	23,946.45	17,45,893.75
Addition during the year	-	-	-	2,542.65	-	2,455.47	1,147.57	6,145.69
Deduction/ Adjustment during the year	-	-	-	-	-	-	-	-
Closing Gross Carrying Value	7,89,195.22	3,32,685.20	4,63,873.24	41,195.17	10,804.52	89,192.07	25,094.02	17,52,039.44
Accumulated Depreciation								
Opening Accumulated Depreciation	-	-	-	-	-	-	-	-
Depreciation and Amortization during the Year	-	121.25	45.00	73.09	0.84	26.12	58.56	324.86
Deduction/ Adjustment during the year	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	121.25	45.00	73.09	0.84	26.12	58.56	324.86
Net Carrying Amount	7,89,195.22	3,32,563.95	4,63,828.24	41,122.08	10,803.68	89,165.95	25,035.46	17,51,714.58

Note: During the year ended March 31, 2025, the company has acquired 100% stake in M/s Sai Machine Tools Private Limited and its subsidiary company M/s Chemerix Life Sciences Private Limited.

Note 3: Capital Work-in-progress

Amount in "00"

Particulars	As at 31st March, 2025	As at 31st March, 2024
Plant and Machinery	4,049.00	-
Building	2,33,220.77	-
Total	2,37,269.77	-

a) Capital WIP Ageing Schedule

Balance as at March 31, 2025

Amount in "00"

Particulars	Amount of Capital WIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	2,37,269.77	-	-	-	2,37,269.77
Projects temporarily suspended	-	-	-	-	-
Total	2,37,269.77	-	-	-	2,37,269.77

Note 4: Right of Use Assets

Amount in "00"

Particulars	Land	Total
Year Ended March 31, 2025		
Gross Carrying Value		
Opening Gross Carrying Value	-	-
Acquisition through Business Combination	70,413.46	70,413.46
Addition during the year	-	-
Deduction/ Adjustment during the year	-	-
Closing Gross Carrying Value	70,413.46	70,413.46
Accumulated Depreciation		
Opening Accumulated Depreciation	-	-
Depreciation and Amortization during the Year	-	-
Deduction/ Adjustment during the year	-	-
Closing Accumulated Depreciation	-	-
Net Carrying Amount	70,413.46	70,413.46

Note 5: Other Intangible Assets

Amount in "00"

Particulars	Computer Software	Total
Year Ended March 31, 2025		
Gross Carrying Value		
Opening Gross Carrying Value	-	-
Acquisition through Business Combination	6,041.27	6,041.27
Addition during the year	783.05	783.05
Deduction/ Adjustment during the year	-	-
Closing Gross Carrying Value	6,824.32	6,824.32
Accumulated Depreciation		
Opening Accumulated Depreciation	-	-
Depreciation and Amortization during the Year	6.51	6.51
Deduction/ Adjustment during the year	-	-
Closing Accumulated Depreciation	6.51	6.51
Net Carrying Amount	6,817.81	6,817.81

Goodwill

Amount in "00"

Particulars	As at 31st March, 2025	As at 31st March, 2024
Carrying value at the beginning of the year	-	-
Add: Amount recognised through business combination	6,764.55	-
Less: Other Adjustment during the Year	-	-
Carrying value at the end of the year	6,764.55	-

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Note 6: Non Current Investment

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
I. Unquoted Investment in Equity Instruments of Associates		
1) Nil (31st March 2024: 12,000) Equity Shares of Rs. 10 each of Avon Credit Private Limited	-	1,03,591.00
II. Unquoted Investment in Equity Instruments of others		
1) Nil (31st March 2024: 1,750) Equity Shares of Rs. 10 each of Electrosteel Steels Limited	-	543.00
III. Quoted Investment in Equity Instruments (Measured at FVTPL)		
1) 895 (31st March 2024: 895) Equity Shares of Rs. 10 each of Punjab National Bank Limited	339.10	-
IV. Unquoted Investment in Other Instruments (Measured at Amortized Cost)		
1) Gold Coin	2,831.69	
2) RBI Gold Bonds	295.20	
Aggregate amount of Quoted Investments	339.10	-
Aggregate amount of Unquoted Investments	3,126.89	1,04,134.00
Market Value of the Quoted Investments	860.37	-

Note:

i) During the year ended 31st March, 2025, the company has made disinvestment in its associate company namely Avon Credit Private Limited.

Note 7: Non Current Loans
(Unsecured, considered good)

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Loans to related parties	-	41,080.00
Loans to others	-	58,895.00
	-	99,975.00

Note 7.1: Additional Regulatory Information required by the Companies Act, 2013 as regard to Loans or Advances

Type of Borrower	As at 31st March, 2025		As at 31st March, 2024	
	Amount of Loan or Advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of Loan or Advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Other Related Parties	-	-	41,080.00	41.09%

Note 8: Other Non Current Financial Assets
(Unsecured, considered good)

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Security Deposits [Unsecured, considered good]	24,449.61	-
Fixed Deposit Accounts with more than 12 months maturity as at the reporting date	50,217.46	-
Retention Money Held by Customers	6,68,443.32	-
Others	-	2,37,855.00
	7,43,110.39	2,37,855.00

Note 9: Inventories
(Valued at lower of cost and net realisable value)

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Raw Materials	27,36,856.15	-
Work-In-Progress	21,54,841.12	-
Finished Goods/ Traded Goods	18,22,513.24	708.51
Stores and Spares	6,250.87	-
	67,20,461.38	708.51

Notes:

a) For Security / Hypothecation, refer note 19 for details .

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Note 10: Trade Receivables

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Unsecured, Considered good	21,38,675.75	2,30,383.00
Unsecured, Significant increase in credit risk	-	-
Unsecured, Credit Impaired	-	-
	21,38,675.75	2,30,383.00
Allowance for Credit Losses	-	-
	21,38,675.75	2,30,383.00

Notes:

- a) For Security / Hypothecation, refer note 20.
b) For due from related parties, refer note 36.

c) Ageing Schedule:

i. Balance as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered good	14,46,879.86	2,22,684.70	1,12,244.94	1,15,899.25	2,40,967.00	21,38,675.75
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
Disputed Trade receivables - Considered good	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	14,46,879.86	2,22,684.70	1,12,244.94	1,15,899.25	2,40,967.00	21,38,675.75
Less: Allowance for Credit Losses						-
Total						21,38,675.75

ii. Balance as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered good	2,22,921.45	-	7,461.55	-	-	2,30,383.00
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
Disputed Trade receivables - Considered good	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	2,22,921.45	-	7,461.55	-	-	2,30,383.00
Less: Allowance for Credit Losses						-
Total						2,30,383.00

Note 11: Cash and Cash Equivalents

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Balance with Banks:		
- In Current Account	24,92,163.74	1,01,082.00
- Deposits with original maturity of less than three months	571.20	-
Cash on Hand	18,074.28	97.00
	25,10,809.22	1,01,179.00

Note: Balance with banks in form of deposits has been pledged against the bank guarantees.

Note 12: Bank Balance (Other Than Cash and Cash Equivalent)

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Deposits with original maturity of more than three months but less than twelve months	9,227.10	-
	9,227.10	-

Note: Fixed Deposits are held as margin money against the bank guarantee and letter of credit facilities sanctioned by the Banks.

