email : info@mtar.in website : www.mtar.in

CIN No : L72200TG1999PLC032836

To, **Date: 26th August 2025**

The Manager, **BSE Limited.** **P. J. Towers, Dalal Street,** **Mumbai-400001.** **(BSE Scrip Code: 543270)**	**The Manager,** **NSE Limited,** **Exchange Plaza, Bandra Kurla Complex,** **Bandra (E), Mumbai- 400051.** **(NSE Symbol: MTARTECH)**

Dear Sir/Madam,

Subject: Submission of Notice of the 26th Annual General Meeting and Annual Report for the Financial Year 2024-25.

Unit: MTAR Technologies Limited

We wish to inform you that the 26th (Twenty-Sixth) Annual General Meeting ("AGM") of Members of the Company is scheduled to be held on **Thursday, 18th September 2025 at 11:00 A.M. through Video Conference "VC" / Other Audio-Visual Means**.

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure) Regulations, 2015 ("SEBI Listing Regulations"), please find enclosed herewith the copy of Notice of 26th AGM and Annual Report including the Business Responsibility and Sustainability Report of the Company for financial year 2024-25 being sent to the Members of the Company through electronic mode.

The aforesaid documents are also available on the website of the Company at https://mtar.in/annual-report/.

We request you to please take this intimation on your records.

Thanking you,

For MTAR Technologies Limited

Naina Singh

Digitally signed by Naina Singh
Date: 2025.08.26 19:38:21 +05'30'

Naina Singh
Company Secretary and Compliance Officer

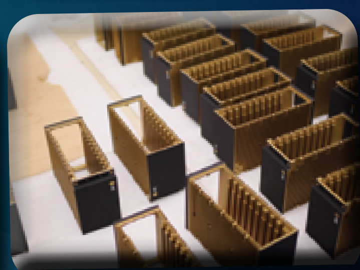
Encl: As above

Shaping a Secure and Sustainable Future







MTAR Technologies Limited
Annual Report FY 2024 - 25

Forward-looking statement

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

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

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

Contents

Online Annual Report

www.mtar.in

Shaping a Secure and Sustainable Future

MTAR was established in 1969 with a vision to indigenize advanced technologies for India. Over the decades, the Company has evolved into a pioneer in precision-engineered systems across strategic sectors, including Clean Energy—such as Civil Nuclear Power, Fuel Cells, and Hydropower—as well as Aerospace and Defence.

With an unwavering commitment to excellence, the Company has consistently adopted best-in-class practices to develop complex mechanical subsystems known for their high reliability. These include liquid propulsion engines, cryogenic upper-stage subsystems, electro-pneumatic modules, actuation systems, airframes, base shroud assemblies, canister assemblies, gearboxes, and more contributing significantly to the nation's prestigious Aerospace and Defence programs.

In the Clean Energy- Civil Nuclear Power sector, the Company supplies critical fuel-handling equipment for the core of nuclear reactors. Leveraging its core competencies, the Company has built a strong export portfolio featuring products like power units, enclosures, sheet metal assemblies for fuel cells, battery storage enclosures, and various critical assemblies for global Aerospace MNCs. In addition, the Company fabricates critical structures for Hydro Power and Wind Energy.

The Company remains committed to continuous innovation, expanding its customer and product base to meet the evolving needs of national and international markets—shaping a secure and sustainable future

Managing Director's Overview

In the near term, we are focused on delivering robust growth by scaling up new verticals, expanding our customer base, and achieving sequential improvement in margins over the coming quarters. Simultaneously, we are committed to developing cutting-edge technologies to cater to Indian and global markets in strategic sectors, including Clean Energy, Aerospace, and Defence.

Dear Stakeholders,

I am pleased to present another year of strong performance and extend my sincere gratitude for your continued trust and investment in our vision and mission to build a world-class institute.

In FY25, we delivered healthy growth, achieving a 16% year-over-year increase in total revenues and an 8% year-over-year increase in EBITDA. A significant portion of our revenue—approximately Rs. 2000 Mn—was driven by new products in the Clean Energy, Aerospace, and Defence sectors, underscoring our focus on strategic execution and operational excellence.

Operational Overview

In Clean Energy – Fuel cells, Hydro Power and others, the Company has delivered around Rs. 4169 Mn of revenues, maintaining its position as a trusted partner to its customers. We are currently focused on increasing the wallet share with Bloom Energy in Clean Energy – Fuel Cells in FY 26, that is expected to boost our revenues further with a projected growth of 20%. We expect to deliver approx. 500 Mn of revenue from Hydro Power, Wind Energy and others.

The Company has forayed into battery storage systems equipment manufacturing and successfully delivered its first proto unit of enclosures to Fluence, marking a significant milestone in diversifying its clean energy portfolio and tapping into adjacent growth markets. We are currently in discussion with Fluence regarding orders for mass production ; if these materialise, it will mark the next phase of scaling this vertical.

While revenues from the Clean Energy - Civil Nuclear segment stand at Rs. 184 Mn in the year under review as lot of orders are under final stages of execution, a ramp-up is expected in FY 26 and the coming years, supported by a strong order book and robust work-in-progress (WIP) pipeline. The Company looks forward to delivering significant orders in this sector in FY 26.

The Aerospace & Defence sector has witnessed multifold growth by executing Rs. 930 Mn of orders during the year under review due to robust order pipeline and strategic partnerships with leading Indian and MNC Aerospace companies. We have undertaken several key projects to ISRO, DRDO and MNC Aerospace, including the successful delivery of liquid propulsion engines, cryogenic engine sub systems, canisters, metallic boxes, engine components etc., among others for various customers including ISRO, DRDO, Thales, GKN Aerospace, Elbit Systems etc. Aerospace & Defence sector is currently in an exciting phase, supported by the strong momentum of the Make-in-India initiative and increasing export interest. We anticipate a phenomenal growth of 80% in this segment in FY 26.

The Products and Other vertical has emerged as a strong performer over the past 2-3 years due to consistent addition of new products like ASP assemblies, Electro-Mechanical actuators, valves etc. This year too, it remained a key contributor, with revenues of Rs. 1475 Mn recorded during the fiscal year. With a focused strategy to further strengthen this segment, we anticipate a sustained and strong growth in this segment in the coming years.

Financial Overview

In FY25, we registered a revenue of Rs. 6760 Mn , with an EBITDA margin of 18%. While our margin was slightly lower than estimates by 200 basis points, this was primarily due to the spillover in the execution of a few Aerospace and Defence projects into FY26.

Looking ahead to FY26, we anticipate a 25% growth in revenues, accompanied by EBITDA margins of approximately 21%, with an expected fluctuation of ±100 basis points. As production volumes ramp up over the next 2-3 years, we expect to achieve operating leverage, leading to a reduction in fixed costs. Additionally, initiatives in supply chain optimization and operational efficiencies are projected to further enhance our margins.

We have achieved a significant improvement in operating cash flows, generating cash flows of Rs. 1018 Mn in FY25 compared to 555 Mn in FY 24. Furthermore, we have reduced our Net Working Capital (NWC) days to 229 days. We are committed to further improving our cash flows and reducing NWC days going forward.

Industry Analysis

Clean Energy

Fuel Cells

Driven by the global push toward carbon neutrality and the urgent need to decarbonize critical sectors such as transportation and power generation, the Fuel Cell Market is poised for significant expansion. Valued at an estimated USD 5.66 billion in 2025, the market is projected to reach USD 18.16 billion by 2030, growing at a robust CAGR of 26.3% during the forecast period. In particular, the global stationary fuel cell market is expected to witness substantial growth. Valued at 613.83 MWe in 2023, it is projected to expand to 3,117.69 MWe by 2032, reflecting a strong CAGR of 19.79% from 2024 to 2032. This growth is being propelled by supportive government policies encouraging the adoption of cleaner technologies for residential, commercial, and industrial power applications. Notably, stationary fuel cells are emerging as a critical power source for both conventional and AI-powered data centers.

Our key customer, Bloom Energy, a leading player in stationary fuel cell market, has made several strategic moves—including partnerships and contractual agreements—to strengthen its foothold in this rapidly evolving market. These initiatives are expected to translate into consistent and sustainable growth opportunities for our business in the coming years.

Civil Nuclear Power

India is actively expanding its nuclear power capacity to meet the nation's growing energy needs and advance its environmental goals. At present, the country generates 8.78 GWe of nuclear power, with an ambitious target to increase this capacity to 22.48 GWe by 2031–32. Looking further ahead, the government aims to scale this up to 100 GWe by 2047, including the development of at least five indigenously designed and operational Bharat Small Modular Reactors (SMRs) by 2033.In light of this significant expansion, we anticipate a steady and substantial inflow of orders over the coming years.

As informed earlier, significant orders are expected from the upcoming Kaiga 5 & 6 reactors, as well as the planned refurbishment of five existing operational reactors. It is important to note that that the Kaiga 5 and 6 orders have experienced a delay, as this marks the first time the entire project— from construction through commissioning—is being outsourced to the private sector. As a prequalified vendor of NPCIL, we are now positioned to receive these orders from the prime contractor for our scope of work in FY 2026.

The overall outlook for the civil nuclear segment remains highly promising. We anticipate strong momentum in this division, with year-on-year growth projected in the range of 35% to 40%, commencing in FY 2027. This anticipated trajectory reinforces our confidence in the sector's long-term potential and affirms our strategic positioning to capitalize on the evolving nuclear energy landscape. In line with this, the Company is expecting close to Rs. 10 Bn orders from Kaiga 5 & 6 and five reactors that are due for refurbishment.

Battery Storage Systems

The global demand for energy storage solutions continues to accelerate, fuelled by the rapid adoption of renewable energy, the increasing emphasis on grid reliability, and the widespread rollout of electric vehicles. Reflecting this momentum, the Battery Energy Storage System market, which was valued at USD 6.50 billion in 2023, is expected to grow significantly—reaching USD 54.28 billion by 2032, with a robust compound annual growth rate of 26.61% over the forecast period from 2024 to 2032.

Recognising the attractive potential of this market, the Company has successfully developed first proto unit of enclosure for Fluence Energy. While the broader market outlook remains encouraging, the potential for future growth in this division will hinge on progressing to volume production, subject to the finalisation of a long-term agreement with our customer.

Hydro Power, Wind Energy and others

In the first half of 2025 (Jan–Jun), India added approximately 3.5 GWe of new wind capacity, compared to about 1.9 GWe during the same period in 2024. This represents an 82% year-over-year increase compared to the same period in 2024, underscoring the nation's accelerating transition towards renewable energy.

Concurrently, the government anticipates to increase overall hydropower capacity (excluding PSPs) from ~42 GWe to 67 GWe by FY 2031–32, adding roughly 25 GWe (≈60%) of conventional hydro capacity. This expansion is poised to play a pivotal role in enhancing grid stability and integrating renewable energy sources, particularly through grid-scale pumped storage, which is crucial for balancing \ the intermittent nature of solar and wind power. In alignment with these developments, we anticipate steady growth in these segments. Our strategic initiatives are focused on supplying critical products such as draft tubes and spiral casings to hydropower customers, and rotor and stator assemblies to wind energy customers. These efforts position us to capitalize on the growing demand driven by India's renewable energy expansion, ensuring our continued contribution to the nation's sustainable energy future.

Aerospace & Defence

MNC Aerospace & Defence

The current geopolitical environment—shaped by disruptive technologies, increased non-state actor involvement, and evolving warfare tactics—demands innovative strategies and deeper global partnerships. Against this backdrop, India has successfully transitioned from a traditional defence importer to a major exporter, now supplying military equipment to 92 countries and generating export revenues of approximately Rs. 236 Bn in FY 2024–25, reflecting a 12% year-on-year increase.

The Government of India has set a bold export target of Rs. 500 Bn by 2029, alongside a projected Rs. 3,000 billion in total defence production by 2029–30, signaling a strong national commitment to becoming a premier exporter of defence systems

This export-led transition opens significant growth opportunities for domestic manufacturers. Further, multinational aerospace firms are increasingly collaborating with Indian companies to tap into the massive demand in both commercial aviation and defence markets, promising exponential growth potential. The Company looks forward to atleast 45% to 50% growth YoY in this segment due ramp up in volumes with new MNC customers and addition of new products in Domestic Defence

Space

The Government of India has set an ambitious target to increase the nation's share of the global space economy from its current 2% to USD 44 Bn by 2033, capturing approximately 8% of global market share. This reflects a significant expansion from the current market valuation of about USD 8.4 Bn. In support of this vision, ISRO is preparing for nine launches in 2025, covering technology demonstrations, commercial payloads, and crewed mission preparations. A major highlight is the successful launch of the NASA–ISRO NISAR mission in July 2025, which will significantly advance global Earth-observation capabilities. India is also targeting the launch of its first space station module in 2028, with the full station expected to be operational by 2035, signaling a shift toward enhanced commercial space capabilities

With the continued increase in launch activities and institutional investment, we anticipate a 20% or more uplift in revenues from the space systems segment. We are strategically positioning ourselves to deepen our involvement in this ecosystem, particularly by expanding into new products like actuation systems, and have participated in related tendering processes.

Strategic Outlook

At MTAR, our senior leadership and employees are united by a shared vision—to build best-in-class products that meet our customers' evolving needs. To sustain both short-term momentum and long-term growth, we are focused on the following strategic objectives:

- Sequential improvement in margins through production ramp-up, and enhancements in operational and supply chain optimisation. Consistent improvement in Working Capital and cash flows

- Continuous addition of new products in high-growth sectors such as Clean Energy, Aerospace, and Defence and entering into long term agreement with the customers

- Development of advanced technologies across our core sectors by participating in mission-critical programs.

- Further diversification of our customer base across geographies and entry into new verticals such as Oil & Gas and battery storage systems.

- Adoption of digital transformation initiatives, including consistent upgrades to ERP systems and shop-floor automation wherever feasible.

> Nearly Rs. 2000 Mn of our annual revenue was driven by execution of new product orders across the Clean Energy and Aerospace segments developed over the past 2-3 years, underlining our strategic execution capabilities and operational excellence. These orders were the result of collaborations with prominent international clean energy and aerospace companies, emphasizing MTAR's role as a reliable partner in high-growth, technology-driven sectors.

innovation, positioning us for sustained value creation and growth in the years ahead.

Closing Remarks

Our consistent revenue growth over the past five years is a clear testament to the strength of our business model and the momentum we have built. We remain confident in our ability to sustain this trajectory, targeting an average annual growth rate of 25% over the next three years, driven by multiple growth engines across diverse sectors.Our roadmap is clearly defined. In the short term, we are focused on delivering robust growth by scaling up new verticals, expanding our customer base, and achieving progressive improvement in margins over the coming quarters. This will be enabled by enhanced productivity, operational efficiency, and flawless execution.

Simultaneously, we are committed to developing cutting-edge technologies that serve the nation in strategic sectors, including Clean Energy, Aerospace, and Defence. This long-term vision entails continuous investment in development of new products, fostering innovation, and expanding our capabilities to meet the evolving needs of our customers and the industry.

Throughout this journey, we intend to maintain a disciplined approach to capital allocation, innovation, and operational excellence, ensuring sustainable growth and value creation for our shareholders.

I would like to extend my heartfelt gratitude to all our employees, shareholders, customers, and suppliers for being an integral part of the Company's growth journey. Your unwavering support and collaboration have been instrumental in our achievements, and together, we look forward to a future of continued success to transform the Company into a world-class institution.

Parvat Srinivas Reddy
Managing Director
MTAR Technologies Limited

MTAR has a rich legacy of supporting India's Space Programme through the supply of critical propulsion systems, including Vikas liquid propulsion engines and cryogenic upper stage systems. The Company is also contributing to the development of Semicryogenic engine.

Company Overview

Vision

Graduate from precision Engineering towards system integration

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

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

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

Management

The Company is managed by Parvat Srinivas Reddy and a team of experienced technical and management professionals. MTAR comprises 3210 employees including third party contract employees as on March 31, 2025. Under his leadership the Company has been witnessing significant growth in various segments. He was instrumental in establishing and scaling up the Clean Energy - Fuel Cells and Export Aerospace verticals at MTAR.

Extensive Experience

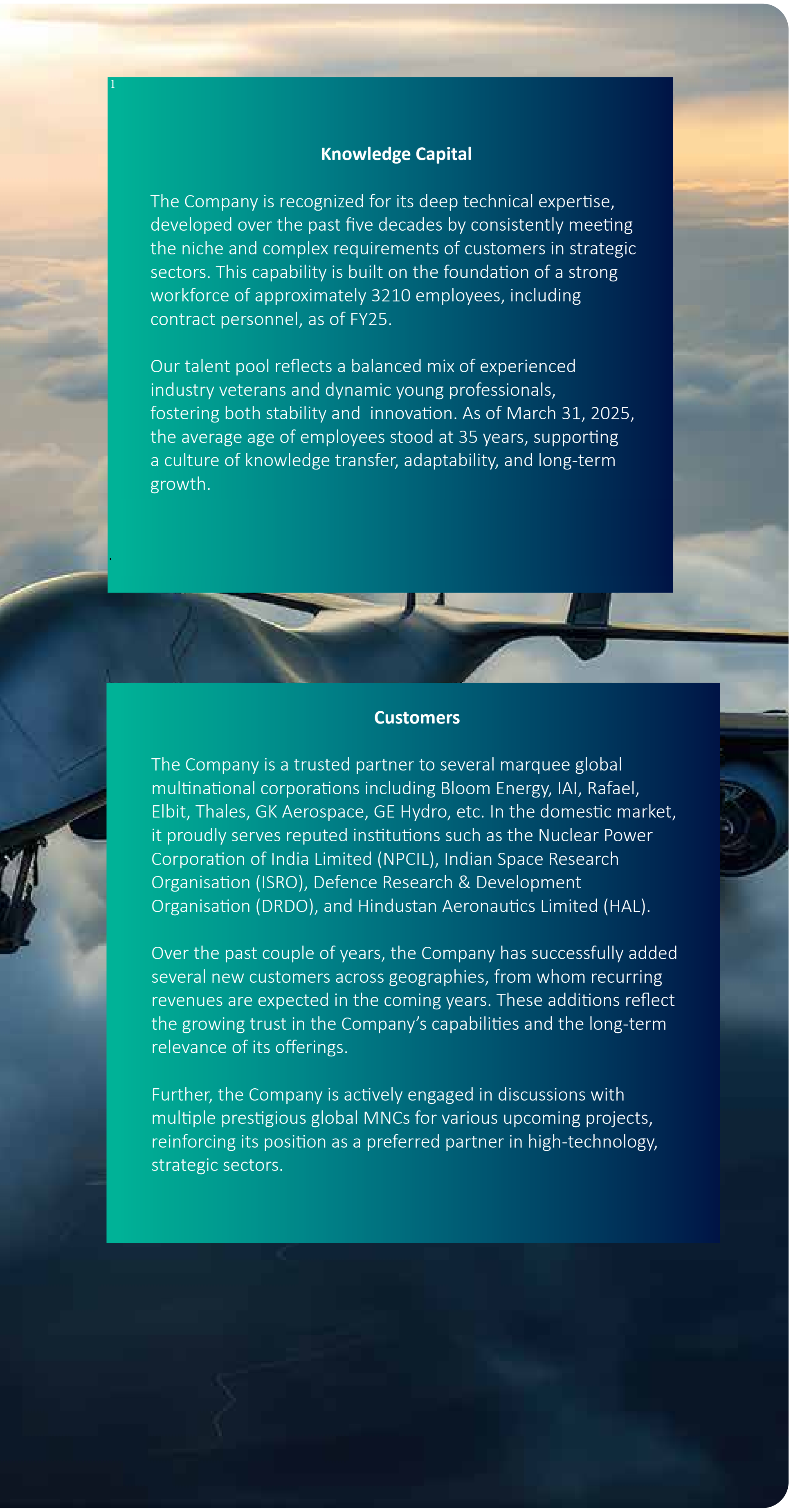
MTAR Technologies Limited was established in 1969 by three founders (P. Ravinder Reddy, K. Satyanarayana Reddy and P. Jayaprakash Reddy) with the objective to address the growing post-embargo engineering requirements of India. The Company now enjoys more than five decades of rich experience and a prominent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

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

MTAR is a national leader in precision engineered products in Clean Energy, Aerospace and Defence sectors

The vision and mission of the Company is to continue developing cutting edge technologies to cater to National and international markets

Addition of new customers and new products over the past 2-3 years is a testament to customer's faith in the Company to produce reliable products with best-in-class processes



Knowledge Capital

The Company is recognized for its deep technical expertise, developed over the past five decades by consistently meeting the niche and complex requirements of customers in strategic sectors. This capability is built on the foundation of a strong workforce of approximately 3210 employees, including contract personnel, as of FY25.

Our talent pool reflects a balanced mix of experienced industry veterans and dynamic young professionals, fostering both stability and innovation. As of March 31, 2025, the average age of employees stood at 35 years, supporting a culture of knowledge transfer, adaptability, and long-term growth.

Customers

The Company is a trusted partner to several marquee global multinational corporations including Bloom Energy, IAI, Rafael, Elbit, Thales, GK Aerospace, GE Hydro, etc. In the domestic market, it proudly serves reputed institutions such as the Nuclear Power Corporation of India Limited (NPCIL), Indian Space Research Organisation (ISRO), Defence Research & Development Organisation (DRDO), and Hindustan Aeronautics Limited (HAL).

Over the past couple of years, the Company has successfully added several new customers across geographies, from whom recurring revenues are expected in the coming years. These additions reflect the growing trust in the Company's capabilities and the long-term relevance of its offerings.

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

Products

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

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

2. Liquid Propulsion Engines, Cryogenic Engine Sub Systems, Electro-Pneumatic Modules, Satellite Valves, Grid Fin Structures etc. for Space Launch Vehicles, precision engineered assemblies for various MNC Aerospace companies

3. Gear boxes, Aerostructures, actuation systems, valves, ball screws etc. for various applications in Defence

4. SOFC & hydrogen units for Fuel cells, sheet metal assemblies, enclosures, and electrolysers in the Clean Energy sector

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

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

7. Enclosures for Battery storage systems

Credit Rating

ICRA has reaffirmed A Stable for Long-term borrowings and A1 for short-term borrowings– Fund based & Non-fund based in FY 25

Milestones

Innovation lies at the core of the MTAR's growth strategy, driven by consistent introduction of new technologies and products that reinforce its leadership across high-impact sectors such as Clean Energy, Aerospace, and Defence

1969

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

1983

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

1989

Rolled out first Vikas Engine for Space Launch Vehicle

1999

Development of Cryogenic Upper Stage Engine Systems

2009

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

2020

Development of Electro-Pneumatic Modules for Space Launch Vehicles

2023

Addition of new products like Roller Screws, ASP Assemblies

2024

Development of Electro-Mechanical Actuators

2025

Entry into Oil & Gas and Battery Storage sectors

2025

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

2021

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

2020

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

2018

MTAR was awarded the Best Quality Supplier Award by the helicopter division of Hindustan Aeronautics Limited in 2018.

Awards

2005

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

2004

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

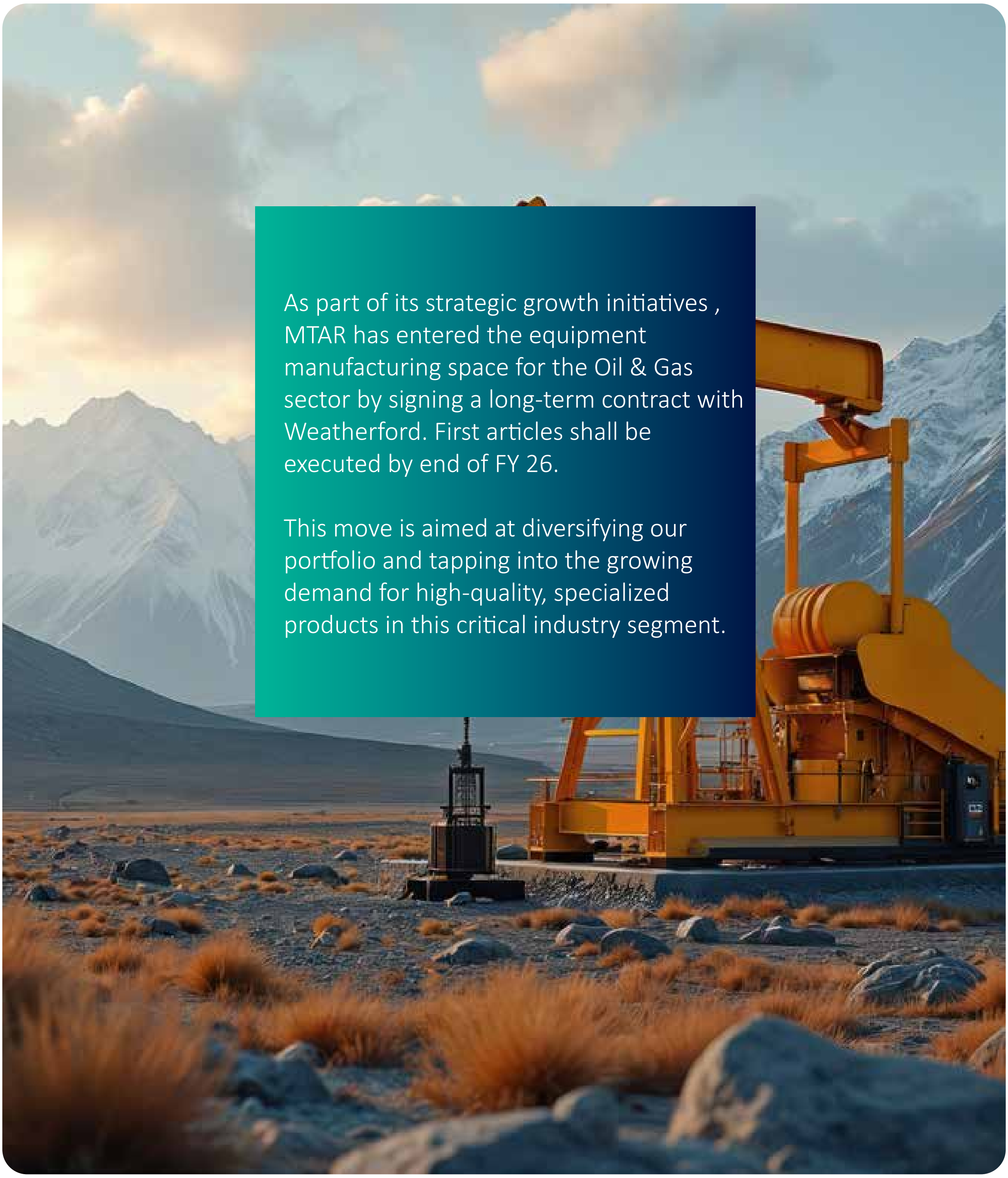
2002

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

Driving Strategic Expansion: Launch of Dedicated Aerospace Vertical

The Company has established a dedicated Aerospace facility, which became fully operational in January 2025. We anticipate generating significant revenues from this facility by catering to leading multinational corporations such as IAI, GKN Aerospace, Thales, among others.

Strategic Expansion: Entry into Equipment Manufacturing for the Oil & Gas



As part of its strategic growth initiatives , MTAR has entered the equipment manufacturing space for the Oil & Gas sector by signing a long-term contract with Weatherford. First articles shall be executed by end of FY 26.

This move is aimed at diversifying our portfolio and tapping into the growing demand for high-quality, specialized products in this critical industry segment.

Strategic Expansion: Entry into Equipment Manufacturing for the Battery Storage Systems

MTAR has successfully delivered a prototype enclosure for a customer in the battery storage segment, marking its entry into equipment manufacturing within this fast-growing domain


Built to Specifications - Product Design


Advanced Machining


Specialised Fabrication


Assembly & Integration


Heat Treatment


Surface Treatment - Painting


Quality Control


Electronics Manufacturing Systems - Cable Harnessing Assemblies

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

Diversified Product Portfolio

Integrated Systems

Specialised Fabricated Structures

Batch Production

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

Mass Production

Critical Aerostructures

Import Substitutes

Product Portfolio- Civil Nuclear Power

Fuelling Machine Head

Grid Plate

FM Bridge & Column

Coolant Channel Assemblies

Calandria Vault Top Hatch Cover Beam

Control Plug

Water Lubricated Bearings

Clean Energy- Fuel Cells & Other Sectors

MTAR supplies power units, sheet metal assemblies, enclosures and ASP assemblies for Solid Oxide Fuel cells and power units for Solid Oxide Electrolysers of Bloom Energy

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

Draft Tube - Hydro Power

Spiral Casing- Hydro Power

Structures - Waste to Energy Sector

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

Stator Assemblies - Wind Energy

Rotor Assemblies- Wind Energy

Product Portfolio- Aerospace & Defence

Our Product portfolio in Space

Products Supplied to ISRO

Stage 3: Ball Screws

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

Stage 1: Vikas Engine

Stage 1: Electro-Pneumatic Modules

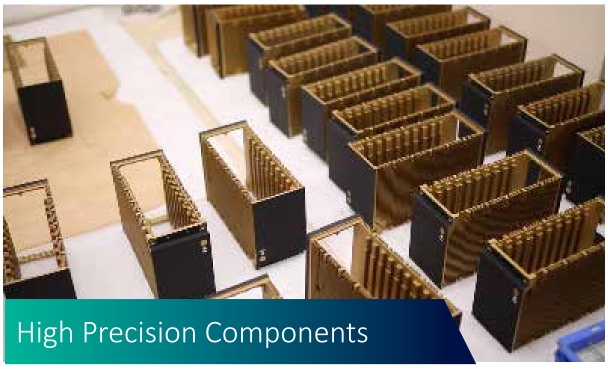
Products Under Development - Space

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

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

Products - MNC Aerospace

Weldment Structures



High Precision Components

Casing Structures

Products - MNC Aerospace

Engine Components- MNC Aerospace

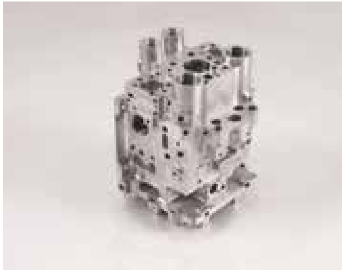
Engine Components- MNC Aerospace

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

Product Portfolio in Defence

Helicopter Housing

Magnesium Gear Box



Dalia Actuators- LCA Tejas

Aerostructures- Wing Kit Assemblies

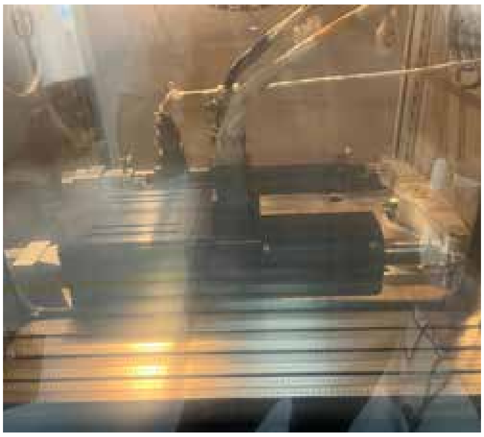
Specialised Products & Import Substitutes

Valves

MTAR has completed the design and development of valves for Naval applications. Volume orders are expected going forward

Electro Mechanical Actuators

MTAR supplies Electro-mechanical actuators for various Aerospace and defence programs. The Company has also participated in the tendering process for actuators of launch vehicles



Roller Screws and Ball Screws

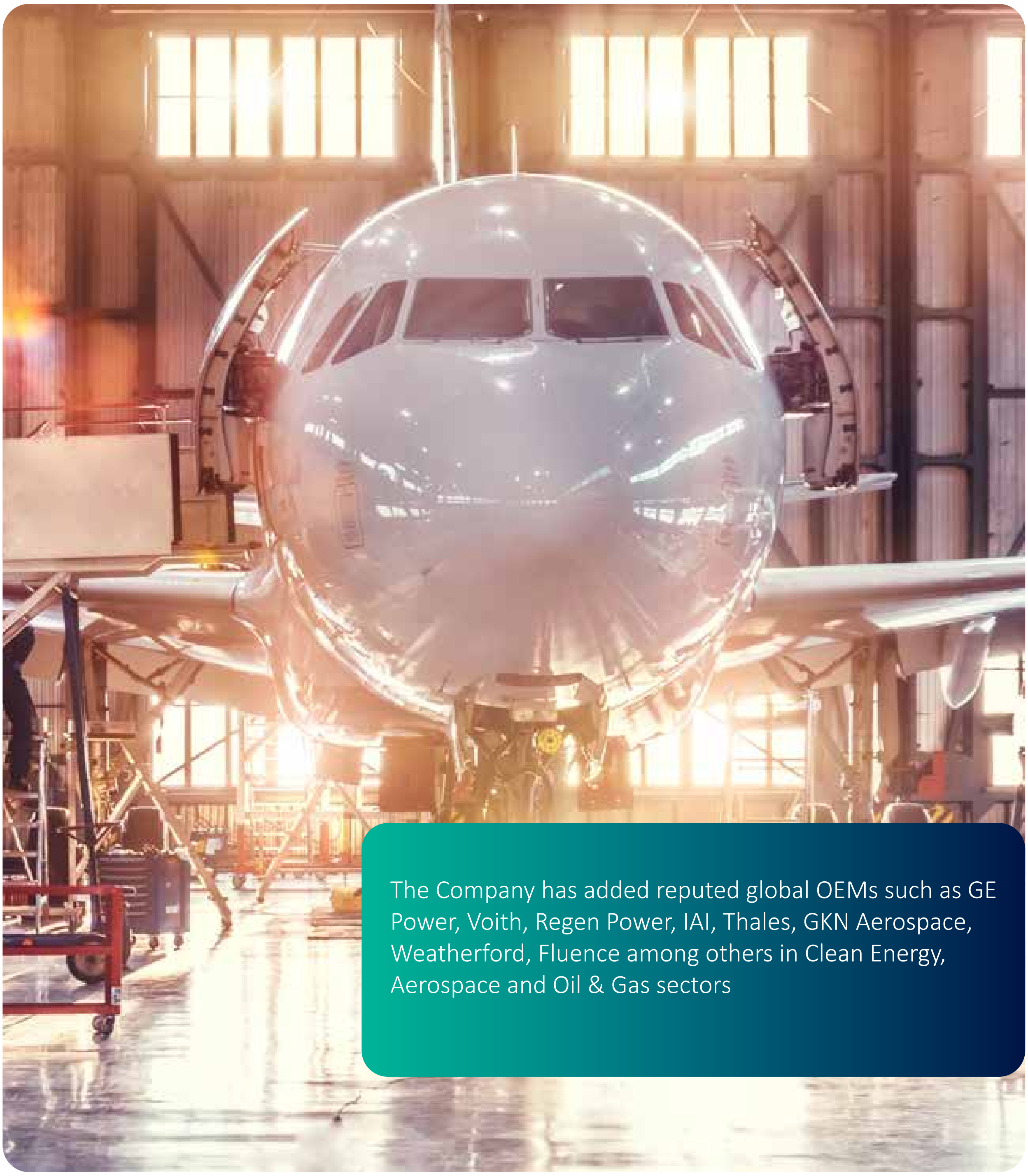
The Company supplies ball screws which are import substitutes for various applications in Civil Nuclear Power, Aerospace and Defence. MTAR has also developed roller screws

ASP Assemblies: MTAR supplies ASP assemblies to Clean Energy Sector. To meet increasing demand, the Company has adopted advanced manufacturing techniques aimed at scaling up production volumes and reducing product cycle times.

Product Portfolio- Oil & Gas

Whipstock assemblies

Diversified customer base across different sectors and geographies



The Company has added reputed global OEMs such as GE Power, Voith, Regen Power, IAI, Thales, GKN Aerospace, Weatherford, Fluence among others in Clean Energy, Aerospace and Oil & Gas sectors

Indian Space Research Organisation

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

Nuclear Power Corporation of India Ltd

A Public Sector Enterprise (under the administrative control of the Department of Atomic Energy, Government of India. The Company drives the operations and implementation of atomic power plants. NPCIL is responsible for design, construction, commissioning and operation of nuclear power reactors. NPCIL is operating 22 commercial nuclear power reactors with an installed capacity of 6780 MWe. NPCIL has eight reactors under various stages of construction totaling 6200 MWe capacity.

DRDO

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

Rafael Advanced Defense Systems Ltd

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

Elbit Systems

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

Collins Aerospace

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

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

GKN Aerospace

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

Thales

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

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

Israeli Aerospace industries

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

Bloom Energy Inc.

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

Voith

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

Regen Power

Regen Power was established in 2003 and is renowned for both innovation in the field of renewable energy in Australia. Regen provides a wide range of products for solar energy systems including solar panels, inverters, charge controllers, and wind turbines for both urban electricity grids and remote area off grid PV market systems at very competitive rates. To date, Regen has installed and maintains over 9000 residential rooftop Solar PV systems in Australia.

GE Hydro

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

Medha Servo Drives

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

Andritz Hydro

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

Worldwide Oilfield Machine

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

Weatherford International

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

Fluence Energy

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

GE Healthcare

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

Deep-rooted competencies in precision engineering, developed over decades, have enabled the Company to establish itself as a leading player in Clean Energy, Aerospace, and Defence sectors

MTAR has consistently expanded its product portfolio while maintaining longstanding customer relationships, underscoring the trust it has earned over the years

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

MTAR is a pioneer in India's niche precision engineering industry and has, over the past few decades, contributed to several prestigious Indian and global programs across Clean Energy—including Civil Nuclear Power and Fuel Cells—as well as the Aerospace and Defence sectors.

The Company specialises in manufacturing build-to-print precision-engineered systems that are widely recognized for their quality and cost-effectiveness. This capability has enabled the Company to forge long-standing relationships with a diverse and loyal customer base. In addition to its manufacturing expertise, the Company has established a dedicated design cell to develop build-to-specification products. Currently, the design arm is engaged in the development of complex products such as pumps, valves and engine sub systems.

Leveraging decades of experience in manufacturing and co-developing innovative technologies with its customers, MTAR has established state-of-the-art facilities encompassing in-house product design, advanced machining, specialised fabrication, system integration, surface treatment, and heat treatment. These capabilities are further strengthened by a rigorous testing and quality control mechanism at every stage of the production cycle, ensuring that all finished products meet exacting customer specifications.

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

MTAR has capability to undertake the development of a precision engineered products in its areas of specialisation in Clean Energy, Aerospace & Defence sectors from concept design to development stage

Diversified product portfolio

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

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

In the Clean Energy – Fuel Cells segment, the Company contributes to emerging technologies by supplying power units, sheet metal assemblies, enclosures, ASP assemblies, and cable harness assemblies for Solid Oxide Fuel Cell (SOFC) units, as well as power units for Solid Oxide Electrolyser (SOE) systems. These efforts align with the global push toward sustainable energy solutions and position the Company as a key enabler in the clean energy ecosystem. The Company also extends its capabilities to other verticals within the clean energy space, including Hydro Power, Wind Energy, Battery Storage Systems, and Waste-to-Energy sectors. It manufactures and delivers critical fabricated structures such as draft tubes, spiral casings, rotor and stator assemblies, and battery storage system enclosures—demonstrating engineering versatility and a strong commitment to environmental sustainability.

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

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

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

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

State of the art facilities with cutting edge manufacturing technologies

MTAR operates through our nine state-of-the-art manufacturing facilities each of which, is situated in Hyderabad, Telangana. In FY 25, the Company has established one new unit with world class facilities at Pasamaylaram to cater to the growing volumes in Aerospace. The Company has consistently invested in cutting edge and futuristic manufacturing technologies to provide end to end product development capabilities including product design, advanced machining, assembly & integration, surface treatment and heat treatment, quality control capabilities under one roof.

We have established capacities ahead of time through internal accruals, in the past with a view to cater to the increased production in future. The additional capacity available enables us to invest only in bottle neck areas for existing business verticals based on future demand at minimized cost of expansion. With in house expertise, the Company designed and built, certain sophisticated special purpose machines instead of importing comparable machines that has resulted in significant cost savings.

State of the art facilities with cutting edge manufacturing technologies

In addition, the Company is establishing dedicated manufacturing units for the Aerospace and Oil & Gas verticals. The Aerospace facility became fully operational in FY 2024–25, enabling the Company to further scale up production and cater to key clients in this strategic sector. The Oil & Gas facility is currently under development and is slated for commissioning in FY 2025–26, marking a significant step in expanding the Company's presence in high-potential, technology-intensive industries.

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

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

Robust vendor base

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

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

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

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

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

Track record of healthy growth in financials

We increased our revenue at a CAGR 22.36% during the last five years, from Rs. 2464.32 Mn in FY 21 to Rs. 6759.95 Mn in FY 25. We posted an EBITDA of Rs. 1206.56 Mn in FY 25 from Rs. 830.75 Mn in FY 21.

Experienced and well-qualified management team

The Company is achieving greater heights under the leadership of Parvat Srinivas Reddy, who brings over three decades of extensive experience in the Clean Energy, Aerospace, and Defence sectors. Complementing his leadership is a highly skilled technical and corporate management team with deep expertise across Clean Energy (Civil Nuclear Power, Fuel Cells, Hydel, and others), Space, and Defence sectors. This collective experience enables the Company to effectively capture market opportunities, manage client expectations, and adapt swiftly to evolving market conditions.

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

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

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

Sustainable Growth Strategy

MTAR has been registering strong growth over the past five years supported by its robust business models

Going forward, the Company has outlined the following steps to strengthen our business model further

- Develop New Products
- Expand the presence across business segments
- Identify and capitalise growing business trends
- Capacity Augmentation
- Optimise Operational efficiencies
- Addition of New Customers

Strategic Roadmap

Addition of New Products

The Company continues to introduce new products to sustain its competitive advantage and drive growth. Notably, products launched in the past 2–3 years have already contributed over Rs. 2000 Mn in revenue, reflecting the success of its innovation-led approach.

In addition, the Company's dedicated R&D and New Product Development (NPD) division continues to fuel this momentum by focusing on the design and engineering of built-to-specification products, including valves, pumps, actuation systems, engine sub-systems, and more. These solutions are engineered for high-performance applications across critical sectors including Defence, Space, and Energy, positioning the Company as a key partner in complex, mission-critical projects.

Diversifying the business Segments

The Company is actively working to increase its market share in the Aerospace and Clean Energy verticals by expanding its product offerings with existing customers and onboarding new clients. As part of this strategy, the Company has entered into long-term contracts with Thales, IAI, and GKN Aerospace, strengthening its position in the aerospace sector.

Additionally, the Company is entering the Oil & Gas vertical, having signed a long-term agreement with Weatherford and engaging in discussions with several other prospective customers to broaden its footprint in this industry.

Capacity Augmentation

The Company aims to augment capacity in bottleneck areas as required to meet increased customer demand within its established business segments.

New business verticals will be thoroughly evaluated based on business viability, with project-specific investments made to fulfill customer requirements and capitalize on emerging market opportunities.

Furthermore, the Company plans to actively pursue inorganic growth opportunities in the medium to long term to enhance engineering capabilities, expand market share, achieve operating leverage in key markets and strengthen cost competitiveness.

Optimise Process Efficiencies

The Company is actively adopting cutting-edge technologies to reduce cycle times for batch production orders, thereby enhancing operational efficiencies.

Additionally, it has implemented digital shopfloor management solutions to enable effective planning and coordination of manufacturing processes, resulting in improved machine utilization rates.

Addition of New Customers

The Company is actively pursuing long-term contracts with customers to capitalize on lucrative opportunities in the Aerospace and Clean Energy sectors.

Over the past three years, the Company has successfully onboarded numerous new customers, expanding its market presence.

To further strengthen its global footprint, the Company regularly participates in seminars and international expos, fostering relationships and networking with leading multinational corporations.

Opening order book, FY 2024-25 (Rs. Mn)	New orders in FY 2024-25 (Rs. Mn)	Sales Restated at Order Book FY 2024-25 (Rs. Mn)	Closing order book, FY 2024-25 (Rs. Mn)
9151	7202	6559	9794

Identify and Capitalise growing industry trends

The Government of India has approved the construction of 14 new nuclear reactors under a fleet-mode deployment strategy. The Company anticipates order inflows of approximately Rs. 10 Bn for critical systems from the ongoing projects at Kaiga 5 and 6, as well as from five operational reactors slated for refurbishment. The remaining reactors present a medium-term opportunity of ₹15–20 billion, reinforcing the Company's strategic position in India's expanding nuclear infrastructure program.