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Note 13: Other Current Assets

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Capital Advances	2,10,142.50	-
Advances other than capital advances		
- Advance to Suppliers	18,05,314.43	-
- Advance for Expenses	3,31,253.62	-
- Advance to Employee	49,531.92	-
Retention Money held by customer	14,783.54	-
Balances with statutory authority	20,402.97	-
Insurance claim receivable	4,619.04	-
Prepaid Expenses	75,297.80	-
	25,11,345.82	-

Notes:

- a) None of the advance or receivable has been considered as having significant increase in credit risk or credit impaired loans.
b) Refer Note No. 36 for dues from Related Parties

Note 14: Share Capital

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
AUTHORISED		
1,70,00,000 (31st March 2024: 40,00,000) Equity Shares of Rs. 10/- each	17,00,000.00	4,00,000.00
	17,00,000.00	4,00,000.00
ISSUED, SUBSCRIBED & FULLY PAID-UP		
1,65,20,000 (31st March 2024: 36,75,000) Equity Shares of Rs. 10/- each	16,52,000.00	3,67,500.00
	16,52,000.00	3,67,500.00

(a) Reconciliation of the Number of Shares Outstanding

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	Amount in "00"	Nos.	Amount in "00"
At the beginning of the year	36,75,000	3,67,500.00	36,75,000	3,67,500.00
Issued during the year (Refer Note below)	1,28,45,000	12,84,500.00	-	-
Balance at the end of the current reporting period	1,65,20,000	16,52,000.00	36,75,000	3,67,500.00

Note: During the current year, the Parent Company has issued 1,28,45,000 new equity shares of face value Rs. 10 each in two tranches at the price of Rs. 67 & Rs. 29 each for total consideration of Rs. 50.10 crore through Preferential Allotment route on March 26, 2025.

(b) Rights, Preferences and Restrictions attached to each class of shares

The Parent has only one class of shares referred to as equity shares having a par value of Rs 10 Per share & each holder of equity share is entitled to one vote per share. In the event of liquidation of the parent, the equity shareholders will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholding.

The Parent Company has not allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash or by way of fully paid bonus shares nor has bought back any shares during the period of five years immediately preceeding the date at which the Balance Sheet is prepared.

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

Name of the Shareholder	As at 31 March 2025		As at 31 March 2024	
	Nos.	% Holding	Nos.	% Holding
Avon Credit Private Limited	-	0.00%	14,93,130	40.63%
Winy Commercial & Fiscal Services Limited	-	0.00%	3,15,000	8.57%
Kshitiz Chhawchharia as the Karta of Kshitiz Chhawchharia HUF	-	0.00%	3,54,650	9.65%
Ashish Chhawchharia as the Karta of Ashish Chhawchharia HUF	-	0.00%	3,51,643	9.57%
Sushil Kumar Chhawchharia as the Karta of Sushil Kumar Chhawchharia HUF	-	0.00%	2,73,355	7.44%
Ajay Jaiswal	35,68,902	21.60%	-	0.00%
Vishal Kumar Jaiswal	34,92,964	21.14%	-	0.00%
Ashok Jaiswal	28,39,541	17.19%	-	0.00%
Poonam Jaiswal	10,26,113	6.21%	-	0.00%
	1,09,27,520	66.15%	27,87,778	75.86%

(d) Details of shares held by promoters / promoter group

Promoter's name	As at March 31, 2025			As at March 31, 2024		
	Nos.	% Holding	% change	Nos.	% Holding	% change
Sushil Kumar Chhawchharia HUF	-	0.00%	-7.44%	2,73,355	7.44%	0%
Ashish Chhawchharia	30,577	0.19%	-3.58%	1,38,375	3.77%	0%
Ashish Chhawchharia HUF	-	0.00%	-9.57%	3,51,643	9.57%	0%
Kshitiz Chhawchharia	30,576	0.19%	-3.62%	1,40,000	3.81%	0%
Kshitiz Chhawchharia HUF	-	0.00%	-9.65%	3,54,650	9.65%	0%
Avon Credit Private Limited	-	0.00%	-40.63%	14,93,130	40.63%	0%

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Note 15: Other Equity

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
(i) General Reserve		
Opening Balance	2,450.00	2,450.00
Add/ (Less): Changes during the year	-	-
Total	2,450.00	2,450.00
(ii) General Reserve on Amalgamation		
Opening Balance	1,02,764.23	1,02,764.23
Add/ (Less): Changes during the year	-	-
Total	1,02,764.23	1,02,764.23
(iii) Security Premium		
Opening Balance	-	-
Add/ (Less): Shares issued during the year	37,25,279.00	-
Add / (Less) : Share issue expenses during the year	(20,429.81)	-
Total	37,04,849.19	-
(iv) Retained Earnings		
Opening Balance	2,31,117.51	1,83,545.00
Add: Profit for the year	2,46,637.23	(1,67,884.49)
Add: Transfer from OCI	1,02,387.40	2,30,086.00
Less: Adjustment on account of sale of associate shares	(1,63,180.60)	(14,629.00)
Total	4,16,961.54	2,31,117.51
(v) Other Comprehensive Income		
Opening Balance	53,400.77	64,926.00
Add: Investments carried at FVTOCI	48,986.63	2,18,560.77
Less: Transfer to retained earnings	(1,02,387.40)	2,30,086.00
Total	-	53,400.77
vi) Gain on Bargain Purchase		
Opening Balance	-	-
Add: On account of business combination	4,03,786.13	-
Total	4,03,786.13	-
Total	46,30,811.09	3,89,732.51

Nature And Purpose of Reserves

Security Premium

The amount received in excess of face value of the equity shares is recognized in Securities Premium. The amount of securities premium can be utilized only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

General Reserve and General Reserve on Amalgamation

General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. On amalgamation, earlier done, the amalgamating company reserve was transferred as it is.

Retained Earning

Created out of accretion of profits.

Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investment in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earning when the securities are derecognised.

Gain on Bargain Purchase

During the year ended March 31, 2025 the Parent Company has made an investment in Sai Machine Tools Private Limited. Pursuant to the acquisition the, Parent Company has acquired the total assets of the company at much lower price than its cost of acquisition resulting gain on bargain purchase.

Note 16: Non Current Borrowings

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Secured		
Term Loans from Banks and NBFC (Refer Note below)	4,12,424.39	-
Unsecured		
Inter Corporate Loans	2,98,445.27	-
Directors	8,30,667.83	-
	15,41,537.49	-
The above amount includes:		
Secured Borrowings	4,12,424.39	-
Unsecured Borrowings	11,29,113.10	-
	15,41,537.49	-

Notes:

a) Term Loans from Banks and Financial Institutions

1) Term Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. 1.20 Crores (Previous Year: Nil) from Punjab National Bank is secured by way of charge on hypothecation of Plant & Machinery purchased and personal guarantee of Shri. Ashok Jaiswal, Shri Ajay Jaiswal, Shri Vishal Jaiswal and Smt. Vandana Jaiswal. Repayment of Balance loan is repayable in 84 Monthly Installments commencing from March 2025 which carries interest rate of 9.50% p.a.

2) Working Capital Term Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. 0.42 Crores (Previous Year: Nil) from Punjab National Bank is secured by way of Hypothecation of entire current assets comprising, inter alia, of stocks of raw materials, work in progress, finished goods, receivables, book debts and other current assets and entire Plant & Machinery, and personal guarantee of Shri. Ashok Jaiswal, Shri Ajay Jaiswal, Shri Vishal Jaiswal and Smt. Vandana Jaiswal. Repayment of Balance Loan is repayable in 18 equal monthly installments commencing from March 2025 which carries interest rate of 9.50% p.a.

3) Working Capital Term Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. 0.72 Crores (Previous Year: Nil) from Punjab National Bank is secured by way of Hypothecation of entire current assets comprising, inter alia, of stocks of raw materials, work in progress, finished goods, receivables, book debts and other current assets and entire Plant & Machinery, and personal guarantee of Shri. Ashok Jaiswal, Shri Ajay Jaiswal, Shri Vishal Jaiswal and Smt. Vandana Jaiswal. Along with a collateral security of immovable property held by Mr. Ashok Jaiswal and Mrs. Vandana Jaiswal and the company. Repayment of Balance Loan is repayable in 52 equal monthly installments commencing from March 2025 which carries interest rate of 9.50% p.a.

4) Working Capital Term Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. 2.61 Crores (Previous Year: Nil) from Punjab National Bank is secured by way of Hypothecation of entire current assets comprising, inter alia, of stocks of raw materials, work in progress, finished goods, receivables, book debts and other current assets and entire Plant & Machinery, and personal guarantee of Shri. Ashok Jaiswal, Shri Ajay Jaiswal, Shri Vishal Jaiswal and Smt. Vandana Jaiswal. Repayment of Balance Loan is repayable in 40 equal monthly installments commencing from March 2025 which carries interest rate of 9.50% p.a.