Clean Energy – Fuel Cells & Other Technologies

In alignment with the global clean energy transition, the Company's Fuel Cells business is expected to grow at approximately 15% year-on-year, driven by increasing adoption and expanding customer programs. Beyond fuel cells, the Company is actively strengthening its capabilities across a diverse range of renewable energy technologies—including hydro power, wind energy, battery storage systems, and waste-to-energy solutions—all of which are poised for sustained long-term growth. These initiatives underscore the Company's strategic commitment to enabling the global decarbonization agenda through innovative, engineering-led clean energy solutions.

Aerospace & Defence

India's space economy, valued at USD 8.4 billion, is projected to grow to USD 44 billion by 2033, supported by increased satellite launches, commercial space activity, and deeper private sector engagement. The Company aims to increase its presence in this sector by enhancing its wallet share with ISRO through products such as thrust chambers, motor casings, and light alloy structures. Recently, the Company has submitted the tender for the supply of actuation systems for launch vehicles.

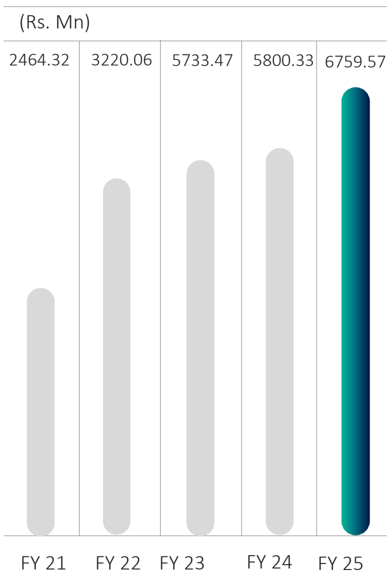
In the Defence segment, India's manufacturing output reached a record USD 18 Bn in FY25, with exports hitting Rs. 210 Bn due to Key government initiatives —including increased FDI limits (74% automatic / 100% via approval), policy reforms, and a push for indigenization—are driving momentum for domestic players.

The Company is participating in various launch vehicle and missile programs through supply of liquid propulsion engines, cryogenic upper stage systems, electro-pneumatic modules, airframe, canisters, actuators, wing kit assemblies and gearboxes, among others.

MNC Aerospace continues to be a strategic growth lever. With increasing outsourcing from global aerospace OEMs, the Company is witnessing strong traction in precision components and assemblies. The fully operational Aero-space facility (commissioned in FY 2024–25) is enabling the Company to ramp up volumes and address complex, high-value programs from leading multinational clients. Additional program wins and deeper client engagement are expected to contribute meaningfully from FY 2025–26 onward.

The Company continues to maintain consistent and resilient growth momentum

Revenues



Definition

Growth in sales net of taxes (if any)

Why is this measured?

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

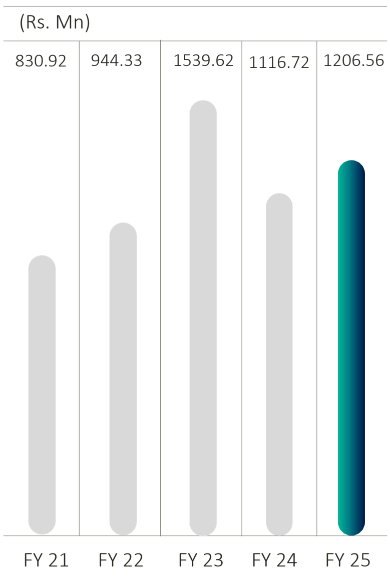
What does it mean?

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

Value impact

The revenues have grown at CAGR 22.36% of Rs. 2,464.32 Mn in FY 21 to Rs. 6,759.57 Mn due to development of new business verticals and enhancement of product portfolio with existing customers
(detailed in the report)

EBITDA



Definition

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

Why is this measured?

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

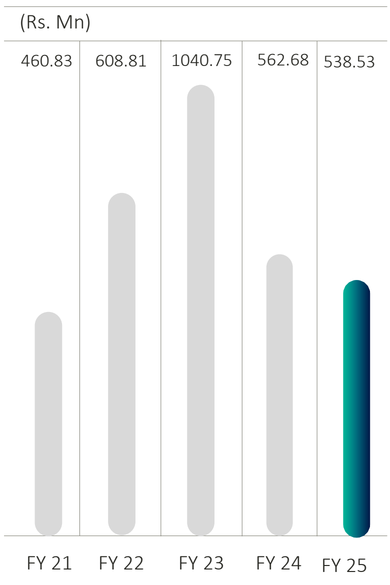
What does it mean?

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

Value impact

The EBITDA has increased from Rs. 830.92 Mn in FY 21 to Rs. 1,206.56 Mn FY 25

Net Profit



Definition

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

Why is this measured?

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

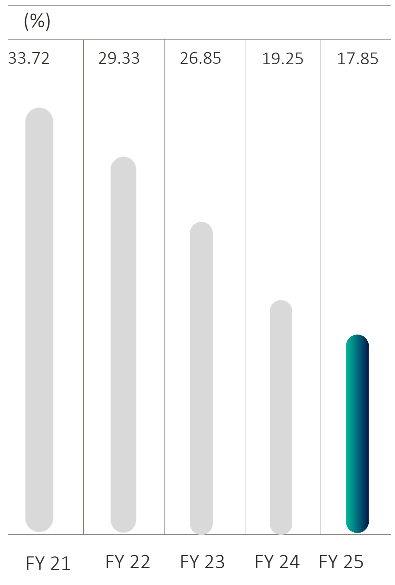
What does it mean?

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

Value impact

The Company reported net profit of Rs 538.53 Mn in FY 25.

EBITDA Margin



Definition

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

Why is this measured?

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

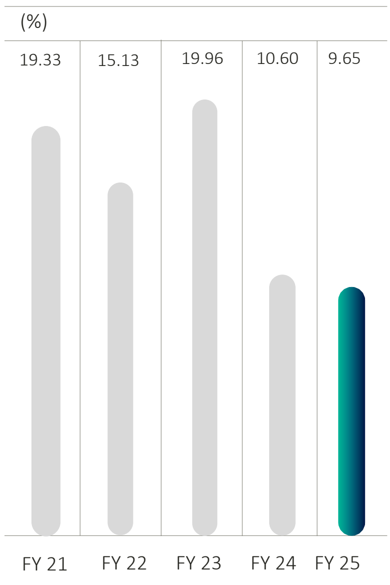
What does it mean?

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

Value impact

The Company has registered an EBITDA margin of 17.85% ower than estimates by 200 basis points due to the spillover in the execution of a few Aerospace and Defence projects into FY26

ROCE



Definition

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

Why is this measured?

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

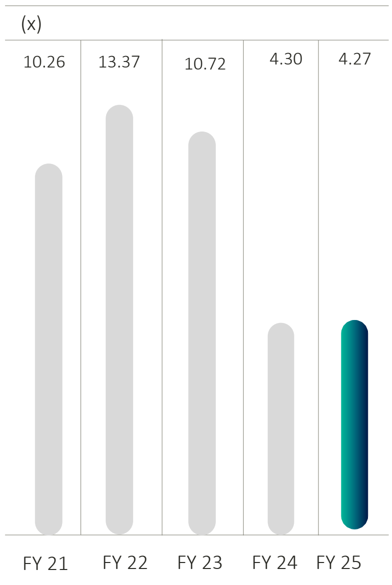
What does it mean?

Enhanced RoCE can influence valuation and perception.

Value impact

The Company's ROCE has diluted because of the reduced margins in FY 25 and investments for Aerospace vertical. The ROCE shall improve over the next two years once the production from our new customers ramp up.

Interest Coverage Ratio



Definition

This is derived through the division of EBIT by interest outflow

Why is this measured?

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

What does it mean?

A Company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in assuring sizeable returns to shareholders.

Sectorial Revenue break up

Sector	FY 21		FY 22		FY 23		FY 24		FY 25	
	Rs. Mn	%*	Rs. Mn	%*	Rs. Mn	%*	Rs. Mn	%*	Rs. Mn	%*
Clean Energy- Civil Nuclear	553	22.4	457	14.19	438	7.6	619	10.7	184	2.7
Clean Energy- Fuel Cells, Hydro Power & others	1,227	49.8	2,016	62.61	4,417	77	3,511	60.5	4,169	61.7
Aerospace & Defence	595	24.1	564	17.52	645	11.2	587	10.1	932	13.9
Products & Others	90	3.7	183	5.68	233	4.1	1083	18.67	1,475	21.7
Total Revenue from Operations	**2,464**		**3,220**		**5733**		**5800**		**6760**	

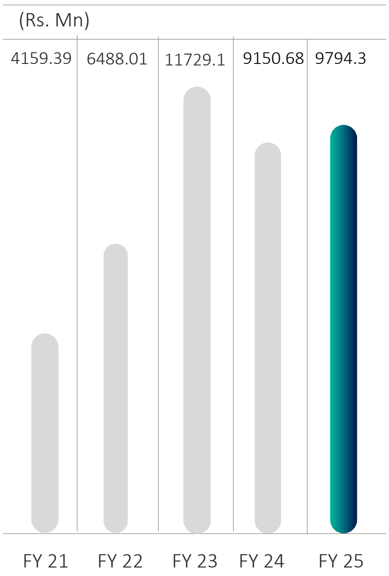
%* represents revenue generated from a sector as a % of revenue from Operations

Fostering Stakeholder Value Through Responsible and Sustainable Growth

Order book

Our order book has posted a CAGR of 18.68 % over FY 2021-25 and the closing order book for FY 26 is estimated to witness a significant growth due to anticipated orders across various sectors

Order book value

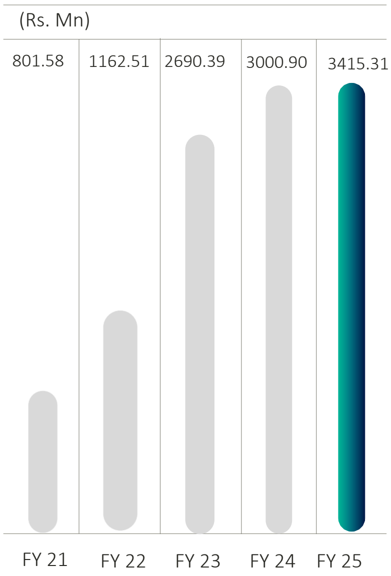


Our robust order book (revenue) provides ample visibility of continuous revenue growth as well as sustainable profitability

Manufactured Capital

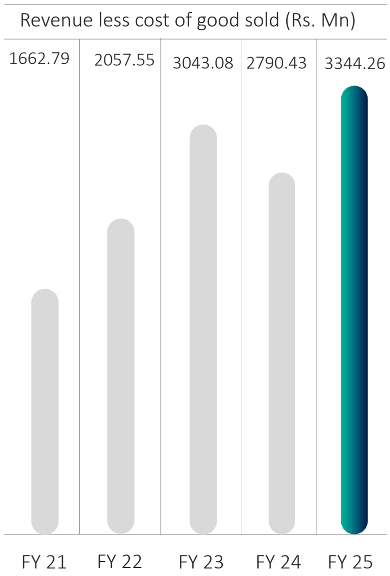
Our assets, manufacturing equipment and technologies constitute our manufactured capital.

Raw Material Cost



The Company increased the manufactured value of products year on year in-line with the increased revenue

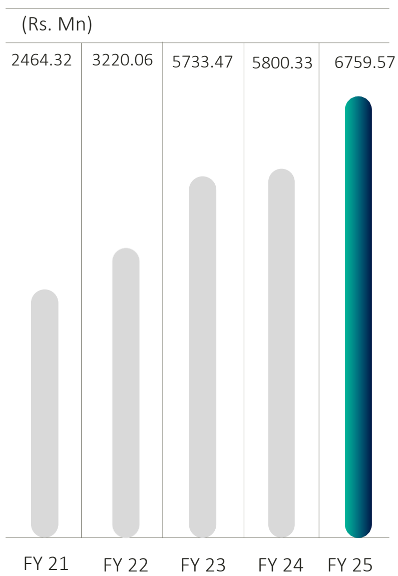
Gross Profit



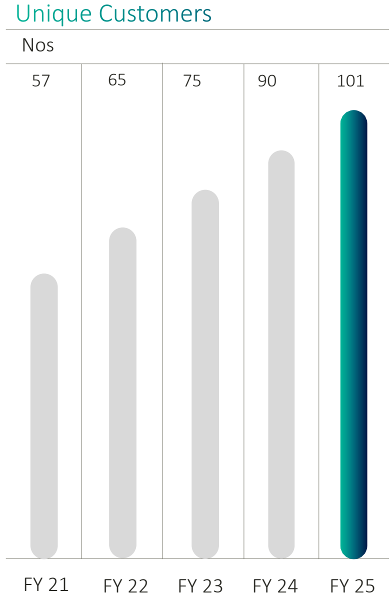
The Company increased the extent of value added to materials

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

Revenue



Unique Customers

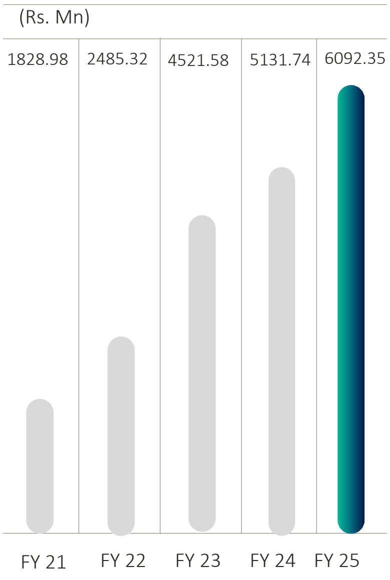


The Company increased revenues, an index of the value created for customers

Human Capital

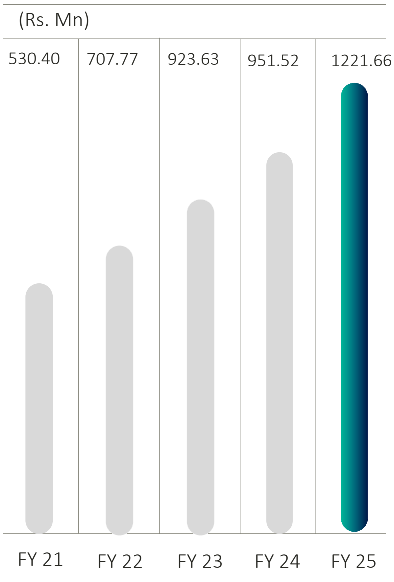
Our management, employees form a part of our workforce, the experience and competence enhancing value.

Total Expenses



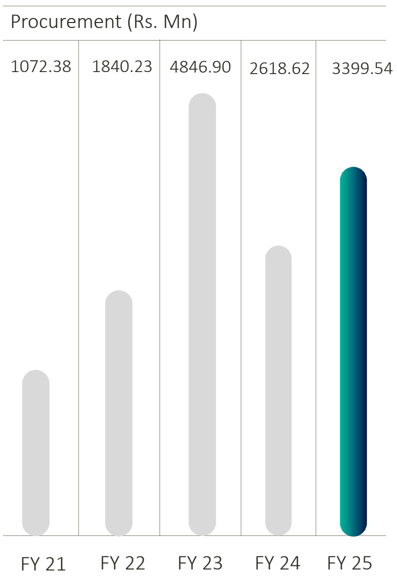
Total expenses have increased in line with the revenue growth

Salaries & Wages



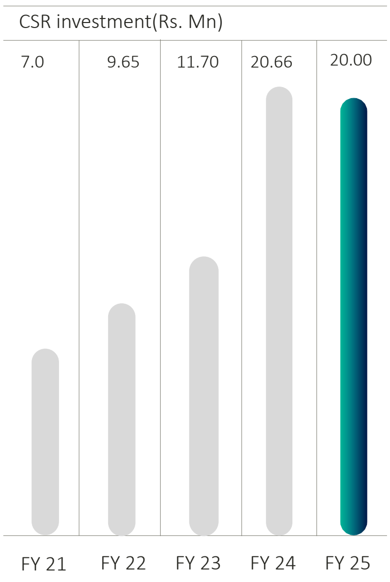
The Company has invested a progressively larger amount in employee remuneration, underlining its role as a responsible employer

Vendor Value



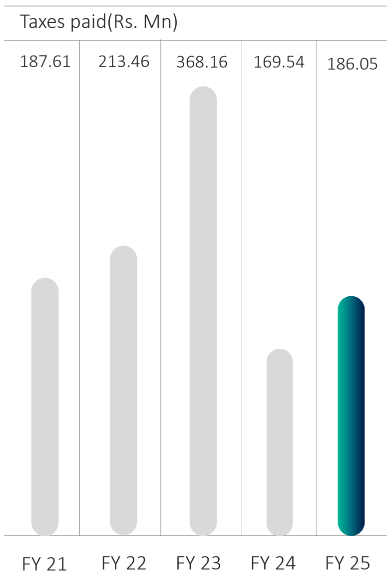
The Company procured a larger quantum of resources through the years, strengthening procurement economies

Community



The Company enriched communities in the geographies of its presence

Government



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

Operational Review

The Company continues to develop new products and expand its customer base to maintain a stable and sustainable growth trajectory

The MTAR management explains operational performance in FY 25 and various key initiatives the Company is working upon

Q 1. How does management view the Company's performance in FY25?

The Company has posted healthy growth in FY 25 with revenue from operations at Rs. 6760 Mn, representing 16.5% YoY growth and EBITDA at Rs. 1207 Mn, recording 8.0% YoY growth. The growth in revenues is primarily driven by a higher wallet share from existing clients and the addition of new products for recently onboarded customers.

Our EBITDA margin was lower than the estimates by 200 bps, mainly due to the spill over in some of the Aerospace orders to FY 26.

The Company projects a revenue growth of approximately 25% in FY26, driven by continued momentum across key business segments. EBITDA margins are expected to be around 21%, with a variation of ±100 basis points. We anticipate a sequential improvement in EBITDA margins during the year, primarily supported by operating leverage and the scale-up in production of new products developed over the past few years. These developments are expected to enhance cost efficiencies and contribute to overall margin expansion.

Q 2. How does the Company view EBITDA margin trends over the next 2–3 years?

The Company expects a sequential improvement in EBITDA margins driven by increased operating leverage, and ongoing process excellence initiatives. As we scale up volume production of new products in our Clean Energy and Aerospace verticals, we are actively working to reduce product development cycles that will reduce per-unit costs and contribute to margin expansion.

Additionally, supply chain optimization efforts tailored for high-volume production are expected to lower input costs. Margin enhancement across all business segments will be supported by continued gains in productivity, greater supply chain efficiency, and a strategic shift toward higher-margin product lines.

Q 3. What is the growth outlook for the next three years?

The Company anticipates an average revenue growth of approximately 25% to 30% over the next three years, supported by a robust demand pipeline from customers in the Clean Energy, Aerospace, and Defence sectors.

We are actively onboarding new multinational customers while simultaneously deepening engagements with existing clients by expanding wallet share.

In parallel, the Company continues to strengthen its domestic business, focusing on key government organizations and strategic sectors.

With a strong order pipeline from both new and existing customers, and an emphasis on the development of innovative, high-value products, the Company is well-positioned to sustain a consistent and healthy growth trajectory.

Q 4. What are the Company's targeted NWC days, and does management expect operating cash flows to improve over the next 2–3 years?

In FY25, the Company successfully reduced its net working capital (NWC) to 229 days, compared to 252 days in FY24. We are targeting a further reduction to approximately 200 days by the end of FY26, with an overall goal of reaching 180–200 days over the next two years. This will be driven by continued operational efficiencies, including improvements in receivables management and inventory optimization.

Increased turnover is also expected to contribute to a leaner working capital cycle, as fixed costs are spread over a larger revenue base.

Q

5. What is the planned CapEx outlook for FY 26 and FY 27?

The Company is planning to invest approximately Rs. 1000 Mn in capital expenditure in FY 2025–26, of which around Rs 600- 700 Mn is earmarked for the Oil & Gas segment. An additional CapEx outlay of 1000 Mn is anticipated in FY 2026–27. These investments will be primarily funded through a combination of debt and internal accruals.

The Company continues to maintain a healthy capital structure, with a debt-to-equity ratio of 0.24 as of FY 25. This prudent financial position is expected to be sustained going forward, even as we pursue strategic growth initiatives.

Q

6. What measures is the Company taking to mitigate the risk of high customer concentration?

To mitigate the risk of high customer concentration, the Company is actively diversifying its customer base across geographies and sectors, including clean energy, aerospace, and defence. Over the past three years, the Company has on boarded several multinational customers in Clean Energy and Aerospace such as GKN Aerospace, Thales, IAI, GE Power etc. with initial prototype deliveries now progressing into batch production.

Additionally, the Company has strategically entered the Oil & Gas sector by signing a long-term agreement with Weatherford and is actively engaged in discussions with other key players in this space for various high end products.

On the domestic front, we continue to strengthen relationships with core clients such as ISRO, DRDO and NPCIL by expanding our product offerings and increasing wallet share through the addition of critical sub-systems for launch vehicles, aircraft programs and core of the nuclear island for civil nuclear reactors

Q

7. What are some of the key strategic priorities of the Company over the next 2-3 years?

The Company aims to grow its top line at an average rate of 25% over the next three years by expanding its presence in high-growth segments such as Clean Energy and Aerospace. We are focused on driving sequential improvement in margins to target levels above 24% by end of this three year period. This will be propelled by operating leverage, operational efficiency, and enhanced supply chain efficiency- reinforced by lean manufacturing and process excellence initiatives.

Simultaneously, the Company is strengthening its R&D capabilities by expanding its engineering team to develop new products such as engine sub-systems, actuation systems, valves and other products aligned with next-generation technologies and evolving customer needs.

We also plan to scale up our digital transformation efforts, including increased shop floor automation and continuous ERP upgrades to improve operational agility and data-driven decision-making.

In support of our growth strategy, the Company continues to invest in attracting and developing the right talent to ensure organizational readiness and capability across all functions.

Q

8. What are some of the digital transformation initiatives taken up by the Company?

At MTAR, we remain at the forefront of adopting digital transformation initiatives focused on enhancing operational efficiency, product quality, and customer engagement. We have implemented automated and robotic welding systems across applicable products to increase precision and productivity.

Additionally, we continuously upgrade our ERP system to meet the evolving needs of our business, ensuring seamless integration of supply chain, finance, and operations. This enables more effective, data-driven decision-making across the organization.

Management Discussion & analysis

Global Economic Overview

Global economic growth is projected to moderate slightly, with forecasts of 3.0% in 2025 and 3.1% in 2026, compared to an estimated 3.3% in 2024. This outlook reflects a range of contributing factors, including accelerated activity ahead of anticipated tariff changes, reduced effective tariff rates, improved financial conditions, and fiscal expansion in select major economies. While global inflation is expected to ease, inflation in the United States is likely to remain above target levels in the near term.