5) Working Capital Term Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. 0.93 Crores (Previous Year: Nil) from Punjab National Bank is secured by way of Hypothecation of entire current assets comprising, inter alia, of stocks of raw materials, work in progress, finished goods, receivables, book debts and other current assets and entire Plant & Machinery, and personal guarantee of Shri. Ashok Jaiswal, Shri Ajay Jaiswal, Shri Vishal Jaiswal and Smt. Vandana Jaiswal. Repayment of Balance Loan is repayable in 24 equal monthly installments commencing from March 2025 which carries interest rate of 9.50% p.a.

6) Working Capital Term Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. 0.54 Crores (Previous Year: Nil) from Punjab National Bank is secured by way of Hypothecation of entire current assets comprising, inter alia, of stocks of raw materials, work in progress, finished goods, receivables, book debts and other current assets and entire Plant & Machinery, and personal guarantee of Shri. Ashok Jaiswal, Shri Ajay Jaiswal, Shri Vishal Jaiswal and Smt. Vandana Jaiswal. Repayment of Balance Loan is repayable in 52 equal monthly installments commencing from March 2025 which carries interest rate of 9.50% p.a.

7) Working Capital Term Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. 0.21 Crores (Previous Year: Nil) from Punjab National Bank is secured by way of Hypothecation of entire current assets comprising, inter alia, of stocks of raw materials, work in progress, finished goods, receivables, book debts and other current assets and entire Plant & Machinery, and personal guarantee of Shri. Ashok Jaiswal, Shri Ajay Jaiswal, Shri Vishal Jaiswal and Smt. Vandana Jaiswal. Repayment of Balance Loan is repayable in 5 equal monthly installments commencing from March 2025 which carries interest rate of 9.40% p.a.

8) Car Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. 0.15 Crores (Previous Year: 0.17 Crores) from Bank of Baroda is secured by way of Hypothecation of car. Repayment of Loan is repayable in 84 equal monthly installments commencing from November 2022 which carries interest rate of 9.25% p.a.

9) Car Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. 0.10 Crores (Previous Year: 0.13 Crores) from Mahindra Finance is secured by way of Hypothecation of car. Repayment of Loan is repayable in 60 equal monthly installments commencing from April 2024 which carries interest rate of 9.52% p.a.

10) Working Capital Term Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. Nil (Previous Year: 0.59 Crores) from IndusInd Bank is secured by way of Hypothecation of entire current assets comprising, inter alia, of stocks of raw materials, work in progress, finished goods, receivables, book debts and other current assets and entire Plant & Machinery. Repayment of Loan is repayable in 60 equal monthly installments commencing from April 2020 which carries interest rate of 9.29% p.a.

11) Export Credit Line Guarantee Scheme taken by Sai Machine Tools Pvt. Ltd. of Rs. Nil (Previous Year: 0.15 Crores) from IndusInd Bank is secured by way of Extension of charge on Existing Primary and Collateral Securities and Extension of Personal Guarantee as per Existing Cash Credit Limit. Repayment of Loan is repayable in 36 equal monthly installments commencing from August 2021 which carries interest rate of 9.25% p.a.

12) Working Capital Term Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. Nil (Previous Year: 0.73 Crores) from IndusInd Bank is secured by way of Hypothecation of entire current assets comprising, inter alia, of stocks of raw materials, work in progress, finished goods, receivables, book debts and other current assets and entire Plant & Machinery. Repayment of Loan is repayable in 60 equal monthly installments commencing from September 2021 which carries interest rate of 9.15% p.a.

13) Working Capital Term Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. Nil (Previous Year: 1.44 Crores) from IndusInd Bank is secured by way of second charge on all existing primary and collateral Securities including mortgages created in favour of bank. Principal Repayable in 36 equal monthly installments commencing from March 2023 which carries interest rate of 9.25% p.a.

14) Working Capital Term Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. Nil (Previous Year: 0.92 Crores) from IndusInd Bank is secured by Hypothecation of entire current assets comprising, inter alia, of stocks of raw materials, work in progress, finished goods, receivables, book debts and other current assets and in the form of collateral Industrial Land & Building. Repayment of Loan is repayable in 81 equal monthly installments commencing from August 2023 which carries interest rate of 9.15% p.a.

15) Term Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. Nil (Previous Year: 0.67 Crores) from IndusInd Bank is secured by Hypothecation of entire current assets comprising, inter alia, of stocks of raw materials, work in progress, finished goods, receivables, book debts and other current assets and in the form of collateral Industrial Land & Building. Repayment of Loan is repayable in 81 equal monthly installments commencing from August 2022 which carries interest rate of 9.15% p.a.

16) Working Capital Term Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. Nil (Previous Year: 3.39 Crores) from IndusInd Bank is secured by way of second charge on all existing primary and collateral Securities including mortgages created in favour of bank. Repayment of Loan is repayable in 60 equal monthly installments commencing from July 2023 which carries interest rate of 9.04% p.a.

b) Inter Corporate Loans

1) Unsecured Loan taken by Sai Machine Tools Pvt. Ltd. of Rs. 2.28 Crores (Previous Year: Nil) from Genpharmasec Limited which carries a interest rate of 9.00% p.a.

2) Unsecured Loan taken by Chemerix Life Sciences Pvt. Ltd. of Rs. 0.70 Crores (Previous Year: Nil) from Greenpath Polymers Pvt. Ltd.

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Note 17: Non- Current Lease Liabilities

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Lease Liability (Refer Note No. 39)	61,949.38	-
	61,949.38	-

Note 18: Non- Current Provisions

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Provision for Gratuity	31,606.71	-
	31,606.71	-

Note 19: Deferred Tax Liabilities (Net)

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Deferred Tax on account of temporary differences	44,271.03	-
	44,271.03	-

a) Major Component of Deferred Tax Liabilities Net

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
DEFERRED TAX LIABILITIES		
Property, Plant & Equipment, Right-of-Use Assets and Intangible Assets	78,247.68	-
Remeasurement of non current borrowings	1,404.98	-
Remeasurement of Defined Benefit Plans	646.57	-
Gross Deferred Tax Liabilities	80,299.23	-
DEFERRED TAX ASSETS		
Remeasurement of Retirement Benefit	8,562.88	-
Lease Liabilities	15,608.24	-
Carry Forward Losses and Unabsorbed Depreciation	11,857.08	-
Gross Deferred Tax Assets	36,028.20	-
Net Deferred Tax Liabilities / (Assets)	44,271.03	-
Disclosure in Consolidated Balance Sheet is based on entity wise recognition, as follows :		
Deferred Tax Liabilities (net)	57,638.61	-
Deferred Tax Assets (net)	13,367.58	-
Net Deferred Tax Liabilities / (Assets)	44,271.03	-

Note 20: Current Borrowings

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
SECURED		
Banks (Refer Note Below)	32,73,591.12	-
Current Maturities of Non-Current Borrowings		
Term Loan - Bank/Financial institutions - Secured (Refer Note 16 (a))	2,74,729.60	-
	35,48,320.72	-
The above amount includes:		
Secured Borrowings	35,48,320.72	-
Unsecured Borrowings	-	-
	35,48,320.72	-

Note:

a) Cash credit facilities availed from Punjab National Bank Ltd. are secured by way of First/ Pari Passu Charge and Hypothecation of entire stock of raw materials, semi-finished and finished goods, consumables, stores and spares and other movables including book debts, outstanding monies, receivables, both present and future. The facilities as above are further secured by way of hypothecation of Machinery purchased and proposed to be purchased by the company and Personal Guarantees of Mr. Ajay Jaiswal, Mr. Vishal Jaiswal, Mrs. Niharika Jaiswal, Mrs. Shikha Jaiswal, Mr. Ashok Jaiswal and Mrs. Vanadana Jaiswal. Along with a collateral security of immovable property held by Mr. Ashok Jaiswal and Mrs. Vandana Jaiswal and the company.

b) Cash credit facilities availed from Unity Bank Ltd. are secured by way of First/ pari-passu Charge on all the Demand promissory notes along with continuity of demand promissory note and lien of a Fixed deposit amounting to Rs. 10 Lakhs in favour of the bank. The facilities as above are further secured by way Personal Guarantees of Mr. Ajay Jaiswal, Mr. Vishal Jaiswal, Mrs. Niharika Jaiswal and Mrs. Shikha Jaiswal.

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Note 21: Current Lease Liabilities

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Lease Liability (Refer Note No. 39)	66.03	-
	66.03	-

Note 22: Trade Payables

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Trade payables		
Total outstanding dues of micro and small enterprises	14,847.61	-
Total outstanding dues of creditors other than micro and small enterprises	23,35,919.33	7,107.00
	23,50,766.94	7,107.00

Notes:

a) Refer Note 36 for dues to the related parties

b) Ageing Schedule:

i) Balance as at March 31, 2025

Particulars	Outstanding for the periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
MSME	14,847.61	-	-	-	14,847.61
Others	21,03,929.52	50,623.87	1,09,512.07	71,853.86	23,35,919.32
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	21,18,777.13	50,623.87	1,09,512.07	71,853.86	23,50,766.93

ii) Balance as at March 31, 2024

Particulars	Outstanding for the periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
MSME	7,107.00	-	-	-	7,107.00
Others	-	-	-	-	-
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	7,107.00	-	-	-	7,107.00

Note 23: Other Current Financial Liabilities

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Creditors for Capital Goods	88,102.16	-
Creditors for Expenses	1,59,446.55	1,081.00
Creditors for Job Work Charges	50,825.45	-
Advances from Customers	18,67,509.18	-
Security Deposits	20,957.37	-
VAT Subsidy Refundable to M.P. Commercial Tax Department (Excess Receipt)	16,011.31	-
Interest accrued on borrowings	-	18,323.00
	22,02,852.02	19,404.00

Note 24: Other Current Liabilities

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Others		
Statutory dues (including GST, TDS, PF and others)	1,54,743.93	2,127.00
	1,54,743.93	2,127.00

Note 25: Short Term Provision

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Provision for Employee Benefits		
Provision for Gratuity	2,416.17	
Provision for Compensated Absences	15,050.51	
Provision for Salaries and Wages	75,148.56	
Other Provision		
Other	42,726.88	
	1,35,342.12	-

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Note 26: Current Tax Liabilities (Net)

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Provision for Income Tax	4,02,000.00	
Less: Advance Income-Tax & TDS Claim	46,191.64	11,636.00
	3,55,808.36	(11,636.00)

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Note 27: Revenue from Operations

Particulars	Amount in "00"	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from Contract with Customers		
Sale of Goods	20,91,177.92	2,56,249.41
Sale of Services	10,666.90	-
	21,01,844.82	2,56,249.41

Note 28: Other Income

Particulars	Amount in "00"	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest Income		
from Banks	7,024.89	-
from Others	1,146.23	-
Miscellaneous Income	-	61,053.00
	8,171.12	61,053.00

Note 29: Cost of Material Consumed

Particulars	Amount in "00"	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw Material Consumed		
Opening Stock	29,14,266.19	-
Add: Purchase during the year	5,13,063.27	-
Less: Closing Stock	27,36,856.15	-
	6,90,473.31	-
Stores & Spares Consumed		
Opening Stock	6,656.07	-
Add: Purchase during the year	2,521.42	-
Less: Closing Stock	6,250.87	-
	2,926.62	-
	6,93,399.93	-

Note 30: Changes in Inventories of Finished Goods, Work In Progress and Stock-in-Trade

Particulars	Amount in "00"	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year		
Finished Goods	19,40,653.23	-
Work-In-Progress	22,94,523.45	-
Stock in Trade	708.51	35,989.34
	42,35,885.19	35,989.34
Inventories at the end of the year		
Finished Goods	18,22,513.24	-
Work-In-Progress	21,54,841.12	-
Stock in Trade	-	708.51
	39,77,354.36	708.51
	2,58,530.83	35,280.83

Note 31: Employee Benefit Expenses

Particulars	Amount in "00"	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Directors' Keyman Insurance Policy	2,326.26	-
Directors' Remuneration	2,298.08	-
Salaries, Wages & Allowances	20,641.95	12,275.00
Contribution towards Provident Fund	562.12	-
Contribution towards E.S.I.C	160.56	-
Staff Accommodation Rent	100.87	-
Staff Welfare Expenses	779.71	-
Stipend under National Apprenticeship Promotion Scheme (NAPS)	153.36	-
	27,022.91	12,275.00

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Note 32: Finance Costs

Particulars	Amount in "00"	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest Expense	5,019.35	23,505.00
Bank Guarantee Charges	20.25	-
Bank Stamp Duty Charges	190.55	-
Loan Processing Charges	307.44	-
Loss from Foreign Currency Fluctuation	16.59	-
	5,554.18	23,505.00

Note 33: Depreciation and Amortization Expenses

Particulars	Amount in "00"	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on Property, Plant and Equipment [Refer Note 2]	324.86	-
Amortisation on Intangible Assets [Refer Note 5]	6.51	-
Investment Property	-	2,362.00
	331.37	2,362.00

Note 34: Operating and Other Expenses

Particulars	Amount in "00"	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Operating Expenses		
Power and Fuel Expenses	4,990.13	-
Job Work Charges	4,180.02	-
Contractual Labour Expenses	5,812.67	-
Factory Expenses	657.20	-
Cartage & Petty Labour	4.60	-
Administrative Expenses		
Rent	6,535.20	-
Stationery & Printing	1,696.30	-
Postage, Courier & Internet Expenses	389.38	-
Telephone Expenses	1,163.19	-
Consultancy Fees	18.00	-
Auditors' Remuneration	4,784.34	356.00
Legal & Professional Expenses	12,015.02	353.00
Listing Expenses	7,865.88	4,426.00
Fees & Subscription to Association	473.55	-
Travelling Expenses		
- Directors	1,658.67	-
Repairs & Maintenance	152.10	1,133.00
Vehicle Running Expenses	585.17	-
Security Expenses	20,336.57	-
Contribution towards Corporate Social Responsibility (CSR)	7,500.00	-
Property-Tax	1,816.50	689.00
Bank Charges & Commission	6.33	-
Office Expenses	721.52	-
Miscellaneous Expenses	(8,359.17)	-
Selling & Distribution Expenses		
Advertisement & Publicity Expenses	185.22	170.00
Freight & Cartage Outward	35,147.40	-
Commission	233.98	880.00
Others	35,695.30	4,20,712.38
	1,46,265.07	4,28,719.38

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**Notes forming part of these Consolidated Financial Statement
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1. CORPORATE INFORMATION

SMT Engineering Limited (formerly known as Adarsh Mercantile Limited) ("The Company", "Parent") is a listed public company domiciled in India and incorporated under the provisions of the Companies Act, 1956, having its registered office at 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata 700027, India. Its Shares are listed on the BSE Limited. SMT Engineering along with its subsidiaries ("the Group"), associates with a business of Share Trading, Manufacturing of Plastic Processing Machinery across the globe and others.

2. MATERIAL ACCOUNTING POLICIES

I. Basis of preparation

a) Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India. These consolidated financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS. The Group's consolidated financial statements are presented in INR except when otherwise stated. All amounts have been rounded-off to the nearest Hundred, unless otherwise indicated.

b) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and equity accounting of its investment in associates.

Control is achieved when the Group has:-

- Power over the Investee
- Exposure or rights, to variable returns from its involvement with the investee and
- The ability to use its power over the investee to affect its returns

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

The consolidated financial statements have been prepared on the following basis.

Subsidiaries

Subsidiaries are considered for consolidation when the Group obtains control over the subsidiary and are derecognised when the Group loses control of the subsidiary. Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, equity, income, expenses and cash flows. Intra-group transactions, balances resulting on intra-group transactions are eliminated in full.

Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates and jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate entity is initially recognised at cost and adjusted thereafter to recognise the Group's share of post acquisition profits or losses and that of other comprehensive income of the associate or jointly controlled entity.