Nevertheless, downside risks persist, driven by the potential for higher tariffs, ongoing geopolitical tensions, and elevated policy uncertainty. Against this backdrop, restoring market confidence, ensuring policy predictability, and reinforcing economic sustainability continue to be central priorities for global policymakers.

For the manufacturing sector, the current global economic backdrop presents a cautious outlook. According to various research agencies, a potential trade shock could impact multiple economies simultaneously, driving growth below potential levels across several regions. In this environment of heightened volatility and uncertainty, manufacturers are expected to focus on improving operational efficiency, strengthening supply chain resilience, and navigating evolving trade policies and regulatory frameworks. Strategic agility and adaptability will remain essential for sustaining competitiveness and supporting long-term growth in an increasingly complex and dynamic global landscape.

Source: IMF

Regional Growth %	2025E	2024
World Output	3.0	3.2
Advanced economies	1.4	1.8
Emerging and Developing economies	4.2	4.3

Source: IMF

Indian Economic Review

The Indian economy is poised to retain its status as the fastest-growing major economy globally, with a projected GDP growth rate of approximately 6.4%, according to the latest assessment by the International Monetary Fund (IMF) for 2025. This robust growth trajectory is supported by strong domestic demand, increased government expenditure, and a favourable global environment. India is expected to achieve a nominal GDP of $4 trillion, potentially surpassing Japan to become the world's fourth-largest economy. Economic expansion continues to be driven by resilient private consumption, supported by fiscal policy measures such as tax exemptions, enhanced infrastructure investment, and targeted capital outlays.

The manufacturing sector, a cornerstone of India's economic strategy, is projected to grow at an average annual rate of up to 9% between FY2025 and FY2031, according to Crisil. This growth is underpinned by rising industrial output and robust domestic demand, further strengthened by the ongoing 'Make in India' initiative.

The Production Linked Incentive (PLI) schemes are playing a critical role in accelerating manufacturing across key sectors, enhancing domestic capabilities, and attracting global supply chains to set up operations in India.

The aerospace and defence sectors are emerging as strategic growth engines, backed by increased indigenisation, greater private sector participation, and a renewed emphasis on defence exports. This momentum is further supported by heightened global demand, particularly from Europe and other regions, amid an evolving geopolitical landscape. Simultaneously, India is accelerating its transition to clean energy, with substantial investments in solar, wind, and green hydrogen infrastructure. These initiatives are closely aligned with the country's net-zero commitments and are contributing to long-term sustainable growth and job creation across various sectors.Complementing this energy shift, the civil nuclear sector is witnessing renewed engagement through increased capacity-building, technology upgrades, and refurbishment of existing infrastructure—further reinforcing India's energy security and technological capabilities.

While the overall outlook for the Indian economy and manufacturing sector remains broadly positive, key risks such as persistent geopolitical tensions, global market volatility, and trade-related barriers—including tariffs—could pose headwinds. Nonetheless, India remains well-positioned to harness its structural strengths, reform-driven policy environment, and demographic dividend to sustain strong, long-term economic momentum.

Source: Economic Times, IMF

Y-o-Y growth of the Indian economy

	FY19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Real GDP growth (%)	6.1	4.2	6.6	8.7	7.2	8.2	6.5

Source: Economic Times, IMF

Growth of the Indian economy, FY 25

	Q1 FY 25	Q2 FY 25	Q3 FY 25	Q4 FY 25
Real GDP growth (%)	6.5	6.7	6.6	6.3

Source: Economic Times, IMF

Indian manufacturing sector is projected to grow at an average annual rate of up to 9% between FY2025 and FY2031, according to Crisil.

Divisional Review

Clean Energy

The need for renewables has never been more important than now. Worldwide the shift to renewable energy is gaining traction. Reliable and affordable delivery of electricity is required for sustainable development of economies.

Simultaneously, the need to address climate change is driving a transformation of power systems globally. Renewables, including civil nuclear power, solar, wind, fuel cells, hydro, battery storage systems, waste to energy, tidal and others, are at the centre of the transition to a less carbon-intensive and more sustainable energy system. MTAR aims to increase its market share in various verticals of Clean Energy to contribute to the global transition to renewables to achieve carbon neutrality.

We believe that achieving a less carbon-intensive economy requires sourcing energy from a diverse mix of technologies. Our Company is expanding its presence across multiple clean technology sectors by providing advanced precision equipment to customers in these industries—enabling sustainable operations and contributing to a positive global footprint.

Clean Energy - Civil Nuclear Power

India remains steadfast in its conviction that nuclear power offers a clean, reliable, and environmentally sustainable source of 24×7 electricity, crucial to meeting our twin imperatives of energy security and sustainable development. The government aims for atleast 100 GWe of energy through Nuclear Power by 2047. India currently has a total power generation capacity of about 462 GWe, with 8 GWe from nuclear energy, accounting for over 1.7 per cent of the total.

Capacity addition through new reactors

India continues to advance its ambitious three-stage nuclear power programme, with the first stage now fully mature and operational. Currently, the country operates 23 nuclear reactors with a total installed capacity of 7.4 GWe. An additional eight reactors, with a combined capacity of 6.0 GWe, are under construction—reflecting India's ongoing commitment to expand clean, reliable, base-load nuclear power.

Of the operational fleet, 19 reactors are Pressurised Heavy Water Reactors (PHWRs), while the remainder are Light Water Reactors (LWRs). A significant recent milestone was achieved with the commissioning of two indigenously designed 700 MW PHWRs at the Kakrapar Atomic Power Project—Units 3 and 4—showcasing India's progress toward nuclear self-reliance.

In addition, the Government of India has accorded administrative approval for 14 new PHWRs, to be set up in fleet mode, with a total capacity of 9.8 GWe. This strategy is designed to streamline construction schedules, reduce costs through standardization, and bolster the domestic nuclear supply chain in line with the 'Atmanirbhar Bharat' initiative.

Further expanding international cooperation, the Government has granted 'in-principle' approval for a nuclear power project at Jaitapur, Maharashtra, which will host six European Pressurised Reactors (EPRs) with a total capacity of 9.9 GWe, in technical collaboration with France. Once completed, Jaitapur will be the largest nuclear power generating station in the world that shall be a landmark achievement in India's civil nuclear programme.

Refurbishment

To uphold the highest standards of nuclear safety and operational excellence, each reactor in India's nuclear fleet undergoes refurbishment of critical systems upon reaching its design life milestone of approximately 16 years. These life extension initiatives are essential to ensure the continued safe, reliable, and efficient performance of nuclear power plants across the country.

Currently, Kaiga Generating Station Unit-1 (KGS-1) is undergoing En-Masse Coolant Channel Replacement (EMCCR) and En-Masse Feeder Replacement (EMFR). This major refurbishment, involving replacement of aging core components, is expected to be completed within 18 months. Upon successful completion, Kaiga Unit-2 (KGS-2) will undergo a similar life extension programme.

Looking ahead, five reactors have been identified for refurbishment to extend their operational lives. The Nuclear Power Corporation of India Limited (NPCIL) has initiated the tendering process for procurement of critical assemblies required for refurbishment of these reactors in a phased manner. These refurbishment programmes represent a vital pillar of India's nuclear infrastructure strategy—ensuring the sustained availability of low-carbon baseload power, while optimizing public investment through the cost-effective extension of existing assets. Simultaneously, they also unlock significant market opportunities for domestic equipment manufacturers and technology providers, particularly in the supply of critical reactor systems and components — further reinforcing the vision of Atmanirbhar Bharat in the nuclear sector.

SMRs

Recently, the government has announced the establishment of a Rs 200 Bn. Nuclear Energy Mission for the research and development of small modular reactors (SMRs), with at least five indigenously developed units to be operationalised by 2033. This strategic push is part of broader efforts to accelerate the growth of atomic power in India, supported by amendments to the legal framework to facilitate greater participation from private sector players.

Source: NPCIL, World Nuclear Association, CRISIL Research

New-build market (Rs billion)	Overall capital cost (Rs. Bn)	Equipment cost (Rs. Bn)
Operational reactors*	110-120	22-28
Under-construction reactors**	680-720	130-170
Planned expansion (medium to long term)	1,760-1,800	350-435

Source: NPCIL, World Nuclear Association, CRISIL Research

An estimated Rs. 10 Bn worth of orders is expected from Kaiga 5 & 6 and the refurbishment of five existing reactors

Opportunity for MTAR

MTAR specializes in supplying fuel handling systems for the core of the nuclear island, which represent approximately 20-25% of the equipment scope for a 700 MWe PHWR nuclear plant. Currently, it provides 15 different products essential to the nuclear island and possesses the capability to fulfill the entire core equipment requirements. With the commissioning of its new fabrication facility, the Company is now qualified to manufacture additional key products, including End Shields, Calandrias, and Self-Elevating Platforms. Reflecting this expanded capability, the Company has actively participated in tenders for several of these new products, thereby broadening its product portfolio and strengthening its market presence.

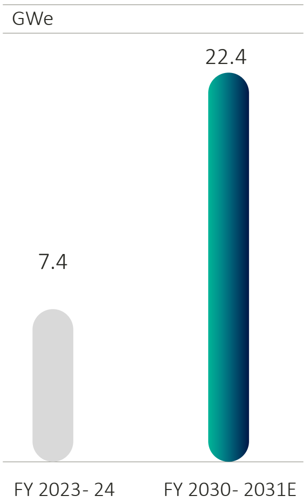
The Company's manufacturing capacity enables it to address orders from up to four reactors simultaneously, allowing it to efficiently support both new reactor construction and refurbishment projects. It supplies specialized products for the core of the nuclear island—such as fuel machining heads, bridge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

The Company anticipates an order inflow of nearly Rs. 1 Bn from the upcoming Kaiga Units 5 and 6 projects as well as the refurbishment of five reactors identified for life extension. Additionally, tenders for the remaining 10 fleet reactors are yet to be floated, presenting a potential order inflow of Rs. 15–20 Bn over the next 6–7 years.

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

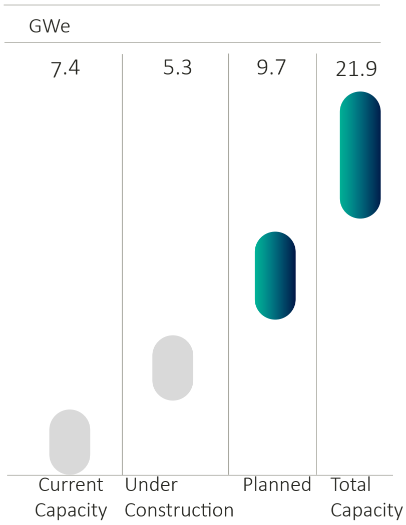
Source: NPCIL, World Nuclear Association, CRISIL Research

Increase in India's nuclear capacity, for 2021-2030P

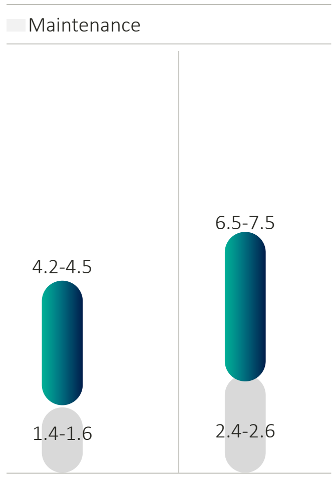


Source: NPCIL, World Nuclear Association, CRISIL Research

Increase in nuclear capacity in India



Source: NPCIL, World Nuclear Association, CRISIL Research



Source: NPCIL, World Nuclear Association, CRISIL Research

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

Source: NPCIL, World Nuclear Association, CRISIL Research

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

Source: NPCIL, World Nuclear Association, CRISIL Research

Key Products

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

Clean Energy - Fuel Cells

Fuel Cells Industry Potential

The global fuel cell market is projected to grow at a compound annual growth rate (CAGR) of 26.3%, from an estimated USD 5.66 billion in 2025 to approximately USD 18.16 billion by 2030. This significant growth is primarily driven by increasing demand for clean, efficient, and flexible energy solutions. Key macroeconomic and policy trends—particularly global commitments to carbon neutrality and efforts to decarbonize high-emission sectors such as transportation and power generation—are accelerating adoption across regions.

Fuel cells, which produce zero or near-zero emissions depending on the fuel source (e.g., hydrogen or methane), are gaining prominence as a foundational technology for the transition to a low-carbon energy ecosystem. They convert chemical energy from fuels like hydrogen, methanol, or natural gas into electrical energy. Unlike traditional combustion-based energy sources, fuel cells are not limited by scalability or efficiency constraints, making them highly adaptable for both centralized and decentralized applications. This has sparked increased investment in manufacturing capacity, infrastructure, and pilot-scale deployments across major global markets. A key area of growing interest is the use of fuel cells in powering data centers. As digital infrastructure expands and data centers face increasing pressure to reduce their massive energy footprints, fuel cells offer a reliable, efficient, and clean backup and primary power source.

Their low emissions and high uptime make them an ideal fit for mission-critical applications in the cloud computing and AI sectors. While fuel cell deployment remains concentrated in regions like the U.S., Europe, and Asia-Pacific, the market is undergoing a transformative shift, fueled by investor interest, national hydrogen strategies, and clean energy targets. The resulting policy and regulatory environment is creating a supportive landscape for both public and private capital inflows into the entire fuel cell value chain.

Eco-friendly by design, fuel cells address the growing global demand for green energy solutions, offering a clean and sustainable alternative to internal combustion engines and conventional batteries. As environmental regulations become more stringent, and pressure increases on businesses to meet carbon reduction targets, fuel cells are emerging as a preferred solution across industries. Moreover, significant technological advancements have made fuel cells more cost-competitive. Improvements in materials, design, and manufacturing processes have helped reduce the overall cost of fuel cell systems, boosting their attractiveness for widespread adoption. There is also a rising interest in fuel cell use in remote and off-grid areas, where they serve as reliable, independent power sources for critical applications such as disaster relief, military operations, and medical facilities.

Governments around the world are ramping up investments in fuel cell research and development as part of broader national efforts to decarbonize and ensure energy security. These initiatives are advancing the commercialization of fuel cell technologies, with increasing participation from industries and consumers alike. Corporate sustainability goals, coupled with a shift toward energy independence, are leading many businesses to explore low-emission technologies, further driving demand.

The Asia-Pacific region is anticipated to emerge as a dominant player in the global fuel cell market. Countries like China, Japan, and South Korea are leading the way due to rapid industrialization, urbanization, and strong governmental support for clean energy development. Investments in infrastructure and technological innovation are enabling the deployment of fuel cells across key sectors, including automotive, consumer electronics, and telecommunications. Government-led initiatives in these nations are facilitating access to capital, streamlining regulations, and encouraging fuel cell integration into national energy strategies.

SOFC Represents fastest Growing Market

Solid Oxide Fuel Cells (SOFCs) represent the fastest-growing segment in the market due to their ability to operate at high temperatures with greater efficiency and without relying on costly catalysts like ruthenium. These characteristics make SOFCs particularly well-suited for stationary applications, where continuous, reliable power is required. As the technology continues to evolve, cost reductions and improved durability are expected to support broader commercial use.

Increased market demand to reduce the costs

Increased market demand is also expected to bring significant cost reductions through economies of scale. For example, scaling production from 10,000 to 50,000 units can reduce unit costs by 7–10%, while a further scale-up to 200,000 units could reduce costs by as much as 40–45%. Higher production volumes lower procurement costs and improve operational efficiency by streamlining manufacturing and reducing material usage. These efficiencies are critical for making fuel cells commercially viable across more use cases and regions.

Electrolyser - Market Potential

Parallel to fuel cell development, the electrolyser market is gaining momentum due to its vital role in producing green hydrogen. Today, hydrogen production is heavily reliant on fossil fuels, but green hydrogen—produced through water electrolysis using renewable energy— is emerging as a key solution for hard-to-decarbonize sectors such as heavy industry and long-distance transport. Electrolysers, which consist of an anode and a cathode separated by an electrolyte, operate differently depending on the type of electrolyte used. Currently, electrolysers account for 33–57% of the cost of green hydrogen production, with the remaining costs split between renewable electricity and hydrogen storage. To make green hydrogen commercially competitive, industries are aiming to reduce production costs from around USD 6 per kilogram to USD 1. This requires lowering electrolyser costs from the current USD 500–700 per kilowatt to about USD 200 per kilowatt, while also improving stack efficiency and lifespan.

In conclusion, the global electrolyser market is on the brink of large-scale commercial expansion, driven by the urgent need to produce green hydrogen to decarbonize hard-to-abate sectors such as heavy industry, long-haul transport, and chemical manufacturing. Electrolysers—particularly alkaline, PEM, and solid oxide types—are gaining momentum as the primary technology for splitting water into hydrogen and oxygen using renewable electricity. Currently, electrolysers account for approximately 33–57% of the total cost of green hydrogen production, making cost reduction essential to achieving economically viable green hydrogen at scale.

Solid Oxide electrolyzers

Solid oxide electrolyzers use a solid ceramic material as the electrolyte that selectively conducts negatively charged oxygen ions (O2-) at elevated temperatures as high as 800- 900 degree celsius. Steam at the cathode combines with electrons from the external circuit to form hydrogen gas and negatively charged oxygen ions.

The oxygen ions pass through the solid ceramic membrane and react at the anode to form oxygen gas and generate electrons for the external circuit. Solid oxide electrolyzers operate at temperatures high enough for the solid oxide membranes to function properly (about 700°–800°C, compared to PEM electrolyzers, which operate at 70°–90°C, and commercial alkaline electrolyzers, which typically operate at less than 100°C). Advanced lab-scale solid oxide electrolyzers based on proton-conducting ceramic electrolytes are showing promise for lowering the operating temperature to 500°– 600°C.

The solid oxide electrolyzers can

While manufacturing scale has already reduced fuel cell costs by ~20% over the past five years, solid oxide electrolysers—though still in early stages—are expected to follow a similar path, offering strong potential for cost reduction and high efficiency as adoption scales effectively use heat available at these elevated temperatures (from various sources, including nuclear energy) to decrease the amount of electrical energy needed to produce hydrogen from water.

Solid oxide electrolysers (SOECs), though still emerging, offer significant potential due to their high efficiency and ability to operate at elevated temperatures using industrial waste heat, making them ideal for integration with energy-intensive sectors. With increasing investments in gigawatt-scale electrolyser manufacturing facilities and falling renewable electricity costs, electrolysers are positioned to become a cornerstone technology in the transition to a global hydrogen economy and a net-zero energy system.

Proton exchange membrane (PEM) electrolysers

PEM electrolysers currently account for around 20% of global electrolyser capacity. Known for their compact and streamlined design, they are particularly well-suited for applications powered by intermittent renewable energy, thanks to their fast dynamic response. Operating at high pressures due to the use of thin perfluorosulfonic acid (PFSA) membranes, PEM electrolysers achieve efficiencies in the range of 80–90%. However, their acidic operating environment necessitates the use of expensive materials such as gold- or titanium-plated components, and precious metal catalysts like platinum, iridium, and ruthenium, significantly increasing overall system cost.

Alkaline Electrolysers

Alkaline electrolysis is a mature and commercially established technology, widely used in the fertilizer and chlorine production industries. It makes up nearly two-thirds of the global electrolyser capacity. Operating at pressures around 30 bar, alkaline electrolysers utilize thick diaphragms and nickel-based electrodes, offering a low-cost alternative to PEM systems. However, the use of thicker membranes results in lower efficiencies, typically in the range of 70–80%. Despite this, the relatively simple design and inexpensive materials make alkaline electrolysis the most cost-effective technology for large-scale hydrogen production today.70- 80 per cent

Market Outlook

The global hydrogen electrolyser market is projected to reach USD 651.6 Mn in 2024, and is expected to grow at a CAGR of 24.2% to approximately USD 5.71 billion by 2034. This growth is driven by increasing international collaboration, green hydrogen trade, and decarbonization efforts across key sectors.

Ongoing innovation in electrolyser design, materials, and manufacturing techniques is anticipated to reduce both capital expenditures (CapEx) and operational costs, making green hydrogen production more economically viable and scalable over the next decade.

Source: industry, Yahoo Finance, CRISIL Research

Solid Oxide Electrolyser adoption is expected to accelerate as a high-efficiency solution for green hydrogen production, supporting the global transition to net-zero emissions

Fuel cell type	Operating temperature	Typical stack size	Electrical efficiency (%)	Major technology deployment players
Alkaline fuel cell	90-120°C	1–100 kW	60%	AFC Energy
Direct methanol fuel cell	30-130 °C	25-5 kW	40%	SFC Energy
Phosphoric acid fuel cell	150–200°C	5–400 kW, 100 kW module (liquid PAFC) <10 kW (polymer membrane)	40%	Doosan Corporation
Molten carbonate fuel cell	600–700°C	300 kW –3 MW, 300 kW module	50%	Fuel Cell Energy
Solid acid fuel cell	220-280°C	10W- 10kW	-	SAFCell Inc

Market Opportunity for Bloom Energy

In the clean energy segment, Bloom Energy (USA) is a notable leader in manufacturing Solid Oxide Fuel Cells (SOFCs) and Solid Oxide Electrolysers (SOECs). The Company delivered record full-year revenue of USD 1.474 Bn in 2024, marking a 10.5% year-over-year increase from 2023's USD 1.333 Bn Bloom Energy. In Q1 2025, Bloom continued its momentum, achieving USD 326 Mn in revenue, up 38.6% YoY

Bloom's backlog surged to over USD 12 Bn—a 21% increase over the prior year—reflecting robust demand and a healthy pipeline. The Company projects an average 18% CAGR in revenue over the next three years (2024–2026), outperforming the broader U.S. electrical equipment industry's forecasted growth of ~8%

Bloom Energy has renewed and expanded its strategic agreement with South Korea's SK Group, building upon their collaboration since 2018 that has already resulted in 400 MWe of deployed capacity. The updated deal includes a recommitment of 250 MWe under the original 2021 contract and an additional 250 MW extending through 2027, with an estimated USD 1.5 billion in product revenues and USD 3 billion in service revenues anticipated over the next 20 years. South Korean government released a Hydrogen Economy Roadmap in 2019 calling for 15,000 megawatts of stationary fuel cells by 2040, which shows an immense potential available for fuel cells. Increasing public-private partnerships are also expected to result in a faster adoption of hydrogen-based applications.