Upon loss of significant influence over the associate over the jointly controlled entity the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or the jointly controlled entity and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss.

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Sr. No.	Name of the Company	Country of Incorporation	Relationship	Shareholding as at	
				March 31, 2025	March 31, 2024
1	Sai Machine Tools Private Limited	India	Subsidiary	100% by SMT Engineering w.e.f 26th March, 2025	-
2	Chemerix Life Sciences Private Limited	India	Step - down Subsidiary	100% by SMT Engineering w.e.f 26th March, 2025	-
3	Avon Credit Pvt. Ltd.	India	Associates	-	24.82%

c) Significant accounting judgement, accounting estimates

The preparation of Group's Consolidated financial statements requires management to make certain judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities (including contingent liabilities) and the accompanying disclosures. Estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

d) Current & Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions :

- The asset/liability is expected to be realised/settled in the Group's normal operating cycle;
- The asset is intended for sale or consumption;
- The asset/liability is held primarily for the purpose of trading;
- The asset/liability is expected to be realised/settled within twelve months after the reporting period;
- The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- In the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current. Deferred tax assets & liabilities are classified as non-current assets & liabilities respectively.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

II. Summary of Material Accounting Policies**a) Property, Plant & Equipment****Recognition & Measurement**

Property, Plant and Equipment, including Capital Work in Progress, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Borrowing cost relating to acquisition / construction of Property, Plant and Equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use

The Group has elected to regard previous GAAP carrying values of property, plant and equipment as deemed cost at the date of transition to Ind AS.

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Subsequent Measurement

Subsequent expenditure related to an item of Property, Plant and Equipment are included in its carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent costs are depreciated over the residual life of the respective assets. All other expenses on existing Property, Plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Capital Work-in-Progress

Expenditure related to and incurred during implementation of capital projects to get the assets ready for intended use is included under "Capital Work in Progress". The same is allocated to the respective items of property plant and equipment on completion of construction/ erection of the capital project/ property plant and equipment. The cost of asset not ready for its intended use before the year end & capital inventory are disclosed under Capital work in progress.

Depreciation

Depreciation is provided using straight-line method as specified in Schedule II to the Companies Act, 2013 or based on technical estimates. Depreciation on assets added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognised in the Consolidated Statement of Profit and Loss.

b) Investment Property

Assets which are held for long-term rental yields or for capital appreciation or both, are classified as Investment Properties. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group has elected to regard previous GAAP carrying values of investment properties as deemed cost at the date of transition to Ind AS.

The Group depreciates investment properties over their estimated useful lives as specified in Schedule II to the Companies Act, 2013.

Investment properties are derecognised / transferred when they have been disposed off, have been used for own purpose of the Company or when they have permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Statement of Profit and Loss in the period in which the property is derecognised.

c) Intangible Assets

Intangible assets are measured on initial recognition at cost and are subsequently carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles other than software and applications are not capitalised. In case of softwares and applications, production costs associated with development of original content are capitalised.

The Group has elected to regard previous GAAP carrying values of intangible asset as deemed cost at the date of transition to Ind AS.

The intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The Group reviews amortisation period on an annual basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

d) Impairment of Non-Financials Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Consolidated Profit or Loss.

Impairment is determined for goodwill by assessing the recoverable amount of CGU to which such goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

e) Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables which are measured at transaction price.

The Group's financial assets comprise of trade receivables, cash and cash equivalents, other bank balances and deposits, interest accrued, security deposits, intercorporate deposits and other receivables. These assets are measured subsequently at amortised cost.

The Group's financial liabilities comprise of borrowings, lease liabilities, retention and capital creditors, Interest accrued, deposit from customers, contract liabilities, trade and other payables.

Financial assets and financial liabilities are offset when the Group has a legally enforceable right (not contingent on future events) to offset the recognised amounts either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

A) Financial Assets

Initial Recognition

All financial assets, except trade receivables, are initially recognised at fair value.

Business Model Assessment

The Group makes an assessment of the objectives of the business model in which a financial asset is held because it best reflects the way business is managed and information is provided to management. The assessment of business model comprises the stated policies and objectives of the financial assets, management strategy for holding the financial assets, the risk that affects the performance etc. Further management also evaluates whether the contractual cash flows are solely payment of principal and interest considering the contractual terms of the instrument.

The subsequent measurement of financial assets depends on their classification, as described below:-

1) At amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met :

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the financial assets, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

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2) At Fair Value through other comprehensive income (FVTOCI)

A financial asset is classified as at the FVTOCI if both of the following criteria are met:

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI) and on derecognition, cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss. For equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. If the Group decides to classify an equity instrument as at FVTOCI, 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.

3) At Fair Value through Profit & Loss (FVTPL)

Financial assets which are not measured at amortised cost or FVTOCI and are held for trading are measured at FVTPL.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as FVTOCI, 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 profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Derecognition

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

B) Financial Liabilities

Financial liabilities are classified, at initial recognition as at amortised cost or fair value through profit or loss. The measurement of financial liabilities depends on their classification, as described below:

1) At amortised cost

This is the category most relevant to the Group. After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2) At fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as such. Subsequently, any changes in fair value are recognised in the Statement of Profit and Loss.

Derecognition of Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

f) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

i) Current Income Tax

Provision for current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the tax laws of the India. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income (OCI) or in equity). The Group 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 liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) Deferred Tax

Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount

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

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

g) Inventories

i) Inventories are valued at lower of cost or net realisable value.

ii) Cost of inventories have been computed to include all costs of purchases, cost of conversion, all non refundable duties & taxes and other costs incurred in bringing the inventories to their present location and condition.

iii) Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale. Necessary adjustment for shortage / excess stock is given based on the available evidence and past experience of the Group.

h) Provision, Contingent Liabilities and Contingent Assets

Provisions are recognised for when the Group has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably. 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 liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more future events not wholly in control of the Group are not recognised in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in notes to the financial statements.

Contingent assets are not recognised in the financial statements. the nature of such assets and an estimate of its financial effect are disclosed in notes to the financial statements.

SMT ENGINEERING LIMITED

(formerly known as Adarsh Mercantile Limited)

CIN: L33120WB1992PLC055082

Notes forming part of these Consolidated Financial Statement
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i) Revenue Recognition

Revenue from contract with customer is recognised upon transfer of control of promised products or services to customers on complete satisfaction of performance obligations for an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of Goods

Revenue from the sale of goods is recognised when the control of the goods has been passed to the customer as per the terms of agreement and there is no continuing effective control or managerial involvement with the goods.

ii) Rendering of Services

Revenue from services rendered is recognised when the work is performed as per the performance obligations specified in the customer agreements.

iii) Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

j) Employee Benefit Expenses

Employee benefits includes gratuity, compensated absences, contribution to provident fund, employees' state insurance and superannuation fund

i) Short Term Employee Benefits

Employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits and recognised in the period in which the employee renders the related service. These are recognised at the undiscounted amount of the benefits expected to be paid in exchange for that service.

ii) Post Employment Benefits**Defined Contribution Plans**

Retirement benefits in the form of provident fund and superannuation fund are defined contribution schemes. The Group has no obligation, other than the contribution payable to these funds. The Group recognises contribution payable to these funds as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

Defined Benefit Plan

The Group operates a defined benefit gratuity plan. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary, using the projected unit credit method.

Re-measurements gains and losses arising from experience adjustments, changes in actuarial assumptions and the return on plan assets (excluding net interest) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods. Net interest is calculated by applying the discount rate to the net balance of defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss in the line item "Employee Benefits Expense":

- a) Service cost including current service cost, past service cost, gains and losses on curtailments and non-routine settlements; and
- b) Net interest expense or income

iii) Other Employee Benefits

Other employee benefits comprise of compensated absences/leaves. The actuarial valuation is done as per projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

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k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs also includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs.

l) Leases

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

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if there is a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

m) Business Combinations

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities assumed at their acquisition date i.e. the date on which control is acquired. Transaction related costs are expensed in the period in which the costs are incurred.