On the data center front, Bloom continues to make significant strides. In May 2024, the Company signed a power capacity agreement with Intel, enabling the development of Silicon Valley's largest fuel cell-powered high-performance computing data center. Bloom also expanded its long-standing collaboration with Equinix: as of February 2025, over 100 MW of fuel cell capacity will power 19 Equinix IBX facilities across six U.S. states, up from just 1 MW in 2015 capacity agreement with Intel that will result in Silicon Valley's largest fuel cell-powered data center.

Further amplifying its market impact, in November 2024 Bloom secured a landmark agreement with American Electric Power (AEP) to supply up to 1 gigawatt (GW) of fuel cells—marking the largest commercial procurement of its kind to date. Initially firm for 100 MWe, this deal underscores the growing urgency for swift, reliable onsite power amidst grid constraints.

Most recently, Bloom announced a partnership with CoreWeave, the Nvidia-backed AI cloud provider, to deploy its solid oxide fuel cells in a new data center project in Illinois, slated for commissioning in the third quarter of 2025

The total addressable market for hydrogen fuel cells is estimated at approximately USD 300 billion, driven by growing demand across industrial, transportation, and energy sectors. When including adjacent opportunities—such as the U.S. commercial and industrial (C&I) market, global data center power needs, and broader international expansion—the total market potential exceeds USD 2 trillion. Against this backdrop, Bloom Energy is targeting a compound annual growth rate (CAGR) of 30%–35% over CY2020–2030, positioning itself to capitalize on the accelerating global shift toward low-carbon, distributed energy solutions.

Key Advantages of Solid Oxide Electrolysers

Bloom Energy's Solid Oxide Electrolysers (SOECs) offer a significant efficiency advantage over traditional PEM technology—consuming approximately 45 kWh of electricity per kilogram of hydrogen produced, compared to 55 kWh/kg for PEM electrolysers. This translates to ~20% higher electrical efficiency, making SOECs particularly attractive for industrial-scale hydrogen production, especially when integrated with high-temperature waste heat sources. While the technology is still in the pre-commercial phase, its superior performance profile positions Bloom Energy to capture a larger market share as adoption scales and commercialization accelerates.

Key Products being supplied by MTAR

- SOFC Units
- electrolyser Units
- ASP assemblies
- Sheet meal assemblies & enclosures
- Cable Harnessing Assemblies

Opportunity for MTAR

MTAR is a key strategic supplier to Bloom Energy, supporting its Solid Oxide Fuel Cell (SOFC) and Solid Oxide Electrolyser (SOEC) programs. The Company supplies power units, sheet metal assemblies, and enclosures, and is the sole supplier for Bloom's electrolyser units, underlining its critical role in Bloom's supply chain.

With a partnership spanning over 14 years, MTAR currently caters to approximately 50%–60% of Bloom's hotbox requirements, while maintaining a 100% compliance record. Over the years, the Company has steadily increased its wallet share with Bloom Energy by introducing new product lines such as sheet metal components, enclosures, and ASP assemblies. In FY 26, the Company is adding two more new products

In addition to expanding product offerings, the Company has also enhanced value contribution within the hotbox assembly by indigenizing several off-the-shelf items like bellows, fins, and forklift bases. This strategic localization has helped the Company achieve cost efficiencies and margin preservation, further strengthening its competitive position.

Given its deep integration with Bloom's manufacturing ecosystem and increasing content per unit, MTAR's future growth is expected to be strongly aligned with Bloom Energy's trajectory, particularly as Bloom scales up its operations in response to rising global demand for hydrogen technologies and clean power solutions.

Source: industry, Yahoo Finance
CRISIL Research

Clean Energy - Battery Storage Systems

Market Potential

Global Market

Energy Storage Systems (ESS) store surplus electricity—especially from intermittent renewable sources like solar and wind—and discharge it when generation dips or demand surges. These systems help balance the grid, improve the reliability of supply, and enable the effective integration of clean energy into national power systems.

The global energy storage market is expected to reach new heights in 2025, as large-scale utility projects expand beyond traditional markets like the US and China to countries such as Saudi Arabia, South Africa, Australia, Chile, the UK, and Canada.

According to BloombergNEF, global ESS additions are expected to grow 35% in 2025, reaching 94 GWe / 247 GWh, excluding pumped hydro. This growth is poised continue, with annual additions projected to rise to 220 GWe / 972 GWh by 2035, reflecting a compound annual growth rate (CAGR) of 14.7%. This underscores the strong long-term momentum of the sector globally.

Indian Market

India is also gearing up for rapid expansion in energy storage as it ramps up its renewable energy capacity. Currently, the country has 3.3 GWe of energy storage projects in the pipeline, expected to deliver 8.5 GWh of storage capacity over the next two years. In addition, around 12.5 GWe (approximately 42 GWh) of storage projects are in various stages of tendering, indicating significant forward momentum.

However, installed Battery Energy Storage System (BESS) capacity in India remains modest at 0.205 GWe (506 MWh), highlighting the need for accelerated capacity building. To meet its clean energy and grid flexibility goals, India will need to scale its energy storage capacity to approximately 74 GWe by 2031–32.

Over the next seven years, India is expected to emerge as a global leader in the energy storage space—joining the ranks of the United States, China, Europe, and Australia—with significant potential across enclosure and mechanical systems manufacturing, battery production, EPC services, system integration, and long-duration energy technologies.

Opportunity for MTAR

The accelerating global and domestic momentum in energy storage presents a significant growth opportunity for the Company, particularly in enclosure manufacturing and system integration. In alignment with this strategic direction, the Company has successfully delivered a prototype enclosure unit Fluence, marking an important step in establishing its presence in this emerging segment.

As energy storage technologies mature and supportive policies drive the adoption of hybrid and dispatchable renewable energy projects, the sector is poised to become a core pillar of India's clean energy infrastructure—creating a strategic opportunity for the Company to broaden its offerings and cater to a wider client base in the rapidly expanding energy storage market.

Source: industry, Economic Times

The Company has executed the first prototype order for enclosure for Fluence

Clean Energy - Hydel, WInd Energy & Others

Market Potential - Hydro Power

Hydropower currently accounts for approximately 60% of global renewable electricity generation, producing over 4,300 TWh annually—more than the combined output of wind, solar, and other renewable sources. According to the International Energy Agency (IEA), it is projected to remain the single largest source of renewable electricity worldwide through the 2030s, continuing to play a pivotal role in global decarbonisation efforts.

In the Indian context, hydropower is seen as a key enabler in the nation's transition away from coal-based energy. It serves as a reliable and flexible resource to complement intermittent solar and wind generation, helping to balance grid fluctuations and ensure energy stability.

Currently, nearly 15 GWe of hydroelectric capacity is under construction across the country. India is targeting an increase in total hydropower capacity from the present 42 GWe to an estimated 67 GWe by 2031–32—an impressive growth of over 50%. This expansion reflects a significant step toward enhancing the country's renewable energy portfolio.

The steady progress of these hydroelectric projects is poised to substantially augment India's renewable energy capacity. In doing so, it will contribute meaningfully to the nation's clean energy goals and accelerate the transition to a more sustainable and resilient power system.

Opportunity for MTAR

The Company is catering to customers such as Andritz, Voith, GE Power, among others by supplying complex fabricated products including draft tubes, spiral casings etc. The customers in Hydro Power sector are projecting strong demand for the next decade and are keen to release more orders for MTAR post the execution of existing orders.

Source:industry, Economic Times

Clean Energy - WInd Energy

Market Potential - Wind Energy

Wind energy is poised to become one of the predominant sources of power generation in the global journey toward net-zero emissions by 2050. In India, wind capacity is expected to increase more than 2.5-fold to nearly 25 GWe by 2028, up from approximately 9 GWe added between 2021 and 2024, with a projected capital expenditure of Rs. 1.8–2 lakh crore

Annual additions are set to jump to an average of 7.1 GWe per year by FY 2027, up from 3.4 GW in FY 2023–25, pushing total installed capacity to around 63 GWe by fiscal 2027.

This growth trajectory is largely driven by the increasing need for renewable energy to provide grid balancing and continuous, non-daylight power—a key advantage over solar, which is daylight-dependent

Opportunity for MTAR

MTAR caters to rotar and stator assemblies for Regen Power that is into Wind Energy. The Company aims to expand its presence with other players in Wind Energy

Source: industry, Economic Times

Divisional Review

Aerospace & Defence

Indian Space Industry Market Potential

The Indian Space Research Organisation (ISRO) has carved a distinct position in the global space community, widely recognized for its cost-effective, innovative missions—ranging from launching lunar and interplanetary probes to building indigenous satellites and deploying foreign payloads into orbit. ISRO has even succeeded in reaching Mars and stands out as one of the most cost-effective in the world.

Established in 1969, ISRO has developed a diverse portfolio of launch vehicles—including the trusted Polar Satellite Launch Vehicle (PSLV) and the Geosynchronous Satellite Launch Vehicle (GSLV)—which have significantly reduced reliance on foreign launch services and positioned India as a dependable space launch provider. To date, ISRO has conducted 131 spacecraft missions and 101 launch missions, with an increasing focus on interplanetary exploration, satellite services, and space science.

One of the most remarkable milestones in recent years was Chandrayaan-3, which made India the first country to achieve a soft landing on the Moon's South Polar region in August 2023. This mission not only demonstrated ISRO's technical capability but also highlighted its ability to execute complex missions with extraordinary cost efficiency. In the same year, ISRO launched Aditya-L1 India's first solar observatory, which reached its halo orbit around the Lagrange Point L1 in January 2024. The spacecraft recently completed its first 178-day orbit, providing valuable data on solar activity and space weather.

Adding to these successes, ISRO has also taken major strides in deep space collaboration. The NASA-ISRO Synthetic Aperture Radar (NISAR) mission—launched in July 2025—is the world's first dual-frequency radar imaging satellite for Earth observation. A joint initiative between ISRO and NASA, NISAR will monitor changes in Earth's land and ice surfaces with unmatched precision, aiding in the study of climate change, earthquakes, deforestation, and natural disasters. This landmark mission also marked ISRO's first launch of a U.S.-built satellite into Sun-synchronous orbit aboard a GSLV.

ISRO's focus on technological advancement continues with the SpaDEx mission (Space Docking Experiment), successfully launched in December 2024, which made India only the fourth nation in the world to demonstrate autonomous in-orbit satellite docking. This capability is crucial for future human spaceflight missions and orbital servicing.

The eagerly awaited Gaganyaan mission, which aims to send Indian astronauts into low Earth orbit, is progressing with full momentum. Declared the centerpiece of "Gaganyaan Year 2025", the program is expected to launch its first uncrewed mission featuring humanoid robot Vyommitra in December 2025, followed by the crewed flight thereafter.

In parallel, ISRO has announced future interplanetary missions, including Mangalyaan-2 (Mars Orbiter Mission-2), Shukrayaan (Venus Orbiter), Chandrayaan-4 and Chandrayaan-5, and a Lunar Polar Exploration Mission in collaboration with JAXA. These projects will further advance India's scientific presence in deep space exploration.

India's space economy, valued at USD 8.4 billion, currently accounts for 2% of the global space market and is projected to reach USD 44 billion by 2033. The global space economy itself is expected to grow to USD 1.8 trillion by 2035, presenting India with significant opportunities in launch services, satellite manufacturing, remote sensing, and space-based applications.

To tap into this growing potential, India is fostering private sector participation through policy reforms and institutional support. The government has established IN-SPACe (Indian National Space Promotion and Authorization Centre), a single-window agency under the Department of Space, to facilitate the entry of Non-Government Entities (NGEs) into the space ecosystem. IN-SPACe offers access to ISRO's infrastructure, technical mentoring, and support in areas such as launch vehicle development, satellite construction, testing, and deployment.

The sector has seen rapid privatization, with over 200 active space startups and companies contributing to innovation and economic growth. Contracts for manufacturing five PSLVs have been awarded to the HAL-L&T consortium, and bidding has been opened for GSLV and SSLV production.

IN-SPACe currently offers the following services to NGEs:

1. Support in building launch vehicles and satellites
2. Access to ISRO testing and launch facilities
3. Co-location of private units within Department of Space campuses
4. Technical mentorship and consultancy
5. Launch campaign management
6. Customization and delivery of critical subsystems
7. Assistance in offering commercial space-based services

The successful integration of private capabilities with ISRO's institutional legacy represents a powerful synergy that is rapidly transforming India into a space innovation hub. With strategic policy support, rising domestic demand, international collaborations, and increasing investment, the Indian space sector is set to become a significant pillar of the national economy and a formidable player on the global stage. The policy framework by IN-SPACe has encouraged private players to involve in manufacturing of launch vehicles, satellites and provide launch services. These developments might take medium to long term in order to fully materialise. Going forward, ISRO shall solely focus on development of new technologies, its ambitious exploration and human spaceflight missions.

Competitive landscape of space industry

The Indian space industry is characterized by high entry barriers, as working with space technologies demands advanced technical capabilities, a skilled talent pool, manufacturing excellence, stringent quality assurance, high reliability, and state-of-the-art production facilities. As a result, ISRO's supplier ecosystem includes only a limited number of major players, each operating in a niche, often monopolistic, segment of precision equipment manufacturing.

However, the landscape is beginning to shift. In recent years, numerous startups have entered the launch vehicle segment, spurred by the increasing commercialization of space and the liberalization of the sector to private players. This marks a promising evolution in India's space ecosystem, encouraging innovation, competition, and broader participation.

While startups are making inroads, legacy players are expected to retain significant advantages due to their established technologies, experience, and infrastructure. Looking ahead, collaboration between established firms and emerging startups will be crucial for developing next-generation space technologies and strengthening India's position in the global space sector.

Opportunity for MTAR

The Company has been associated with ISRO since 1983 and has remained a trusted partner for over four decades. It has demonstrated strong capabilities in manufacturing precision engineered sub sytems for PSLV and GSLV programs, including liquid propulsion rocket engines (such as the Vikas engine for PSLV), cryogenic engine sub-systems, electro-pneumatic modules, and more. These products are integral to ISRO's flagship missions like Chandrayaan-3 and Aditya-L1. The Company is also involved in manufacturing critical structures, such as grid fins, for the upcoming Gaganyaan human spaceflight mission.

With ISRO's increasing focus on commercial launches and the rising frequency of missions, the Company is well-positioned to benefit from a higher volume of orders in the coming years.

In line with its growth strategy, the Company is also working to expand its share of ISRO's procurement. It has recently submitted a tender for launch vehicle actuation systems—a project that, if awarded, would significantly enhance its existing capabilities and value proposition.

Source: industry, Economic Times,

Key Products

- Vikas Engines
- Cyrogenic Upper Stage Engine assemblies including Turbo Pump, Booster Pump and Gas Generator
- Satellite Valves
- Structures for Gaganyaan

Key Products under development

- Semi Cryo Engine
- Actuation Systems
- Valves for Launch Vehicles

MNC Aerospace & Defence

MNC Aerospace industry analysis

India's defence and aerospace sectors are witnessing a structural shift, fueled by government-led initiatives to strengthen domestic manufacturing, promote indigenisation, and expand export potential. The Government of India has set bold targets to nearly triple annual defence production to Rs. 3000 Bn by FY29 and double defence exports to Rs. 500 Bn, underlining the country's intent to become a key player in global defence supply chains. Flagship programmes such as the BrahMos missile system, the Advanced Medium Combat Aircraft (AMCA), and Tejas Mk2 reflect India's growing capability in designing and developing advanced platforms. These indigenous initiatives are being reinforced by long-term policy frameworks and increased R&D investments.

India's matured engineering talent base, cost competitiveness, and robust manufacturing infrastructure have positioned it as a reliable supply chain partner for global aerospace and defence companies. This is particularly relevant as European defence OEMs increasingly look to India to diversify their sourcing away from traditional geographies, amid evolving geopolitical dynamics and capacity constraints in their home markets. India is being viewed as a viable alternative for supplying critical components, sub-systems, and assemblies for platforms ranging from combat aircraft and unmanned systems to missile systems and radar technologies. Strengthened by strategic partnerships with global firms, India's defence manufacturing ecosystem is rapidly evolving, with domestic companies increasingly emerging as value-added co-development partners rather than just build-to-print suppliers. The government's focused push—through initiatives like Defence Industrial Corridors, positive indigenisation lists, and liberalised procurement norms—is significantly enhancing the capability and competitiveness of Indian firms to serve both domestic and global supply chains. With 75% of the capital acquisition budget earmarked for indigenous procurement and a robust pipeline of export-oriented opportunities, India is well-positioned to capture a substantial share of the USD 3 trillion global aerospace and defence opportunity over the coming decades.

Market Potential for MTAR

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

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

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

Source: Economic Times, CRISIL Research

Key Products - MNC Aerospace

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

Key Products - Domestic Defence

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

Opportunities and threats

Clean Energy Civil nuclear:

The Company continues to strengthen its positioning across multiple clean energy verticals, in alignment with global and domestic efforts toward carbon neutrality. In the civil nuclear segment, following the Government of India's announcement to build reactors in fleet mode, NPCIL has floated tenders for Gorakhpur Units 1 & 2, while orders for Kaiga Units 5 & 6 are expected to be awarded to NPCIL's pre-qualified vendors. Additional tenders for upcoming reactors are anticipated over the next 6–7 years. Given the Company's 20–25% equipment share per reactor, and the sector's high entry barriers due to stringent qualification norms, it is well-positioned to capitalize on this long-term growth opportunity

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Clean Energy Fuel cells, Hydel, Wind and Others:

Global governments are emphasizing renewable energy sources to achieve carbon neutrality by 2050. Fuel cells are efficient energy sources; exponential growth is expected in this segment, boosting Company's revenues. In addition, the market for electrolysers is expected to grow significantly over the coming years that shall further strengthen our revenues. The Company is one stop solution provider for mechanical systems for SOFC fuel cells of Bloom Energy

The Company intends to further expand its presence in the Clean Energy sector and has commenced the fabrication of critical structures for Hydropower, Wind Energy, and Waste-to-Energy projects. It has also developed enclosures for battery storage systems, marking its entry into an emerging growth area. The opportunities in this segment represent a lucrative market potential for advanced equipment manufacturing, reinforcing the Company's long-term growth strategy.

Aerospace and Defence

Space:

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

Increased launch activity from ISRO is expected to enhance order volumes for the Company. Its advanced sheet metal facility enables it to pursue new opportunities such as motor casings, thrust chambers, and light alloy structures. The Company is also engaged in the development of space-grade valves on a built-to-specification basis and has recently participated in a tender for the supply of actuation systems, further strengthening its role in India's space ecosystem.

Defence:

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

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

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

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

Segment wise or product wise performance

The Company does not operate in the manner of different business segments. However, we do measure revenues based on various customer segments. Revenue from exports stands at 79% of total revenue from operations in FY 25 as against 71% of total revenue from operations in FY 24. Approx. Rs. 2000 Mn of revenue is derived from new products developed over the past 2-3 years across diverse segments

Sector	Revenue generated from customers in FY 2024 - 25 (Rs. Mn)	Revenue generated from customers in FY 2023 - 24 (Rs. Mn)
Clean Energy- Civil Nuclear Power	184	619
Clean Energy- Fuel Cells & Others	4169	3,511
Aerospace & Defence	932	587
Products and Others	1475	1,083
Total	**6760**	**5,800**

Financial overview

Analysis of the profit and loss statement

Revenues:
Revenues from operations reported at Rs. 6,759.57 Mn in FY 25 compared to Rs. 5,800.33 Mn in FY 2023-24. Increase in revenue from operation is 16.54% compared with FY 2023-24.

Expenses:
Total expenses increased by 18.72% from Rs. 5,131.74 Mn in FY 24to Rs. 6,092.35 Mn. Cost of materials consumed, accounting for 51.56% share of the Company's revenues, increased by 9.81% from Rs. 3,173.66 Mn in 2023-24 to Rs. 3,485.05 Mn in FY 25 owing to an increase in the material cost related to domestic revenues and Other products. Employees expenses, accounting for a 18.07% share of the Company's revenues, increased by 28.39% from Rs. 951.52 Mn in 2023-24 to Rs. 1,221.66 Mn in FY 25. Finance costs of the Company remained same with slight decrease from Rs. 221.71 Mn in 2023-24 to Rs. 221.60 Mn in FY 25.

Other expenses of the Company increased by 26.84% from Rs.722.19 Mn in FY 24 to Rs. 916.04 Mn. Increase in others expenses is due to Increase in sub-contracting costs, Out sourcing manpower and Power & Fuel costs.

Analysis of the Balance Sheet
Sources of funds

The Equity capital employed by the Company increased by 7.91% from Rs. 6,771.65 Mn as on March 31, 2024 to Rs. 7,307.19 Mn as on March 31, 2025. Trade Payables increased from Rs. 613.78 Mn as on March 31, 2024 to Rs. 1,051.41 Mn as on March 31, 2025.

Applications of funds

PPE (gross) of the Company primarily increased by 27.77% from Rs. 4,372.72 Mn as on March 31, 2024 to Rs. 5,586.83 Mn as on March 31, 2025 owing to an investment in Capex for our new facility at Unit-7 and Adibatla and also to Increase the capacity in all other units as per requirements.

Depreciation on tangible assets increased by 40.30% from Rs. 221.01 Mn in FY 24 to Rs. 310.08 Mn in FY 25 owing to an increase in fixed assets during the year under review.

Working capital management

Current liabilities of the Company increased by 39.45% from Rs. 2,055.27 Mn as on March 31, 2024 to Rs. 2,866.04 Mn as on March 31, 2025, due to increase in trade payables and advance received from customers. The Current Ratio of the Company stood at 2.15 at the close of FY 25 compared to 2.75 at the close of FY 24. Inventories including raw materials, work-in-progress and finished goods, among others, decreased by 0.45% from Rs. 3,468.39 Mn as on March 31, 2024 to Rs. 3,452.62 Mn as on March 31,

2025. Company dispatched items of long lead time projects and reduced inventory levels with better inventory planning. The inventory cycle decreased to 186 days of turnover equivalent in FY 25 from 218 days of turnover equivalent in FY 24.
Company received the trade receivable within due date. Trade receivable increased from Rs. 1,462.72 Mn as on March 31, 2024 to Rs. 2,094.43 Mn as on March 31, 2025. All receivables were secured and considered good and 85% of receivables are not overdue. The Company contained its debtor's turnover cycle within 113 days of turnover equivalent in FY 2024-25. Cash and bank balances of the Company decreased from Rs. 506.64 Mn as on March 31, 2024 to Rs. 166.00 Mn as on March 31, 2025.