Where the aggregate of consideration transferred exceeds the fair value of net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. After initial recognition, goodwill is tested for impairment annually and measured at cost less any accumulated impairment losses if any. Alternatively, in case of a bargain purchase wherein the aggregate of consideration transferred is lower than the fair value of net identifiable assets acquired and liabilities assumed, the difference is recognised as capital reserve within equity.

n) Earning Per Share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the owners of the Group by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the profit or loss attributable to owners of the Company (after adjusting for costs associated with dilutive potential equity shares) by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

Note 35: Financial Instruments And Risk Review

(a) Accounting Classification and Fair Value Hierarchy

Financial Assets and Liabilities :

The Group's principal financial assets include loans and trade receivables, cash and cash equivalents and other receivables. The Group's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and projects.

Fair Value Hierarchy :

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

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

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

Level-3 : Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on the assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following tables summarises carrying amounts of financial instruments of continuing operations by their categories and their levels in fair value hierarchy for each year end presented.

As at March 31, 2025 :

Particulars	FVTPL			Amortized Cost	Total
	Level- 1	Level- 2	Level- 3		
Financial Assets					
Investments	339.10	-	-	3,126.89	3,465.99
Trade Receivables	-	-	-	21,38,675.75	21,38,675.75
Cash and Cash Equivalents	-	-	-	25,10,809.22	25,10,809.22
Other Bank Balances	-	-	-	9,227.10	9,227.10
Loans	-	-	-	-	-
Other Financial Assets	-	-	-	7,43,110.39	7,43,110.39
Total	339.10	-	-	54,04,949.35	54,05,288.45
Financial Liabilities					
Borrowings	-	-	-	50,89,858.21	50,89,858.21
Trade Payables	-	-	-	23,50,766.94	23,50,766.94
Lease Liabilities	-	-	-	62,015.41	62,015.41
Other Financial Liabilities	-	-	-	22,02,852.02	22,02,852.02
Total	-	-	-	97,05,492.58	97,05,492.58

As at March 31, 2024 :

Particulars	FVTPL			Amortized Cost	Total
	Level- 1	Level- 2	Level- 3		
Financial Assets					
Investments	-	-	-	1,04,134.00	1,04,134.00
Trade Receivables	-	-	-	2,30,383.00	2,30,383.00
Cash and Cash Equivalents	-	-	-	1,01,179.00	1,01,179.00
Other Bank Balances	-	-	-	-	-
Loans	-	-	-	99,975.00	99,975.00
Other Financial Assets	-	-	-	2,37,855.00	2,37,855.00
Total	-	-	-	7,73,526.00	7,73,526.00
Financial Liabilities					
Borrowings	-	-	-	-	-
Trade Payables	-	-	-	7,107.00	7,107.00
Lease Liabilities	-	-	-	-	-
Other Financial Liabilities	-	-	-	19,404.00	19,404.00
Total	-	-	-	26,511.00	26,511.00

(b) Financial Risk Management Objective and Policies :

The Group's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors. The management ensures appropriate risk governance framework for the Group through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Group is primarily exposed to risks resulting from fluctuation in market risk, credit risk and liquidity risk, which may adversely impact the fair value of its financial instruments.

(i) Market Risk

Market risk is the risk that future earnings and fair value of future cash flows of a financial instrument may fluctuate because of changes in market price. Market risk comprises of price risk, currency risk and interest risk.

A. Interest Risk

The Group is exposed to changes in interest rates due to its financing, investing and cash management activities. The risks arising from interest rate movements arise from borrowings with variable interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

For Group's floating rate borrowings, the analysis is prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used, which represents management's assessment of the reasonably possible change in interest rate.

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Variable Cost Borrowings at the year end	4,12,424.39	-

In case of fluctuation in interest rates by 50 basis points and all other variables were held constant, the Group's profit before tax for the year from continuing operations would increase or decrease as follows:

Particulars	Amount in "00"	
	for the year ended March 31, 2025	for the year ended March 31, 2024
Impact on Consolidated profit before tax for the year	2,062.12	

(ii) Credit Risk

Credit risk refers to the risk that a counterparty or customer will default on its contractual obligations resulting in a loss to the Group. Financial instruments that are subject to credit risk principally consist of Loans, Trade and Other Receivables, Cash & Cash Equivalents, Investments and Other Financial Assets. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of counter parties on continuous basis with appropriate approval mechanism for sanction of credit limits. Credit risk from balances with banks, financial institutions and investments is managed by the Group's treasury team in accordance with the Company's risk management policy. Cash and cash equivalents and Bank deposits are placed with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

(iii) Liquidity Risk

Liquidity risk refers the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The Group's objective is to provide financial resources to meet its obligations when they are due in a timely, cost effective and reliable manner and to manage its capital structure. The Group monitors liquidity risk using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations.

The tables below provide details regarding contractual maturities of significant financial liabilities as at the reporting date based on contractual undiscounted payments

As at March 31, 2025:

Particulars	Refer Note	Amount in "00"			
		Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings	16 & 20	2,74,729.60	4,12,424.39	-	6,87,153.99
Lease Liabilities	17 & 21	66.03	61,949.38	-	62,015.41
Trade Payables	22	21,18,777.13	2,31,989.80	-	23,50,766.93
Other Financial Liabilities	23	22,02,852.02	-	-	22,02,852.02
		45,96,424.78	7,06,363.57	-	53,02,788.35

As at March 31, 2024:

Particulars	Refer Note	Amount in "00"			
		Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings	16 & 20	-	-	-	-
Lease Liabilities	17 & 21	-	-	-	-
Trade Payables	22	7,107.00	-	-	7,107.00
Other Financial Liabilities	23	19,404.00	-	-	19,404.00
		26,511.00	-	-	26,511.00

(iv) Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The Group monitors capital using gearing ratio, which is net debt (borrowings less cash and bank balances) divided by total equity plus net debt.

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Total Borrowings (Refer notes 16 & 20)	50,89,858.21	-
Less : Cash and Bank Balances (Refer notes 11, 12)	25,20,036.32	1,01,179.00
Net Debt (A)	25,69,821.89	(1,01,179.00)
Total Equity (B)	62,82,811.09	7,57,232.51
Total Equity and Net Debt (C = A + B)	88,52,632.98	6,56,053.51
Gearing Ratio (A / C)	0.29	(0.15)

SMT ENGINEERING LIMITED

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Note 36: Related Party Disclosures

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" has been set out below. Related parties as defined under clause 9 of the Ind AS 24 have been identified on the basis of representations made by the management and information available with the Group.

i) Name of Related Parties & Description of Relationship**(A) Controlling Entity :**

SMT Engineering Limited (formerly known as Adarsh Mercantile Limited)

(B) Subsidiary/ Step Down Subsidiary:

Sai Machine Tools Private Limited (w.e.f March 26, 2025)

Chemerix Life Sciences Private Limited (w.e.f March 26, 2025)

(C) Associates:

Avon Credit Private Limited (cessation w.e.f September 19, 2024)

(D) key Management Personnel:

Mrs. Suchita Chhawchharia	Executive Director (Resigned w.e.f 07.03.2025)
Mr. Aritra Basu	Director (Resigned w.e.f 07.03.2025)
Mr. Shiv Shankar Sharma	Chief Financial Officer (Casual Vacancy arisen on 21.12.2024)
Ms. Salu Agarwal	Company Secretary (appointed w.e.f. 21.04.2023 and resigned w.e.f 05.07.2023)
Ms. Kajol Modi	Company Secretary (appointed w.e.f. 18.09.2023 and resigned w.e.f 04.12.2023)
Ms. Radhika Mayaramka	Company Secretary (appointed w.e.f. 08.02.2024 and resigned w.e.f 01.02.2025)
Mr. Ashok Jaiswal	Chairman & Director (Appointed w.e.f 07.03.2025)
Mr. Ajay Jaiswal	Managing Director & CFO (Appointed w.e.f 07.03.2025)
Mr. Vishal Jaiswal	Whole- Time Director (Appointed w.e.f 07.03.2025)
Mr. Mohd Shanawaz Shekh	Company Secretary (Appointed w.e.f 07.03.2025)
Mr. Ashish Gilani	Director (Resigned w.e.f 16.09.2024)
Mr. Suresh Chandra Dhabash	Director (Resigned w.e.f 24.09.2024)
Ms. Vanadana Jaiswal	Relative of KMP