Other Current Assets increased by 230.14% from Rs. 114.16 Mn as on March 31, 2024 to Rs. 376.89 Mn as on March 31, 2025 account of increase in balances recoverable from government authorities and advance payments made to suppliers.

Margins

The EBITDA margin of the Company reduced from 19.25% in FY 24 to 17.85% in 2024-25. while net profit margin of the Company reduced from 9.7% in FY 24 to 7.9% in FY 25.

Key Ratios

Particulars	2024-25	2023-24	Remarks
Debtor's turnover ratio	3.80	3.27	Our debtors turnover ratio is increased due increase in sales during the quarter end of the year under review.
Inventory turnover ratio	0.99	0.82	The increase in ratio is due to decrease in average inventory during the year.
Debt service coverage ratio	2.31	3.23	The decrease in Debt service coverage ratio is due to increase in long term loan repayments during the year.
Current ratio	2.15	2.75	The current ratio of Company decrease is due to increase in trade payables and other financial liabilities.
Debt-equity ratio	0.24	0.28	Decrease in ratio is due to repayment of term loans obtained for procurement of property, plant and equipment.
Return on capital employed	9.65%	10.36%	Our ROCE has seen reduced in FY 2024-25 compared with last year due to Increase in Employee benefit expenses, Operational cost and depreciation. .
Net profit margin (%)	7.97%	9.7%	Our net profit margin decreased compared with last year due to Increase in Depreciation and Other expenses.
Return on Net worth	**7.65%**	**8.67%**	Our RoNW decreased by 12% compared with last year due to decrease in Net profit.

Risks and concerns

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

Any delays in manufacturing and inspection activities can postpone project execution, thereby impacting revenues and margins. For instance, spillover in certain space projects into FY 26 has affected margins to some extent in FY 25. Such events continue to pose a potential threat to revenues in the future as well. Similarly, since the Company imports the majority of raw materials, any supply chain disruptions could adversely affect revenues. Global geopolitical developments may also result in raw material procurement delays, labour shortages, and customer clearance bottlenecks, further affecting business performance.

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

- Board Risk Management Committe
- Apex Risk Management Committe
- Functional Risk Management Commit-tees

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

Internal control systems and their adequacy

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

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

Information Technology

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

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

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

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

Human Resources

The Company has adequate manpower to support its future growth and maintains alignment with prevailing industry standards. As of March 31, 2025, the workforce comprised 698 staff members, 1420 workmen (both on-roll and off-roll), and 1092 third-party contract employees.

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

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

Particulars	FY 2024 - 25	FY 2023- 24
Staff, including on and off the rolls	698	671
Workmen including on and off the rolls	1420	1077
Third party contractors	1092	724
Total	**3210**	**2472**

Disclosure of Accounting Treatment

During the preparation of the financial statement of FY 2024-25 the treatment, as prescribed in an Accounting Standard, has been followed by the Company. There is no discrepancy in Accounting Treatment as followed by the Company in the last financial year as compared to the previous financial year.

Cautionary statement

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

Embedding ESG into core business model

The Company has integrated ESG principles into its core business model, reflecting a firm commitment to responsible and sustainable growth.

In FY25, more than 60% of the Company's revenue was derived from the manufacture of climate-positive products, underscoring its strategic focus on contributing meaningfully to the global low-carbon economy.

With a long-term vision of becoming 100% ESG-compliant, the Company is actively aligning its operations with global sustainability standards to build a resilient and future-ready enterprise

Our ESG Outlook

At MTAR, we believe that businesses have a vital role to play in addressing global challenges such as climate change, workplace equity, and responsible governance. Sustainability should not be viewed as an adjunct to business—it must be embedded at the core of business strategy.

Progressive and proactive ESG policies are fundamental to ensuring long-term, sustainable growth. They not only contribute to a better world but also deliver enhanced value to all stakeholders, including investors, customers, employees, suppliers, and the wider community.

The Company has adopted a comprehensive ESG framework that is closely aligned with its strategic priorities. We believe ESG integration directly contributes to business performance and impacts cash flows in six key ways:

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

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

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

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

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

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

Our Environment Commitment

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

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

In FY25, a majority of our revenue was derived from the clean energy segment, including civil nuclear power, fuel cells, hydropower, and other sustainable solutions. The Company sees substantial future potential in the growing market for climate positive products.

As part of our efforts to improve the sustainability of our operations and reduce energy consumption, the Company has installed solar rooftops at Unit 2 and EOU, with installations underway at some at some of our other plants. These initiatives are aligned with our broader goal of minimizing our environmental footprint.

Our facilities at Unit 1, Unit 2, Unit 3, EOU, and Unit 6 are certified under ISO 14001:2015 for Environmental Management Systems, underscoring our commitment to internationally recognized environmental standards.

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

Revenue as % of total revenue from operation	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Clean Energy – Fuel Cells & Hydel	64.34%	49.79%	62.61%	77.04%	60.53%	61.67
Clean Energy – Civil nuclear Power	12.17%	22.43%	14.19%	7.64%	10.67%	2.72
Total	76.51%	72.22%	76.80%	84.68%	71.21%	64.39

Our Social Commitment - Building a Responsible and Inclusive Future

We are committed to fostering inclusive and equitable growth by investing in our people, supporting communities, and upholding ethical business practices. Our approach prioritizes employee wellbeing, active community engagement, and the cultivation of trust-based relationships with customers and suppliers. We place a strong emphasis on ethical conduct and the development of sustainable local partnerships across our value chain. The company contributed Rs. 20 Mn towards supporting education, skill development, art and culture.

Diversity, Equity and inclusion

The Company is committed to fostering a diverse, equitable, and inclusive workplace. Our policies are designed to ensure that all employees have equal opportunities to grow, contribute, and succeed, regardless of gender, background, or identity. We strongly believe in inclusive growth and strive to create a work environment where everyone feels valued and respected.

While we are actively working to increase the representation of women within the organization, we acknowledge the significant gender gap that exists—largely due to the traditionally male-dominated nature of the manufacturing sector. Addressing this imbalance is a key focus area, and we are committed to making sustained progress in narrowing this gap over the coming years.

Customers

The Company is known for the exceptional quality of its products and best-in-class processes, which have enabled it to build long-standing relationships with all its primary customers. Acting as a strategic partner, the Company has developed a broad portfolio of offerings, delivering cutting-edge manufacturing solutions that consistently add value and strengthen customer partnerships.

Employee Welfare and Training

At MTAR, we have been recognized for cultivating a culture of excellence, reflected in high employee retention, a knowledge-enriching work environment, and a strong alignment of individual roles with the broader goal of nation-building. The Company continuously invests in the right talent through strategic recruitment, retention initiatives, and ongoing training—underscoring its commitment to people-centric growth.

Our Environment, Health, and Safety (EHS) policy places strong emphasis on maintaining a safe and healthy workplace for all employees. In alignment with this commitment, our facilities at Unit 1, Unit 2, Unit 3, Unit 6 and EOU are certified under ISO 45001:2018 – Occupational Health and Safety Management Systems, reflecting our adherence to internationally recognized safety standards.
As part of our commitment to continuous improvement, we regularly measure employee satisfaction. In the most recent annual survey, we recorded an Employee Satisfaction Index of 87% and a Net Promoter Score (NPS) of 27. These positive outcomes, supported by our robust talent management practices, have contributed to consistently high employee retention.

Vendor Development

As part of its commitment to responsible business practices, the Company is known for maintaining prompt and transparent payment systems with its vendors. MTAR actively supports the empowerment of local suppliers, with more than 40% of our raw materials sourced from local vendors. This approach not only strengthens the regional economy but also fosters sustainable and inclusive growth within our supply chain.

Robust Corporate Governance as a Pillar of ESG

Our corporate governance framework is designed to protect the interests of our shareholders, the rightful owners of the Company. We are committed to upholding the highest standards of transparency, accountability, and fairness in all aspects of our decision-making. Our governance policies are carefully formulated to promote ethical conduct, prevent conflicts of interest, and serve the long-term interests of all stakeholders

Our Board is composed of a majority of independent directors—respected industry veterans—led by an independent Chairman. This structure ensures balanced, objective oversight and mitigates the risk of undue influence from Company executives.

Code of conduct

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

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

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

Investors

The Company conducts quarterly earnings calls and provides broad annual revenue guidance at the beginning of each fiscal year. It maintains regular engagement with the investor community through group conferences, one-on-one meetings, and other investor forums. The Company is committed to maintaining transparency by consistently sharing updates on business developments and strategic progress.

Executive Compensation

At MTAR, The Nomination & Remuneration Committee (NRC) is responsible for determining the remuneration of Directors, Key Managerial Personnel (KMP), and Senior Management. The remuneration structure comprises both fixed and performance-linked variable components. This approach ensures that the level, structure and quantum of pay are competitive, aligned with industry best practices, and adequate to attract, retain, and motivate individuals with the leadership calibre necessary to drive the Company's success.

Cyber Security

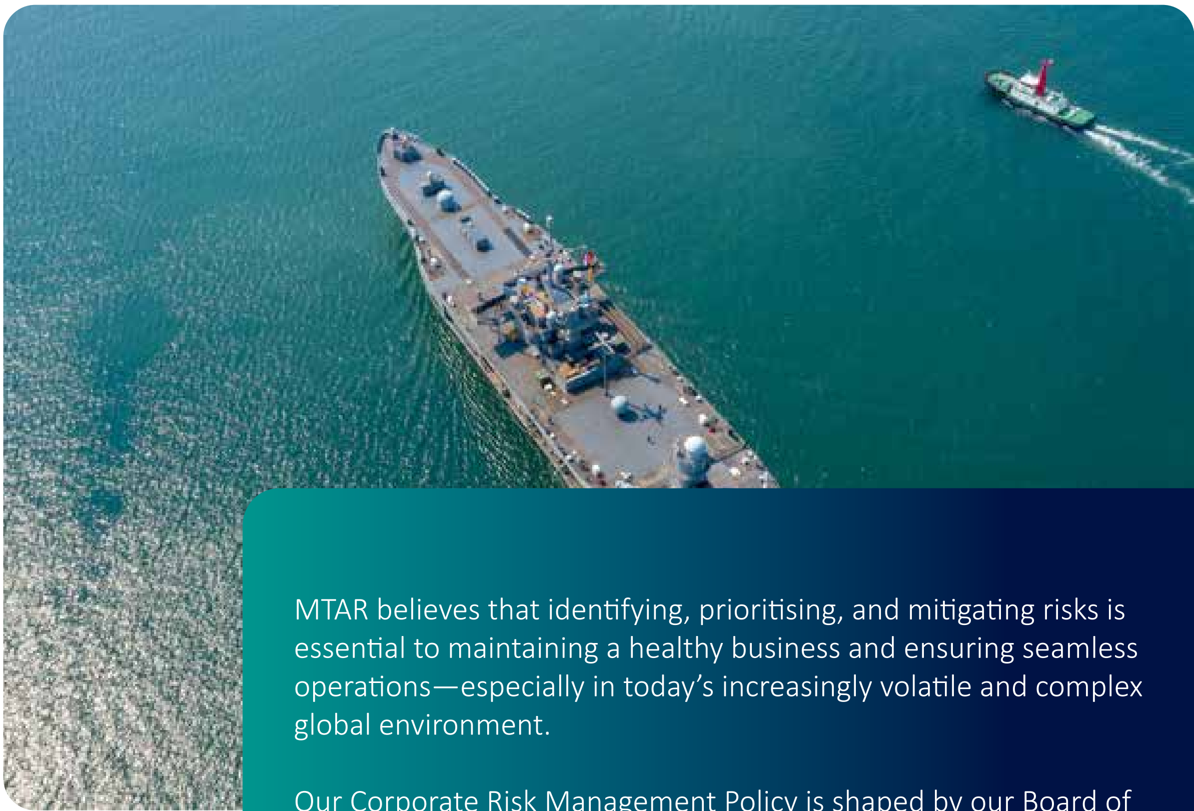
The Company operates in sensitive sectors and cyber security. MTAR maintains a comprehensive Cyber Security Policy aligned with industry best practices and regulatory requirements. Our facilties at Unit 1, Unit 2, Unit 3, Unit 6, and EOU are certified for ISO 27001:2022 – Information Security Management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

Dividend policy

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

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

Building Organizational Resilience Through Comprehensive Risk Management Framework



MTAR believes that identifying, prioritising, and mitigating risks is essential to maintaining a healthy business and ensuring seamless operations—especially in today's increasingly volatile and complex global environment.

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

The Board also defines our overarching governance principles and risk tolerance levels, guiding the organisation toward long-term, sustainable growth. In addition to the Risk Management Committee, the Board is supported by several specialised committees—such as the Technology Committee, Audit Committee, and CSR Committee—each tasked with overseeing specific areas of risk and operational governance, in addition to their core functional responsibilities. We also have internal committees dedicated to managing risks within specific functional domains, ensuring a comprehensive and proactive risk management framework across the organisation

Customer Concentration Risk

Majority of the Company's revenues have historically been derived from few customers. If we lose one/more of our significant customers of there is a reduction in volumes of a certain major product , our revenues could be impacted adversely, which may lead to a significant impact on our financial condition and cash flows.

The Company has been enhancing its customer base significantly over the past two years to reduce the customer concentration. We have also entered into long-term agreements with IAI and Thales.

The Company operates in a niche space; our past experience in the supply of our products, reputation for quality, financial strength, and the cost effectiveness of our offerings, has not only strengthened our position in the market but also has enabled us to establish and maintain relationships with our customer. There has been no instance of prominent customer attrition though proportions in revenues from customers could vary as per the market conditions. Also, the Company has been working on increasing its wallet share with majority of its existing customers in order to reduce the impact on revenues in case of reduced volumes of a certain product.

In addition, the Company closely tracks the business growth and industry trends of its prominent customer and redirects its strategy to mitigate the risk. Also, all our assets are mostly fungible across various sectors.

Supply Chain risk

Amidst ongoing global uncertainties—such as tariffs, trade restrictions, and geopolitical instability—there remains a risk of disruption to global supply chains, which could impact the Company's operations.

The Company sources the majority of its raw materials from third-party suppliers, except in certain Aerospace and Defence orders where specific materials are issued directly by customers. Raw material availability and pricing are subject to volatility driven by factors beyond the Company's control, including global supply-demand dynamics, macroeconomic and political conditions, transportation and labour costs, labour unrest, natural disasters, import restrictions, competitive pressures, duties and tariffs, and currency exchange rate fluctuations. There are inherent uncertainties in estimating the impact of these variables, regardless of the methodologies and assumptions employed. Disruptions in raw material supply, including delays or quality non-compliance by suppliers, can adversely affect production schedules, operating efficiency, and overall financial performance.

To mitigate these risks, the Company procures critical raw materials well in advance and maintains a diversified, multi-geography supplier base, thereby enhancing supply chain resilience and operational continuity.

In the Clean Energy – Fuel Cells vertical, the Company enters into annual pricing contracts with suppliers, locking in raw material prices one year in advance. Any price escalation within the contract period is treated as a pass-through to the customer, effectively insulating the Company from cost volatility. Similarly, in the Civil Nuclear Power vertical, contracts incorporate price escalation clauses for key raw materials, further reducing exposure to input cost fluctuations.

Currency risk

A majority of the Company's revenue—exceeding 70%—is derived from customers outside India, with a significant portion of transactions denominated in foreign currencies, primarily the U.S. Dollar (USD). Consequently, fluctuations in exchange rates, particularly the appreciation or depreciation of the Indian Rupee (INR) against the USD and other major currencies, may have a material impact on the Company's financial performance.

While the Company is exposed to currency volatility, this risk is mitigated by the fact that exports significantly exceed imports, providing a natural hedge against foreign exchange fluctuations.

The treasury team continuously monitors currency movements, global economic trends, and geopolitical developments. Although the Company currently relies on its natural hedge, it remains prepared to devise and implement appropriate hedging strategies in accordance with the Company's risk management framework, should such measures be deemed necessary in the future.

Lack of innovation & Technology

The Company operates in a dynamic environment where continuous innovation and technological advancement are critical for maintaining competitiveness. Failure to adopt and upgrade technology in line with emerging market trends lead to a loss of product differentiation and pricing advantage, adversely affecting revenues and profitability.

Moreover, the use of advanced technologies is essential for improving product quality, enhancing performance, and reducing process variability. A lack of technological upgradation may limit the Company's ability to develop new products, improve manufacturing efficiency and meet evolving customer expectations, thereby posing a risk to competitiveness and overall product quality.

To address this, the Company has consistently focused on adopting new technologies and expanding its product portfolio to align with market trends. It continues to invest in research and development, and has recently developed new products such as valves, actuators assemblies. Additionally, it is actively working on the development of several new products like combustor assemblies for Scramjet engine, adaptors for ground support systems etc. reinforcing its commitment to innovation and market leadership.

Information Security System Risk

MTAR operates in sensitive sectors such as Civil Nuclear Power, Space, and Defence, where confidentiality of data is paramount. Any disruption or failure of our IT systems could have a significant impact on our operations. A large-scale IT malfunction could disrupt business activities or result in the unauthorized disclosure of sensitive Company information, particularly given our involvement in sectors of national importance that handle highly classified data.

Furthermore, a failure in our data security measures could potentially allow unauthorized access to critical business information, including intellectual property, business strategies, or sensitive customer data.
To mitigate these risks, the Company has implemented robust systems for continuous monitoring of preventive, detective, and corrective security controls designed to protect our information assets and minimize potential damage in the event of a security breach. Additionally, our facilities at Unit 2, EOU and Adibatla are certified under ISO 27001:2022 for Information Security Management Systems, demonstrating our commitment to maintaining stringent security standards.

Working Capital Management

Our future working capital requirements may differ from current estimates due to various factors, including unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design modifications, weather-related disruptions, technological advancements, and additional market developments.

Working capital needs may also increase if certain contracts lack advance payment terms or have payment schedules that defer payments toward the end of a project, thereby increasing our working capital burden.

Although net working capital (NWC) days increased over the past two years, they declined in FY26 as a result of the Company's proactive measures to improve inventory management and receivables collection. The Company continues to implement strategies aimed at further reducing NWC days and optimizing working capital efficiency.

Success Planning & Talent Management Risk

The Company operates in strategic sectors that require highly specialised knowledge and technical expertise, resulting in a significant dependency on our corporate and technical teams—including Promoters, Directors, senior management, key managerial personnel, and skilled project management staff. The loss of any of these individuals, the inability to effectively plan for succession, or challenges in managing attrition across various employee categories could materially impact the Company's business operations, growth trajectory, financial performance, and cash flows.

Talent acquisition and retention remain key challenges within the manufacturing industry. The limited availability of skilled professionals, coupled with intense competition for experienced senior management and technically qualified engineers, increases the difficulty in maintaining a robust talent pipeline. As a result, the Company may be required to offer more competitive compensation structures to attract and retain top talent, potentially impacting cost structures over time.

To address these risks, the Company places strong emphasis on employee engagement, leadership development, succession planning, and capability building. It has implemented comprehensive talent management policies, ensures fair compensation-including performance linked incentives- and provides ample opportunities for career growth. Historically, the Company has maintained a low attrition rate, reflecting the effectiveness of its human capital strategies and commitment to building a resilient and sustainable workforce.

Indebtedness & Interest risk

As MTAR continues to expand and diversify into new verticals, our working capital requirements are expected to grow. Additionally, certain strategic initiatives may require investment in new capabilities and infrastructure. To support these objectives, we may consider raising capital through either debt or equity.

While raising capital through debt can provide cost-effective funding, it also introduces financial risk—particularly if new ventures do not perform as anticipated. However, we follow a rigorous business case evaluation process before entering any new vertical, ensuring that each investment is backed by strong fundamentals and aligned with our long-term growth strategy.

Historically, all of our investments have yielded satisfactory long-term returns. Our current debt-to-equity ratio in FY 25 stands at 0.4, reflecting a conservative and prudent approach to leveraging. We have consistently maintained a healthy capital structure, which positions us well to manage financial obligations and capitalize on growth opportunities without compromising financial stability.

Global Economic Conditions

Geo-political developments and trade tensions—such as tariffs imposed across specific regions—may present potential risks to our business. These dynamics may affect revenue streams from impacted geographies and contribute to uncertainty in customer demand. In addition, heightened tensions may disrupt global supply chains, leading to delays in the procurement of critical raw materials and affecting production schedules. Such disruptions can also delay the shipment of finished products to customers, resulting in deferred receivables, an extended working capital cycle, and margin pressures.

To mitigate these risks, the Company continuously monitors global developments and has built a diversified customer and vendor base across multiple geographies to minimize regional dependencies. Furthermore, we are placing increased focus on strengthening our domestic operations as a strategic hedge, helping to ensure continued growth and business resilience amid geo-political volatility.

Competition & Pricing Pressure Risk

As MTAR operates in a niche segment—particularly in customized production for strategic sectors such as Clean Energy, Aerospace and Defence where entry barriers are high—we have historically not faced significant pricing pressure. However, pricing pressure remains an inherent aspect of the industry, especially in volume-based production, where customers may pursue structured cost-reduction initiatives with their suppliers on an annual basis. Such practices are expected to continue going forward.

The Company is well-positioned to manage this challenge by adopting lean manufacturing practices and continuously enhancing operational efficiency as we scale with our customers. For instance, in the Clean Energy – Fuel Cells segment, we have successfully reduced product pricing by indigenizing certain components, bringing critical manufacturing processes in-house, and optimizing manpower through process improvements.

We are now extending a similar cost-optimization strategy to our MNC Aerospace vertical, ensuring we remain competitive while protecting margins and supporting long-term sustainability.