(E) Enterprise where KMP's/ Relative of KMP's having significant influence or control

BCCO Commodities Private Limited

BCCO Holdings Private Limited

Aster Dealcom Private Limited

Ambicon Ventures Private Limited

SMT Plast

Prakhar Industries

Soft Care Solutions

Ashoka Polyplast

Greenpath Polymers Private Limited

Camus Pharma Private Limited

ii) Nature & Amount of Related Party Transaction during the year

Amount in "00"

Particulars	Associates		Other Related Parties*		Key Management Personnel	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Sale of Goods						
SMT Plast	-	-	3,84,637.90	-	-	-
Prakhar Industries	-	-	4,82,783.10	-	-	-
Camus Pharma Private Limited (upto 15th Sep 2024)	-	-	2,38,000.00	-	-	-
Purchase of Goods						
SMT Plast	-	-	7,99,413.51	382.80	-	-
Prakhar Industries	-	-	11,12,688.75	7,92,690.84	-	-
Softcare Solutions	-	-	29,332.71	-	-	-
Sale of Assets						
Vandana Jaiswal	-	-	-	-	79,500.00	-
Ajay Jaiswal	-	-	-	-	88,755.84	-
Freight Revenue						
SMT Plast	-	-	84.00	-	-	-
Prakhar Industries	-	-	105.00	-	-	-
Job Work Charges						
M/s. Prakhar Industries	-	-	44,138.62	21,272.28	-	-
M/s. VAVA Extrusion and Irrigation Technique	-	-	300.00	-	-	-
M/s. SMT Extrusion Technique	-	-	-	300.00	-	-
Rent Expenses						
M/s. VAVA Extrusion and Irrigation Technique	-	-	7,500.00	3,300.00	-	-
M/s. SMT Extrusion Technique	-	-	7,218.42	3,000.00	-	-

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Interest Received						
BCCO Holding Private Limited	-	-	1,111.00	1,200.00	-	-
Salary Advance Given						
Shiv Shankar Sharma	-	-	-	-	250.00	-
Salary Advance Received						
Shiv Shankar Sharma	-	-	-	-	200.00	1,500.00
Balance Writeen off						
Shiv Shankar Sharma	-	-	-	-	1,750.00	-
Unsecured Loan Taken						
Ajay Jaiswal	-	-	-	-	3,60,556.80	-
Vishal Jaiswal	-	-	-	-	5,97,496.47	-
Niharika Jaiswal	-	-	-	-	4,88,833.94	-
Shikha Jaiswal	-	-	-	-	38,717.42	-
Greenpath Polymers Private Limited	-	-	70,000.00	-	-	-
Camus Pharma Private Limited	-	-	5,45,000.00	3,90,000.00	-	-
SMT Plast	-	-	1,42,000.00	-	-	-
Repayment of Loan given						
BCCO Commodities Private Limited	-	-	28,000.00	-	-	-
BCCO Holding Private Limited	-	-	13,080.00	-	-	-
Aster Dealcom Private Limited	-	-	-	73,250.00	-	-
Ambicon Ventures Private Limited	-	-	-	32,823.00	-	-
Unsecured Loan Repaid						
Ajay Jaiswal	-	-	-	-	3,31,986.80	-
Vishal Jaiswal	-	-	-	-	1,05,000.00	-
Niharika Jaiswal	-	-	-	-	2,50,000.00	-
Shikha Jaiswal	-	-	-	-	-	-
Camus Pharma Private Limited	-	-	17,60,000.00	-	-	-
SMT Plast	-	-	1,19,950.00	-	-	-
Consultancy Charges						
Poonam Jaiswal	-	-	-	-	3,335.44	1,503.47
Suchita Chhawchharia	-	-	-	-	5,000.00	-
Buy Back of Shares						
Avon Credit Private Limited	1,500.00	-	-	-	-	-
Remuneration						
Short Term Employee Benefits						
Ashok Kumar Jaiswal (Cessation w.e.f 01-08-2023)	-	-	-	-	-	10,000.00
Vandana Jaiswal (Cessation w.e.f 01-08-2023)	-	-	-	-	-	10,000.00
Vishal Jaiswal	-	-	-	-	34,950.00	30,000.00
Shikha Jaiswal	-	-	-	-	34,950.00	30,000.00
Ajay Jaiswal	-	-	-	-	34,950.00	30,000.00
Niharika Jaiswal	-	-	-	-	34,950.00	30,000.00
Suchita Chhawchharia	-	-	-	-	1,650.00	1,800.00
Shiv Shankar Sharma	-	-	-	-	2,907.50	6,503.00
Salu Agarwal	-	-	-	-	-	350.00
Kajol Modi	-	-	-	-	-	917.00
Radhika Mayaramka	-	-	-	-	1,600.00	300.00

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Notes forming part of these Consolidated Financial Statement
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iii) Closing Balances with Related Parties

Particulars	Associates		Other Related Parties*		Key Management Personnel	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Unsecured Loans						
Ajay Jaiswal	-	-	-	-	28,570.00	-
Vishal Jaiswal	-	-	-	-	4,92,496.47	-
Niharika Jaiswal	-	-	-	-	2,38,833.94	-
Shikha Jaiswal	-	-	-	-	38,717.42	-
Camus Pharma Private Limited	-	-	-	12,15,000.00	-	-
SMT Plast	-	-	22,050.00	-	-	-
Greenpath Polymers Private Limited	-	-	70,000.00	-	-	-
Creditors for Expenses						
Ajay Jaiswal	-	-	-	-	-	239.09
Vishal Jaiswal	-	-	-	-	3,005.00	23,630.90
Niharika Jaiswal	-	-	-	-	3,005.00	3,994.30
Shikha Jaiswal	-	-	-	-	3,005.00	5,654.39
Trade Receivables						
Prakhar Industries	-	-	5,69,807.96	-	-	-
SMT Plast	-	-	4,53,971.84	-	-	-
Advance to Suppliers						
Softcare Solutions	-	-	-	1,94,000.00	-	-
SMT Plast	-	-	7,10,300.15	3,43,000.00	-	-
Prakhar Industries	-	-	9,39,922.22	4,32,462.04	-	-
Advance for Expenses						
Vava Extrusion and Irrigation Technique	-	-	2,10,861.55	2,15,215.18	-	-
SMT Extrusion Technique	-	-	28,427.20	30,181.10	-	-
Unsecured Loan Given						
BCCO Commodities Private Limited	-	-	-	28,000.00	-	-
BCCO Holdings Private Limited	-	-	-	13,080.00	-	-
Aster Dealcom Private Limited	-	-	-	73,250.00	-	-
Ambicon Ventures Private Limited	-	-	-	32,823.00	-	-
Investment in Associates						
Avon Credit Private Limited	-	1,500.00	-	-	-	-
Salary Advance						
Shiv Shankar Sharma	-	-	-	-	-	1,700.00

* Entities over which Controlling Entity or Key Management Personnel has significant influence

Note 37: Business Combination During the year

During the year ended March 31, 2025, the Parent Company has acquired 100% stake in Sai Machine Tools Private Limited. Pursuant to these transaction Chemerix Life Sciences Private Limited (wholly owned Subsidiary of Sai Machine Tools Private Limited) become the step down subsidiary company of parent entity.

Note 38: Contingent Liabilities and Commitments

a) Contingent liabilities not provided for :

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
1) Claims against the Group not acknowledged as debts	-	-
2) In respect of :		
- Income Tax	506.15	506.15
- CST, GST, VAT	2,09,560.00	2,09,560.00
3) In respect of Corporate Guarantee Given	1,91,190.00	1,91,190.00
	4,01,256.15	4,01,256.15

b) Capital & Other Commitment

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
1) Estimated amount of Contracts remaining to be executed on capital account and not provided for	37,000.00	37,000.00

Note 39: Lease Accounting

i) The movement in Lease liabilities during the year

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Opening Balance	-	-
Add: Addition through Business Combination (Refer note: 37)	62,077.22	-
Add : Finance costs incurred during the year	5,433.03	-
Less : Payments of Lease Liabilities	5,494.06	-
Closing Balance	62,016.19	-

ii) The carrying value of the Rights-of-use and depreciation charged during the year

For details pertaining to the carrying value of right of use of lease assets and depreciation charged during the year, kindly refer note - 4 "Right-of-Use Assets".

Note 40: Disclosure as per IND AS 19 "Employee Benefit"

i) Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised as expenses for the year is as under:

Particulars	Amount in "00"	
	As at March 31, 2025	As at March 31, 2024
Employer's Contribution to Provident Funds	562.12	-
Employer's Contribution to ESIC	160.56	-

ii) Defined Benefit Schemes

Reconciliation of Denified Benefit Obligation

Particulars	Amount in "00"	
	Gratuity Funded	
	As at March 31, 2025	As at March 31, 2024
Defined Benefit Obligation at beginning of the year	-	-
Addition through business combination	30,672.13	-
Current Service Cost	3,852.98	-
Interest Cost	2,070.37	-
Benefits Paid	-	-
Acturial (Gain)/ Loss	(2,572.60)	-
Defined Benefit Obligation at end of the year	34,022.88	-

Reconciliation of Fair Value of Plan Assets

Particulars	Amount in "00"	
	Gratuity Funded	
	As at March 31, 2025	As at March 31, 2024
Fair Value of Plan Assets at beginning of the year	-	-
Expected Return on Plan Assets	-	-
Acturial (Gain)/ Loss	-	-
Employer's Contribution	-	-
Benefit Paid	-	-
Fair Value of Plan Assets at end of the year	-	-

SMT ENGINEERING LIMITED

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Notes forming part of these Consolidated Financial Statement
for the year ended March 31, 2025

Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

Particulars	Amount in "00"	
	Gratuity Funded	
	As at March 31, 2025	As at March 31, 2024
Fair Value of Plan Assets	-	-
Present Value of Deneft Benefit Obligations	34,022.88	-
Amount Recognised in Balance Sheet	34,022.88	-
Break up of above amount		
Non- Current Liabilities	31,606.71	
Current Liabilities	2,416.17	
	34,022.88	

Expenses recognised during the year

Particulars	Amount in "00"	
	Gratuity Funded	
	As at March 31, 2025	As at March 31, 2024
In Consolidated Income Statement		
Current Service Cost	3,852.98	-
Interest Cost	2,070.37	-
Past Service Cost	-	-
Return on Plan Assets	-	-
	5,923.35	-
In Consolidated Other Comprehensive Income		
Acturial (Gain)/ Loss	(2,572.60)	-
Return on Plan Assets	-	-
	(2,572.60)	-

Significant Acturial Assumptions

Particulars	Amount in "00"	
	Gratuity Funded	
	As at March 31, 2025	As at March 31, 2024
Mortailly table (ALM)		
Discount rate (per annum)	6.75%	-
Rate of escalation in salary (per annum)	7.00%	-
Demographic assumptions		
Retrirmment Age	60	-
Attrition Rate	5% to 1%	-
Montality rate during employment	indian assured lives mortality (2012-14) ult.	-

Note: It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

A quantitative sensitivity analysis fir significant assumption is as shown below

Acturial Assumptions	Gratuity Funded	
	As at March 31, 2025	As at March 31, 2024
Impact of change in discount rate present value of obligation at the end of the year	(34,022.88)	-
Impact due to increase of 1%	30,049.34	-
Impact due to decrease of 1%	38,822.82	-
Impact of change in salary increase		
Impact due to increase of 1%	38,761.80	-
Impact due to decrease of 1%	30,023.76	-
Impact of change in salary increase		
Impact due to increase of 1%	33,929.33	-
Impact due to decrease of 1%	34,130.28	-

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumption would occur in isolation from one another.

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for the year ended March 31, 2025

Maturity profile of defined benefit obligation

Year	Amount in "00"	
	Gratuity Funded	
	As at March 31, 2025	As at March 31, 2024
1st following year	2,416.17	-
2nd following year	1,053.73	-
3rd following year	1,017.38	-
4th following year	2,291.60	-
5th following year	903.22	-
Sum if years 6 to 10	11,220.98	-

Notes:

The estimates of rate escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The Above information is certified by the actuary.

The expected contribution for Defined Benefit Plan for the next financial year will be in line with F.Y. 2024-25

The group makes provident fund (PF) contribution to defined contribution benefit plan for eligible employees. Under the scheme the company is required to contribute a specified percentage of the payroll costs to fund the benefit. The contribution specified under the law are paid to the government authorities (PF Commissioner).

Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other fund" in note 31.

Defined Benefit Plan:

The company has defined benefit plans for gratuity to eligible employees, contribution for which are made to Life Insurance Corporation Limited, who invests the fund as per IRDA guidelines. The details of these defined benefit plan recognized in the financial statements are as under.

General Description of the plan:

The Group operates a defined plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

The defined benefit plan typically expose the group to various risk such as:

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan assets is below this rate, it will create a plan deficit.

Interest Risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan assets.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment and increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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Notes forming part of these Consolidated Financial Statement
for the year ended March 31, 2025**Note 41: Earnings Per Share (EPS)**

Particulars	As at March 31, 2025	As at March 31, 2024
Continuing Operations		
Consolidated Net Profit After Tax attributable to owners (Rs. "00")	2,46,637.23	(1,67,884.49)
Weighted Average Number of Shares Outstanding during the year for basic and diluted EPS	38,86,151.00	36,75,000.00
EPS in Rs. (Face Value of Rs. 10 each)- Basic and Diluted		
Continuing Operations	6.35	(4.57)

Note 42:

The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits has received Presidential assent and has been published in the Gazette of India. However, the effective date of the Code and final rules for quantifying the financial impact are yet to be notified. The Group will assess the impact of the Code when relevant provisions are notified and will record related impact, if any, in the period the Code becomes effective.

Note 43:

a) During the year ended March 31, 2025 and March 31, 2024, 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 Parent company, its subsidiary companies, its associates and its joint venture entities incorporated in India 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 lend or invest in party identified by or on behalf of the Parent company, its subsidiary companies, its associates and its joint venture entities (Ultimate Beneficiaries) incorporated in India (excluding entities whose financial statements are consolidated within the Group).

b) During the years ended March 31, 2025 and March 31, 2024, the Parent company, its subsidiary companies, its associates and its joint venture entities incorporated in India have not received any fund from any other person(s) or entity(ies), including foreign entities (Funding Party) with the understanding that the Parent company, its subsidiary companies, its associates and its joint venture entities shall whether, directly or indirectly lend or invest in other persons or entities identified (Ultimate Beneficiaries) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (excluding entities whose financial statements are consolidated within the Group).

Note 44: Additional Regulatory Disclosures

a) There are no proceedings initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

b) None of the entities in the Group has been declared a wilful defaulter by any bank or financial institution

c) Certain entities of the Group has sanctioned borrowings/facilities from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by such entities with banks and financial institutions are in agreement with the books of accounts.

d) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note 45: Events Occurring after the Consolidated Balance Sheet Date

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. There are no material subsequent events to be recognized or reported that are not already disclosed.

Note 46: Approval of Consolidated Financial Statements

The financial statements were approved for issue by the board of directors on June 16, 2025

As per our attached report of even date

For and on behalf of the Board

For NKSJ & Associates

Chartered Accountants

Firm Registration No. 329563E

Ajay Jaiswal
Managing Director & CFO
DIN: 01754887

Vishal Jaiswal
Whole-time Director
DIN- 01741062

CA Sneha Jain

Partner

Membership No. 234454

UDIN:

Place: Indore

Date: June 16, 2025

Mohd Shanawaz Shekh
Company Secretary
M No.- A65714