Board of Directors

At MTAR, our strategic direction is guided by a board with a majority of independent directors, ensuring balanced, objective, and transparent decision-making

Subbu Venkata Rama Behara

Parvat Srinivas Reddy

Anushman Reddy Mitta

Akepati Praveen Kumar Reddy

Rohith Loka Reddy

Udaymitra Chandrakant Muktibodh

Krishna Kumar Aravamudan

Gnana Sekaran Venkatasamy

Ameeta Chatterjee

Promoters in Leadership

From Vision To Execution

MTAR has been established with a vision to indigenise technologies for India. Since then, our promoters focus has always been to build a world class institute that lasts generations — rooted in values, powered by innovation

Parvat Srinivas Reddy,
Managing Director

Anushman Reddy Mitta,
Executive Director

Akepati Praveen Kumar Reddy,
Executive Director

SENIOR LEADERSHIP TEAM

Gunneswara Rao Pusarla- CFO

Raja Sekhar Bollempally, COO

Arun Kumar Ojha, CCO

Our senior management team brings decades of experience from prestigious manufacturing organizations, blending deep industry expertise with a consistent record of operational excellence

Management Council

Technical Team

N. Mondaiah
Sr Vice President- Products

K. Sreeramulu Reddy
Sr Vice President - Quality

K.J. Thomas
Sr. Vice President- SCM & Operations

D. Sidda Reddy
Vice President- Clean Energy Fuel Cells

A.V. Sudhakar Reddy
Vice President- Space

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

Bh. Lakshmana Babu
Vice President- Aerospace

Dr. A. Manimaran
Vice President- R&D and New Product Development

Srikanta Bag
Vice President

P. Srinivas Rao
General Manager- Aerospace

Niladri Sekhar Banerjee
GM Quality

Soundra Pandi
GM - Sheet Metal

Krishnan
GM - Fabrication

Corporate Team

K. Rama Mohan Rao
Vice President- HR & Admin

Srilekha Jasthi
Head- Strategy & Investor Relations

Rohit Khera
Resident Director- Business Development

Naina Singh
Company Secretary and Compliance officer

Statutory Reports

Notice

NOTICE IS HEREBY GIVEN THAT THE 26TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF MTAR TECHNOLOGIES LIMITED WILL BE HELD ON THURSDAY, 18TH DAY OF SEPTEMBER, 2025 AT 11:00 A.M. THROUGH VIDEO CONFERENCING ("VC") /OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Standalone and Consolidated Audited Balance Sheet as at 31st March, 2025, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.

2. To appoint a director in place of Mr. P. Srinivas Reddy (DIN: 00359139) who retires by rotation and being eligible, offered himself for re-appointment. (Brief Profile: Annexure A to this Notice).

3. To appoint a director in place of Mr. Akepati Praveen Kumar Reddy (DIN: 08987107) who retires by rotation and being eligible, offered himself for re-appointment. (Brief Profile: Annexure A to this Notice).

4. To consider and, if thought fit, approve the re-appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company.

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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and Regulation 17 of SEBI (LODR) Regulations, 2015, recommendation of audit Committee and the Board of Directors of the Company, appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/ E300004) as Statutory Auditors of the Company, for a second term of four (04) consecutive years to hold office from the conclusion of 26th Annual General Meeting (AGM) till the conclusion of 30th AGM of the Company to be held in the FY 2028-29 at Rs. 72,00,000 (Rupees Seventy-Two Lakhs Only) including fee for issue of Limited Review Report be and is hereby approved by the members of the Company.

RESOLVED FURTHER THAT pursuant to Section 144 of the Companies Act, 2013, the consent of the members be and is hereby accorded to M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, to undertake the issue of Limited Review Report(s), certifications from the Statutory Auditor, agreed-upon procedures, and such other services as may be permissible under the said section and the rules made thereunder, as may be approved by the Audit Committee and the Board of Directors from time to time.

RESOLVED FURTHER THAT the aggregate fees for services other than the issue of Limited Review Report(s) as and when required, shall not exceed Rs. 10,00,000 (Rupees Ten Lakhs only) and shall be subject to the prior approval of the Managing Director or the Chief Financial Officer of the Company."

SPECIAL BUSINESS:

5. To approve continuation of Mr. Venkatasamy Gnana Sekaran (DIN: 02012032) as a Non-Executive and Independent Director of the Company beyond the age of 75 years (Brief Profile: Annexure A to this Notice).

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any of Companies Act, 2013 and Rules made thereunder, read with clause (1) of Part I of Schedule IV of the Act , Regulation 17(1A) 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 recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the members be and is hereby accorded, for the continuation of Directorship of Mr. Venkatasamy Gnana Sekaran (DIN: 02012032), as a Non-Executive and Independent Director of the Company, beyond the age of 75 (seventy-five) years and who shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Venkatasamy Gnana Sekaran shall continue to hold office as a Non-Executive and Independent Director for the remainder of his current term i.e., till 4th December 2028 subject to his fulfilling the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions.

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary be and is hereby severally and/or jointly authorised to do all such acts, deeds, matters, and things as may be necessary, proper, or expedient to give effect to this resolution, including but not limited to, making all necessary filings with the Registrar of Companies and other regulatory authorities."

6. To approve re-appointment of Mr. Akepati Praveen Kumar Reddy (DIN: 08987107) as Whole Time Director of the Company (Brief Profile: Annexure A to this Notice).

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule V to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the members be and is hereby accorded for the re-appointment of Mr. Akepati Praveen Kumar Reddy (DIN: 08987107) as Whole-Time Director of the Company for a further period of 3 years with effect from 9th August 2025 at a remuneration of Rs. 96 Lakhs per annum plus 30% as Variable Pay on such terms and conditions, including remuneration, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, details of which are set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT in the event of losses or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. A. Praveen Kumar Reddy (DIN: 08987107), remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time.

RESOLVED FURTHER THAT Managing Director or the Chief Financial Officer of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.

RESOLVED FURTHER THAT Company Secretary of the Company be and is hereby authorised to file the above resolution in necessary forms with the Statutory Authorities as may be required."

7. To approve re-appointment of Mr. Anushman Reddy (DIN: 08104131) as the Whole Time Director of the Company (Brief Profile: Annexure A to this Notice).

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, and other applicable provisions, if any, Companies Act, 2013 (the "Act") read with Schedule V to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the members be and is hereby accorded for the re-appointment of Mr. Anushman Reddy (DIN: 08104131) as Whole-Time Director of the Company for a further period of 3 years with effect from 09th August 2025 at a remuneration of Rs. 144 Lakh s per annum plus 30% as Variable Pay on such terms and conditions, including remuneration, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, details of which are set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. Anushman Reddy (DIN:08104131), remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time.

RESOLVED FURTHER THAT Managing Director or the Chief Financial Officer of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.

RESOLVED FURTHER THAT Company Secretary of the Company be and is hereby authorised to file the above resolution in necessary forms with the Statutory Authorities as may be required."

8.Ratification of payment of remuneration to the Cost Auditor for the Financial Year 2025-26:

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

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the remuneration payable to M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118) who were appointed by the Board of Directors as the Cost Auditors of the Company, based on the recommendation of the Audit Committee, to audit the cost records of the Company for the financial year ending 31st March 2026, amounting to Rs. 4,00,000/- (Rupees Four Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, be and is hereby ratified.

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

9. To consider and, if thought fit, approve the appointment of M/s. S.S. Reddy & Associates, Practicing Company Secretaries as secretarial auditors of the Company.

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 204 read with Rule 9 Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") read with Circulars issued thereunder from time to time and applicable provisions of the Companies Act, 2013 ("the Act") and Rules made thereunder [including any statutory modification or re-enactment thereof for the time being in force], the recommendation of the Audit Committee and Board of the Company, M/s. S.S. Reddy & Associates, Practicing Company Secretaries (UID No. S2008AP101300) be and is hereby appointed as Secretarial Auditors of the Company, for the first term of five (5) consecutive years to hold office from FY 2025-26 to 2029-30 on such fee as approved by the Audit Committee and the Board of Directors of the Company.

RESOLVED FURTHER THAT consent of the Members be and is hereby accorded to avail or obtain from the Secretarial Auditor, such other services or certificates, reports, or opinions which the Secretarial Auditors may be eligible to provide or issue under the Applicable Laws at a remuneration to be determined by the Board.

RESOLVED FURTHER THAT the Managing Director of the company be and is hereby authorised to revise the fee as and when maybe deemed fit.

RESOLVED FURTHER THAT any of the Director or the Company Secretary be and is hereby authorized to file all the necessary forms with the office of Registrar of Companies and to do all other acts, deeds, things as may be necessary to give effect to the above resolution."

By order of the Board of Directors of
MTAR Technologies Limited

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

Place: Hyderabad
Date: 05.08.2025

Explanatory Statement

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

Item No. 5: To approve continuation of Mr. Venkatasamy Gnana Sekaran (DIN: 02012032) as a Non-Executive and Independent Director of the company beyond the age of 75 years.

Mr. Venkatasamy Gnana Sekaran Sekaran (DIN: 02012032) is currently a Non-Executive and Independent Director and Member of the Corporate Social Responsibility Committee, Member of Stakeholders and Relationship Committee, Member of the Risk Management Committee and Chairman of Technology Committee.

Mr. Sekaran was re-appointed as a Non-Executive and Independent Director of the Company for a second term of five (5) years effective from 5th December 2023. He has been a valuable member of our Board, contributing significantly with his vast experience and insightful guidance, which has been instrumental in growing the business of the Company across all sectors.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a person cannot be appointed or continue to act as a Non-Executive Director if he / she has attained the age of seventy-five years, unless a Special Resolution is passed by the shareholders of the Company. Mr. Sekaran will attain the age of 75 (seventy-five) years in the year 2026, therefore shareholders' approval by way of special resolution is sought.

Mr. V G Sekaran holds a Bachelor's Degree in Engineering, in the branch of Mechanical Engineering, from Madurai University, a Master's Degree in Engineering, with a Specialisation in Aeronautical Engineering, from the Indian Institute of Science, Bangalore and a Doctorate in Philosophy from Queen's University of Belfast.The Board believes that his continuation will be highly beneficial to the Company and its shareholders and also states that he fulfils the criteria of an Independent Director as prescribed in Schedule IV of Companies Act, 2013.

He is an eminent Missile Scientist and the Chief Designer of the Long-Range Ballistic Missile System AGNI 5. He has held key roles in DRDO such as Chief Controller R&D (Missiles & Strategic Systems) and Programme Director to Agni Missiles and involved in development of programs of national importance such as Missiles & Strategic Systems. He has sound technical knowledge on missile systems, flight mechanics, propulsion systems and advanced technologies such as composites. He has carried out extensive research and developed many critical technologies for Indian Defence Industry.

He is honoured with various prestigious awards such as "Scientist of the year award", "Path Breaking Research/ Outstanding Technology Development Award", "Technology Leadership Awards", among others.

He is involved in framing several policies in the areas of joint collaborations and technology acquisitions both within the country and abroad during his stint with DRDO. He has served as an advisory committee member for technological development programmes and published several national and international research journals.

The Nomination and Remuneration Committee, at its meeting held on 5th August 2025, carefully reviewed Mr. Sekaran's performance, attendance at Board and Committee meetings, his continued ability to contribute effectively, and his deep understanding of the Company's business and challenges. The Committee noted his unwavering commitment, independent judgment, and significant contributions to the Board's deliberations and decision-making process. Considering his immense value to the Company and the Board, the Committee and Board recommended his continuation as an Independent Director beyond the age of 75 (seventy-five) years.

The Board is of the opinion that Mr. Sekaran possesses unique expertise and experience that are critical for the Company at this stage of its growth. His continued presence on the Board is considered essential for maintaining strong corporate governance standards and providing invaluable strategic direction. Mr. Sekaran has also submitted a declaration confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also confirmed that he is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Venkatasamy Gnana Sekaran, are concerned or interested in this resolution.

The Board recommends the passing of this Special Resolution for the continuation of Mr. Venkatasamy Gnana Sekaran as a Non-Executive and Independent Director of the Company beyond the age of seventy-five years.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

Item No. 6: To approve re-appointment of Mr. Akepati Praveen Kumar Reddy (DIN: 08987107) as Whole Time Director of the Company.

Mr. Akepati Praveen Kumar Reddy (DIN: 08987107) was initially appointed as Whole-Time Director of the Company for a period of three years effective from 9th August 2022. His current term is due to expire on 8th August 2025.

Mr. Praveen Reddy possesses extensive experience and expertise in terms of leadership, strategy formulation and execution, financial planning, maintaining relations both with the board and external entities, improving the turnovers and profitability of the company, and has significantly contributed to the growth and success of the Company during his tenure. His continued association is considered vital for the Company's future strategic objectives and operational efficiency.

The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 5th August 2025 after due deliberation and considering Mr. Praveen Reddy's performance, qualifications, experience, and contribution to the Company, approved his re-appointment as Whole-Time Director for a further period of three (3) consecutive years commencing from 9th August 2025.

The re-appointment is subject to the approval of the members and will be governed by the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The proposed remuneration for Mr. Akepati Praveen Kumar Reddy for his re-appointment as Whole-Time Director will be in accordance with the limits prescribed under Sections 197 and Schedule V of the Companies Act, 2013. The detailed terms of re-appointment, including remuneration and other perquisites, are as follows:

- **Salary:** 96 lakhs p.a.
- **Variable:** 30%
- **Perquisites:** driver and maintenance cost for personal car.

The Board believes that the re-appointment of Mr. Akepati Praveen Kumar Reddy will be beneficial to the Company and its shareholders.

None of the other Directors /Key Managerial Personnel and their relatives except Mr. A Praveen Kumar Reddy himself and Mr. Anushman Reddy being his relative are interested in any way or concerned financially or otherwise, in the Resolution set out in the notice.

The Board recommends the passing of this Special Resolution for the re-appointment of Mr. Akepati Praveen Kumar Reddy as the Whole Time Director of the Company for a period of three years.

Item No. 7: To approve re-appointment of Mr. Anushman Reddy (DIN: 08104131) as the Whole Time Director of the Company.

Mr. Anushman Reddy (DIN: 08104131) was initially appointed as Whole-Time Director of the Company for a period of three years effective from 9th August 2022. His current term is due to expire on 8th August 2025.

Mr. Anushman Reddy possesses expertise in Mechanical Engineering, Global Supply chain management including AeroVironment, leadership, operations, strategy formulation and execution, maintaining relations both with the board and external entities, improving the turnovers and profitability of the company, and has significantly contributed to the growth and success of the Company during his tenure. His continued association is considered vital for the Company's future strategic objectives and operational efficiency.

The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 5th August 2025 after due deliberation and considering Mr. Anushman Reddy's performance, qualifications, experience, and contribution to the Company, approved his re-appointment as Whole-Time Director for a further period of three (3) consecutive years commencing from 9th August 2025.

The re-appointment is subject to the approval of the members and will be governed by the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The proposed remuneration for Mr. Anushman Reddy for his re-appointment as Whole-Time Director will be in accordance with the limits prescribed under Sections 197 and Schedule V of the Companies Act, 2013. The detailed terms of re-appointment, including remuneration and other perquisites, are as follows:

- **Salary:** 144 lakhs p.a.
- **Variable:** 30%
- **Perquisites:** driver and maintenance cost for personal car.

The Board believes that the re-appointment of Mr. Anushman Reddy will be beneficial to the Company and its shareholders.

None of the other Directors /Key Managerial Personnel and their relatives except Mr. Anushman Reddy himself and Mr. A Praveen Kumar Reddy being his relative are interested in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

The Board recommends the passing of this Special Resolution for the re-appointment of Mr. Anushman Reddy as the Whole Time Director of the Company for a period of three years.

Item No. 8: Ratification of Payment of Remuneration to the Cost Auditor for The Financial Year 2025-26.

Based on the recommendation of the Audit Committee, the Board of Directors in its meeting held on 22nd May, 2025 has approved the appointment of M/s. Sagar & Associates, (Registration No.000118), Cost Accountants to conduct the cost audit of the Company for the financial year ending 31st March 2026 and has fixed their remuneration at Rs. 4,00,000/- (Rupees Four Lakhs only) plus applicable taxes and out of pocket expenses.

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

Accordingly, the Board of Directors recommends the passing of the above Resolution as an Ordinary Resolution as set out in the item no. 8 of the notice.

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

The Board recommends the passing of this Ordinary Resolution for approving the payment of remuneration to the Cost Auditor for The Financial Year 2025-26.

Item No. 9: To consider and, if thought fit, approve the appointment of M/s. S.S. Reddy & Associates, Practicing Company Secretaries as Secretarial Auditors of the Company.

The Board of Directors of the Company pursuant to the recommendation of the Audit Committee, in their meeting held on 22nd May, 2025 approved the appointment of M/s. S.S. Reddy & Associates, Practicing Company Secretaries, Hyderabad as the Secretarial Auditor of the Company, subject to the consent of the members, to conduct the Secretarial Audit and issue the report thereon.

M/s. S.S. Reddy & Associates have conveyed their consent for appointment as the Secretarial Auditors of the Company along with a confirmation that, their appointment, if made, will be within the limits specified under Regulation 24A of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. They have also confirmed that they are not disqualified from the appointment as Secretarial Auditor in terms of the Provisions of Regulation 24A of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and are peer reviewed by the Institute of Company Secretaries of India.

Accordingly, after due deliberations on the subject matter, M/s. S.S. Reddy & Associates were recommended to be appointed as Secretarial Auditors of the Company for the first term of five (5) consecutive years commencing from Financial Years 2025-26 till 2029-30.

In terms of requirements of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended effective April 1, 2019, details of proposed remuneration and credentials of the proposed Secretarial Auditors are provided below:

a) Proposed fees payable to the secretarial auditor(s):

The proposed fee to be paid to M/s. S.S. Reddy & Associates, Company Secretaries towards secretarial audit fee for the financial year 2025-26 aggregating to Rs. 2,40,000/- plus applicable taxes and other out-of-pocket costs incurred in connection with the audit for Financial Year ending 31st March 2026 and for subsequent year(s) of their term, such fee as determined by the Board, on recommendation of Audit Committee.

The proposed fee is based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmark. The fees for services in the nature of certifications and other professional work will be in addition to the secretarial audit fee as above and will be determined by the Board in consultation with the Secretarial Auditors and as per the recommendations of the Audit Committee.

b) Terms of appointment:

Accordingly, pursuant to Sec. 204 of Companies Act, 2013, and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 it is proposed to appoint M/s. S.S. Reddy & Associates to conduct secretarial audit for FYs 2025-26 to 2029-30 subject to approval of shareholders at the ensuing AGM.

c) 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 fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change:

There is no material change in fee to be paid to the incoming Secretarial Auditor proposed to be appointed through the ordinary resolution as set out at Item No. 9 of the Notice.

d) Basis of Recommendation for appointment/ Re-appointment:

The Audit Committee and the Board of Directors, while recommending the appointment of M/s. S.S. Reddy & Associates, as the Secretarial Auditor of the Company, have taken into consideration, among other things, the credentials of the firm and the proprietor, proven track record and eligibility criteria prescribed under the Act and Regulations.

e) credentials of the secretarial auditor(s) proposed to be appointed:

M/s. S.S. Reddy & Associates, Company Secretaries was established in the year 2007 by Mr. S. Sarweswara Reddy having wide client base ranging from Listed and Unlisted Companies in Infra and Real Estate, defense, Software, Pharma etc., to Government Companies. Till date they have handled numerous corporate actions such as Initial Public Offers (IPOS), Takeovers, preferential issues, bonus issues, rights issues, buy back, mergers and demergers, delisting, revocation of suspension, corporate restructuring and so on.

They are also a peer-reviewed firm by the Institute of Company Secretaries of India.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board of Directors recommends the Ordinary Resolution set out in the Notice of AGM for approval of the members.

Annexure A

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION

1. Nature of Industry: Precision engineering manufacturing

2. Date or expected date of commencement of commercial: The Company started its commercial operations in the year 11.11.1999

3. In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable

4. Financial performance based on given indications

Particulars	2022-23 (Rs. in Mn)	2023-24 (Rs. in Mn)	2024-25 (Rs. in Mn)
Turnover	5,773.47	5,800.33	6,759.57
Net profit after Tax	1,040.75	562.68	538.53
Profits as per Sec 198	1,369.46	732.22	724.60

5. Foreign investments or collaborations, if any: Not Applicable

II. INFORMATION ABOUT THE APPOINTEE

A. Mr. Praveen Kumar Reddy Akepati:

1. Background Details:

Mr. Akepati Praveen Kumar Reddy, is an engineering graduate from Andhra University, with experience of over 27 years in the Industry. He has been associated with MTAR for over 24 years and has also given immense support in the Operations, Strategies and Management.

2. Past Remuneration: The remuneration drawn by Mr. Akepati Praveen Kumar Reddy (DIN: 08987107) for the FY 2024-25 was Rs. 96 Lakhs p.a. plus 30% performance linked variable pay apart from the perquisites and allowances as stated above.

3. Recognition or awards: Not Applicable

4. Job Profile and his suitability:

The Industry in which MTAR operates demands from the top management a great amount of experience in the field of Aerospace, Civil Nuclear Energy, oil & Gas and Defence manufacturing etc., Involved in business development of various multi-national companies like GE Vernova, Andritz Hydro, VOITH and GKN Aerospace. He is an engineering graduate from Andhra University, with experience of over 27 years in the Industry.

He has been associated with MTAR for over 24 years and has also given immense support in the operations, strategies and management.

5. Remuneration proposed:

As set out in the resolutions for the Item No. 6 there is no revision in the remuneration of Mr. Akepati Praveen Kumar Reddy, Whole Time Director recommended by the Nomination and Remuneration Committee and Board of Directors. The remuneration drawn by Mr. Akepati Praveen Kumar Reddy is Rs. 96 Lakhs per annum and 30% as Variable Pay along with driver and maintenance cost for personal car.

6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

Taking into consideration the size of the Company, the profile of Mr. Akepati Praveen Kumar Reddy and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed, his wife (relative) Mrs. A. Manogna, promoter of the company holds 11,61,889 (3.78%) equity shares, his son (relative) Mr. A. Praval Reddy, promoter group holds 2,50,000 (0.81%) equity shares and the other son (relative), Mr. A. Pranay Reddy holds 2,50,000 (0.81%) equity shares of the Company.

B. Mr. Anushman Reddy:

1. Background Details:

Mr. Anushman Reddy holds Bachelor's Degree in Mechanical Engineering from JNTU, MS global supply chain management from Marshall School of Business (University of Southern California), and Executive Post Graduate Diploma from Narsee Monjee Institute of Management. He has nearly 10 years of experience in manufacturing and worked in global organisations including AeroVironment. Within a short span of time in his career Mr. Anushman Reddy has attained a broad spectrum of experience in operations, supply chain and strategy. He currently heads export division & supply chain division in MTAR and is instrumental in growing export defense vertical and managing day to day affairs of the company.

2. Past Remuneration: The remuneration drawn by Mr. Anushman Reddy (DIN: 08104131) for the FY 2024-25 was Rs. 144 Lakhs p.a. plus 30% performance linked variable pay apart from the perquisites and allowances as stated above.

3. Recognition or awards: Not Applicable

4. Job Profile and his suitability:

The Industry in which MTAR operates demands from the top management a great amount of experience in the field of Aerospace, Nuclear Energy and other Defense related activities including Missiles Technology etc., involving various government and non- government agencies both in India and Abroad like ISRO etc. Mr. Anushman Reddy, who holds Bachelor's Degree in Mechanical Engineering from JNTU, MS global supply chain management from Marshall School of Business (University of Southern California), and Executive post graduate diploma from Narsee Monjee Institute of Management has given immense support in the field of operations, supply chain and strategy.

5. Remuneration proposed:

As set out in the resolutions for the Item No. 7, there is no revision in the remuneration of Mr. Anushman Reddy, Whole Time Director recommended by the Nomination and Remuneration Committee and Board of Directors. The remuneration drawn by him is Rs. 144 Lakhs per annum and 30% as Variable Pay along with driver and maintenance cost for personal car.

6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

Taking into consideration of the size of the Company, the profile of Mr. Anushman Reddy and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed, Mr. Anushman Reddy holds 2,68,128 (0.87%) equity shares of the Company and his mother (relative) Mrs. M. Madhavi, Promoter holds 14,30,983 (4.65%) equity shares of Company.

III. OTHER INFORMATION:

1.Steps taken or proposed to be taken for improvement:

Necessary efforts are being made to increase the production and efficiency, which in turn will add to the growth of the business as well as the profitability.

2.Expected increase in productivity and profit in measurable terms:

The Company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will increase considerably in the coming years.

By order of the Board of Directors of
MTAR Technologies Limited

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

Place: Hyderabad
Date: 05.08.2025

ANNEXURE-A: ITEM. 2, 3, 5, 6 & 7 OF THE NOTICE

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

Name of the Director	Mr. P. Srinivas Reddy	Mr. A. Praveen Kumar Reddy
Designation	Managing Director	Whole Time Director
DIN	00359139	08987107
Date of Birth	20/08/1965	01/07/1967
Age	59 Years	57 Years
Date of First Appointment on the Board	11/03/2015	14/12/2020
Qualification and Experience	Mr. P. Srinivas Reddy is the Managing Director of the Company. He has been a director on the Board since March 11, 2015 and was appointed as the Managing Director on September 1, 2020. He has been entrusted with the overall responsibility of management of the Company and its affairs. He holds a bachelor's degree in engineering, specialising in industrial engineering, from the University of Mysore and a master's degree in science, specialising in industrial engineering from College of Engineering, Louisiana Tech University. He has over 33 years of work experience in Clean Energy, Aerospace and Defence sectors.	Mr. Akepati Praveen Kumar Reddy, is an engineering graduate from Andhra University, with experience of over 27 years in the Industry, has been associated with the company for 20+ years, also worked at the position of Vice President initially in the Company thus is well versed with the Operations, Strategies and Management of the Company.
Expertise in specific functional area	Manufacturing, overall operations and management.	Operations & Business Development
Relationships between Directors inter se	Mr. P. Srinivas Reddy and Mr. Rohith Loka Reddy are related to each other.	Mr. A Praveen Kumar Reddy and Mr. Anushman Reddy are related to each other.
Name of the Listed entities in which the person also holds the directorship and the membership of the committees of the Board along with the Listed entities from which the person has resigned in the past three years*	Mr. P. Srinivas Reddy is a Non - Executive Director in M/s. Ravileela Granites Limited ("RGL") and is member of the Nomination and Remuneration Committee and Audit Committee of RGL. Mr. Reddy has not resigned from any listed company in the past three years.	Nil
Number of shares held in the Company	13,92,903 equity shares of Rs. 10/- each.	NIL
Skills and capabilities required for the role and the manner in which the Directors meet the requirements (Independent Directors)	NA	NA

*Excluding MTAR Technologies Limited

Name of the Director	Mr. Anushman Reddy	Mr. V.G. Sekaran
Designation	Whole Time Director	Independent Director
DIN	08104131	06558392
Date of Birth	01/10/1991	03/06/1951
Age	33 Years	74 Years
Date of First Appointment on the Board	09/08/2022	05/12/2020
Qualification and Experience	Mr. Anushman Reddy holds bachelor's degree in mechanical engineering from JNTU, MS global supply chain management from Marshall School of Business (University of Southern California), and Executive postgraduate diploma from Narsee Monjee Institute of Management.	As mentioned under Item No. 5 of the Explanatory Statement.
Expertise in specific functional area	Export Operations, supply chain management, cost reduction measures and setting up green field projects with lean manufacturing.	As mentioned under Item No. 5 of the Explanatory Statement.
Relationships between Directors inter se	Mr. Anushman Reddy and Mr. A Praveen Kumar Reddy are related to each other.	Not related
Name of the Listed entities in which the person also holds the directorship and the membership of the committees of the Board along with the Listed entities from which the person has resigned in the past three years*	Nil	Mr. V.G. Sekaran is the Independent Director in M/s. Premier Explosives Limited.
Number of shares held in the Company	2,68,128 fully paid-up equity shares of Rs. 10/- each.	NIL
Skills and capabilities required for the role and the manner in which the Directors meet the requirements (Independent Directors)	NA	As mentioned under Item No. 5 of the Explanatory Statement.

*Excluding MTAR Technologies Limited

Notes

1. Pursuant to the General Circular No. 09/2024 issued by the Ministry of Corporate Affairs ("MCA") on September 19, 2024 and other circulars issued by MCA in this respect, and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 issued by the Securities and Exchange Board of India ("SEBI") on October 3, 2024 (hereinafter collectively referred to as "Circulars"), Companies are allowed to hold the AGM through Video Conferencing / Other Audiovisual Means ("VC / OAVM"), without the physical presence of members at a common venue. In accordance with the Circulars, the Annual General Meeting ("AGM" / "Meeting") of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

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

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

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

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

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

1. In compliance with the Circulars, Notice of the AGM along with the Annual Report for the Financial Year 2024-25 is being sent only through electronic mode to those members (as on Friday, 22nd August 2025) whose e-mail ids are registered with the Registrar and Transfer Agent ("RTA") / Depository Participants ("DPs").

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

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

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

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

1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations (as amended), and MCA Circulars, the Company has provided a facility to its members to exercise their votes electronically through e-voting facility provided by Kfin. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their e-mail addresses is provided hereunder.

For this purpose, the Company has entered into an agreement with Kfin for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a shareholder using remote e-voting as well as the e-voting system on the date of the AGM will be provided by Kfin.

2. The members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, 11th September 2025 , being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. Any person who is not a member as on the cut-off date should treat this Notice for information purpose only.

3. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 09:00 a.m. (IST) on Monday, 15th September 2025, and will end at 05:00 p.m. (IST) on Wednesday, 17th September 2025. In addition, the facility for voting through e-voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting will be eligible to cast their vote through e-voting during the AGM. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be eligible to cast their votes again.

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

INSTRUCTIONS FOR REMOTE E-VOTING

1. The procedure for remote e-voting is as under:

i.Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

Login method for e-Voting:

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by 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. The remote e-voting process of the Depositories viz NSDL and CDSL are different which are stated below to facilitate the members.

Type of Member	Login
Individual Members holding securities in demat mode with NSDL	**1.** For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on the company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. **2. Existing Internet-based Demat Account Statement ("IDeAS") facility Users:)** i. Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. ii. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. iii. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. iv. Click on company name i.e. 'XXXXXXXXX' or ESP i.e. KFin. v. Members will be re-directed to KFin's website for casting their vote during the remote e-voting period. **3. Those not registered under IDeAS:** i. Visit https://eservices.nsdl.com for registering. ii. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Visit the e-voting website of NSDL https://www.evoting.nsdl.com. iv. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. v. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen. vi. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page.

	vii. Click on company name i.e XXXXXXXXXX or ESP name i.e KFin after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period. viii. Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of Member	Login
Individual Members holding securities in demat mode with CDSL	**1. Existing user who have opted for Electronic Access to Securities Information (“Easi/ Easiest”) facility:** i. Visit https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com. ii. Click on New System Myeasi. iii. Login to Myeasi option under quick login. iv. Login with the registered user ID and password. v. Members will be able to view the e-voting Menu. vi. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication. **2. User not registered for Easi/ Easiest:** i. Visit https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration or https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration for registering. ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote. **3. Alternatively, by directly accessing the e-voting website of CDSL:** i. Visit www.cdslindia.com. ii. Provide demat account number and PAN. iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. ‘XXXXXXXX’ or select KFin. v. Members will be re-directed to the e-voting page of KFin to cast their vote.
Individual Members login through their demat accounts / website of DPs	i. Members can also login using the login credentials of their demat account through their DPs registered with the Depositories for e-voting facility. ii. Once logged-in, Members will be able to view e-voting option. iii. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. iv. Click on options available against ‘XXXXXXX’ or ‘KFin’. v. Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.

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

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 102 0990 and 1800 22 4430.
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-62343625, 022-62343626, 022-62343259.

ii. Access to KFin e-voting system in case of members holding shares in physical and non-individual members in demat mode.

Members whose e-mail IDs are registered with the Company / DPs, will receive an e-mail from KFin which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com.

ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on “LOGIN”.

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the “EVEN” i.e., ‘MTAR Technologies Limited’ and click on “Submit”

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/ AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/ AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option “ABSTAIN”. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. In case you do not desire to cast your vote, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on “Submit”.

xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.

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

Attending of E-AGM

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

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

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

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

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

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

vi. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL https://emeetings.kfintech.com/ and clicking on the tab 'Speaker Registration' during the period starting from 15th September 2025 (9.00 a.m. IST) to 17th September 2025 (5.00 p.m. IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Only questions of the members holding shares as on the cut-off date will be considered.

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

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

Voting at E-AGM (INSTAPOLL)

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

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

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

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

General guidelines for shareholders:

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

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

PROCEDURE FOR INSPECTION OF DOCUMENTS

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

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

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

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

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

Application(s) by RTA Kfintech

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

Online application for Investor Query:

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

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

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

Senior Citizens - Investor Support

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

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

KPRISM Mobile App:

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

QR Code to access KPRISM:

By order of the Board of Directors of
MTAR Technologies Limited

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

Place: Hyderabad
Date: 05.08.2025

DIRECTORS REPORT

Dear Members,

The Board of Directors take pleasure in presenting the 26th (Twenty-Sixth) Annual Report including inter-alia Directors' Report, its annexures and audited financial statements (including standalone and consolidated financial statements along with respective Auditors' Report thereon) for the year ended 31st March, 2025. The consolidated performance of the Company and its subsidiaries has been referred to wherever required. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are referred to as 'Act' and 'Listing Regulations' respectively.

1. FINANCIAL SUMMARY/HIGHLIGHTS:

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

(Amount in Rs. Mn)

Particulars	Standalone		Consolidated	
	2024-25	**2023-24**	**2024-25**	**2023-24**
Revenue from Operations	6759.57	5800.33	6759.95	5807.52
Other Income	57.36	63.63	51.50	58.07
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	1263.92	1180.35	1259.84	1185.09
Less: Depreciation/ Amortisation/ Impairment	317.74	226.42	322.35	231.63
Profit /loss before Finance Costs, Exceptional items and Tax Expense	946.18	953.93	937.49	953.46
Less: Finance Costs	221.60	221.71	221.79	223.09
Profit /loss before Exceptional items and Tax Expense	724.58	732.22	715.70	730.37
Add/(less): Exceptional items	0	0	0	0
Profit /loss before Tax Expense	724.58	732.22	715.70	730.37
Less: Tax Expense (Current & Deferred)	186.05	169.54	186.83	169.24
Profit /loss for the year (1)	538.53	562.68	528.87	561.13
Total Comprehensive Income/loss (2)	(2.99)	0.85	(2.99)	0.85
Total (1+2)	535.54	563.53	525.88	561.98
Balance of profit /loss for earlier years	2458.81	1895.28	2450.46	1888.48
Less: Transfer to Debenture Redemption Reserve	0	0	0	0
Less: Transfer to Reserves	0	0	0	0
Less: Dividend paid on Equity Shares	0	0	0	0
Less: Dividend paid on Preference Shares	0	0	0	0
Less: Dividend Distribution Tax	0	0	0	0
Balance carried forward	2994.35	2458.81	2976.34	2450.46

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

Revenues – Standalone

During the year under review, the Company has recorded an income of Rs. 6,816.93 Mn and net profit of Rs. 538.53 Mn as compared to sales and other income of Rs. 5,863.96 Mn and net profit of Rs. 562.68 Mn achieved in the previous financial year.

Revenues – Consolidated

During the year under review, the Company has recorded an income of Rs. 6,811.45 Mn and net profit of Rs 528.87 Mn as compared to sales and other income of Rs. 5,865.59 Mn and net profit of Rs 561.13 Mn achieved in the previous financial year.

Business update and state of company's affairs

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

Change in the nature of the business, if any

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

3. RESERVES:

The Closing balance of reserves, including retained earnings, of the Company as at March 31, 2025 is Rs. 6,999.60 Mn.

4. DIVIDEND:

The Company has decided not to pay any dividend for the financial year 2024-25 keeping in mind its capex, growth plans and working capital requirements.

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

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

There have been no material changes and commitments affecting the financial position of the Company which have occurred from the end of Financial Year 2024-25 till the date of this Annual Report except that the proposal of merger of M/s. Gee Pee Aerospace and Defence Private Limited ("Transferor Company-1") and M/s. Magnatar Aerosystems Private Limited ("Transferor Company-2"), the wholly-owned subsidiary(ies) of the Company with the Holding Company/ Company i.e. MTAR Technologies Limited ("Transferee Company"), has been approved by the Board of Directors of respective companies on 22nd May, 2025. Developments in this regard will be informed to the stakeholders accordingly.

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

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

7. BOARD MEETINGS:

The Board of Directors duly met four (4) times during the financial year 2024-25 on 28th May 2024, 13th August 2024, 29th October 2024 and 10th February 2025. The intervening gap between the meetings did not exceed 120 days, as prescribed under the Act and Listing Regulations. All the meetings were conducted through Physical mode and option of attending the meeting through audiovisual means was also given to those directors who could not attend the meeting physically.

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

8. INDEPENDENT DIRECTORS' MEETING:

The Independent Directors met on 10th February 2025, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole along with the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the management and your Board that is necessary for your Board to effectively and reasonably perform their duties. The performance of the aforementioned assesses was found satisfactory.

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

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

a) Appointments:

Following appointments and/or re-appointments have taken place during the year:

- Mr. Arun Kumar Ojha was appointed as Chief Commercial Officer (CCO) of the Company w.e.f. 27.04.2024.

- Ms. Naina Singh was appointed as the Company Secretary, Compliance Officer and the Nodal Officer of the Company w.e.f. 01.06.2024.

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

- Mr. G.V. Satish Kumar Reddy was re-appointed owing to retirement by rotation in the previous Annual General meeting which was held during the year under the review.

- Mr. Rohit Loka Reddy was appointed as an Additional Director (Non-Executive Category) of the Company w.e.f. 10.02.2025 who was regularized and appointed as a Non-Executive Director of the Company w.e.f. 10.02.2025 by way of a resolution passed through postal ballot.

b) Resignations:

The following Resignations have taken place during the year:

• Mr. Shubham Sunil Bagadia had resigned as the Company Secretary, Compliance Officer and the Nodal Officer of the Company w.e.f. 31.05.2024.

• Mr. Pusparaj Satpathy had resigned as the Senior Vice President – Human Resource w.e.f. 16.12.2024.

• Mr. G.V. Satish Kumar Reddy had resigned from the Company w.e.f. 13.12.2024 as Non-Executive Director of the Company.

The Board places on record it's sincere appreciation for the invaluable contribution made by the above officer(s) during their tenure.

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

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

10. REVISION OF FINANCIAL STATEMENTS:

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

11. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

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

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

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

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

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

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

12. AUDIT COMMITTEE RECOMMENDATIONS:

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

13. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

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

14. BOARD EVALUATION:

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

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held on 10th February 2025. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors, and Independent External Persons. The Board upon discussion noted the suggestions / inputs of the Directors. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

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

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

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

The assessment and appointment of Members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board Member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015.

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

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

16. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

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

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

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

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

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

17. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government.

During the year, no amount of dividend was unpaid or unclaimed for a period of seven years and therefore no amount is required to be transferred to Investor Education and Provident Fund under the Section 125(1) and Section 125(2) of the Act.

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

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

Gee Pee Aerospace and Defence Private Limited, a wholly owned subsidiary of the company incorporated on 20.06.1988 made a revenue of Rs. 32.43 Mn as on 31.03.2025 and net loss after tax of Rs. 8.60 Mn.

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

19. ANNUAL RETURN:

Pursuant to Section 92(3) and 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, the draft Annual Return for Financial Year 2024-25 is available on the website of the Company at the link: https://mtar.in/annual-return/. The Annual General Meeting is proposed to be held on Thursday, 18th September 2025. The Company shall upload a copy of final Annual Return for Financial Year 2024-25 as soon it is filed with Registrar of Companies.

20. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT:

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

21. AUDITORS:

a. Statutory Auditors

M/s. S.R. Batliboi & Associates., (Firm Registration No. 101049W/E300004), who are the statutory auditors of the Company, hold office until the conclusion of 26th Annual General Meeting of the Company to be held in the year FY 2025-26. Pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. S.R. Batliboi & Associates are proposed to be re-appointed as Statutory Auditors of the

Company for a second term of four years to hold office from the conclusion of the 26th AGM till the conclusion of the 30th AGM in Financial Year 2029-30, subject to approval of Members in the ensuing AGM. The necessary resolutions for re-appointment of M/s. S.R. Batliboi & Associates form part of the Notice convening the ensuing AGM scheduled to be held on Thursday, 18th September, 2025. The Company has in its Notice convening AGM sought approval from the Members for passing a resolution vide item No. 4 for the re-appointment of the Statutory Auditors for the second term.

Statutory Auditors Report

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

The Statutory Auditors were present in the last AGM held on 6th September 2024.

Frauds reported by Statutory Auditors

During the Financial Year 2024-25, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

b. Secretarial Auditor

M/s. S.S Reddy & Associates, Practicing Company Secretaries (UID No. S2008AP101300), were appointed as the Secretarial Auditors of the Company for a period of 5 (five) consecutive years, commencing from Financial Years 2025-26 to 2029-30, at the Board meeting held on 22nd May 2025, based on the recommendation of the Audit Committee, subject to the approval of the Members at the ensuing AGM of the Company. They will undertake secretarial audit as required and issue the necessary secretarial audit report for the aforesaid period in accordance with the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amended Regulation 24A of the Listing Regulations.

They have confirmed that their appointment complies with the eligibility criteria in terms of Listing Regulations. The resolution seeking Members' approval for their appointment forms part of the Notice under item no. 9.

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

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks or disclaimers.

Secretarial Audit Report

The Board has duly reviewed the Secretarial Audit Report for the year ended 31st March 2025 on the Compliances according to the provisions of Section 204 of the Companies Act, 2013 and has noted that during the year, the company does not have any reservation, qualification or adverse remarks.

Annual Secretarial Compliance Report

The Company has filed the Annual Secretarial Compliance Report for the Financial year 2024-25 with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, the report was received from a Practicing Company Secretary and filed within the stipulated time as specified under Regulation 24A of the SEBI (LODR) Regulations.

c. Cost Auditor

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

On the recommendation of the Audit Committee, the Board of directors appointed M/s Sagar & Associates., Cost Accountants (Registration No. 000118) as Cost Auditors of the Company for financial year ending 31st March 2025. The relevant cost audit reports for FY 2023-24 were filed within the stipulated time.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee in their respective meetings held on 22nd May 2025, in terms of the Companies Act, 2013 and Rules thereunder, and the requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in item no. 8 of the Notice of 26th Annual General Meeting of your Company.

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

d. Internal Auditor

The Company had appointed M/s. Seshachalam & Co., Chartered Accountants as Internal Auditors of the Company for the Financial Year 2024-25.

22. INTERNAL AUDIT AND FINANCIAL CONTROLS

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

The company has appointed M/s. Pundarikashyam and Associates, Chartered Accountants to review the effectiveness of the Internal Financial Controls over Financial Reporting (ICoFR) of the company for FY 2024-25 and there are no major observations reported in their report.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given loans or made any investments (except for parking excess funds in FDs with Scheduled banks, as and when required and provided guarantee to its Wholly Owned Subsidiary Company) during the year under review attracting the provisions under section 186 of the Companies Act, 2013.

24.PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

All related party transactions that were entered into during the financial year 2024-25 were on arm's length basis and were in the ordinary course of business. There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

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

All related party transactions were placed before the Audit Committee/Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature. Members may refer to note no.36 to the financial statement which sets out related party disclosures pursuant to IND AS-24.

25. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of your Company for the year ended 31st March 2025 have been prepared in accordance with the provisions of Section 129(3) of the Companies Act and applicable Accounting Standards and form part of this report.

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

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

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

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

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

A. Conservation of Energy:

During the Financial Year 2024-25, your Company strived to imbibe energy conservation principles and initiatives across all its facilities. The Company has produced in aggregate 1,433,650 kWh units with the help of solar panels.

The other key initiatives across multiple areas are highlighted below –

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

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

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

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

B. Research & Development and Technology Absorption:

1. **Research and Development (R&D)**: During the year the Company developed Bellows which is part of SOFC power

unit manufactured by the Company instead of procurement from overseas.

2. **Technology absorption, adoption and innovation**: NIL

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings: INR 4717.34 Mn
Foreign Exchange Outgo: INR 2202.70 Mn

28. COMMITTEES:

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

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

Other than above committees, the Company has two other internal non-statutory committees namely, Management and Technology Committee.

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

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

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

29. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has formulated a Vigil Mechanism / Whistle Blower Policy pursuant to Regulation 22 of the Listing Regulations and Section 177(10) of the Act, enabling stakeholders to report any concern of unethical behavior, suspected fraud or violation.

The said policy inter-alia provides safeguard against victimization of the Whistle Blower. Stakeholders including directors and employees have access to the Managing Director and Chairperson of the Audit Committee.

During the year under review, no stakeholder was denied access to the Chairperson of the Audit Committee.

The policy is available on the website of the Company at https://mtar.in/policies-related-documents/.

30. CORPORATE SOCIAL RESPONSIBILITY POLICY AND ITS REPORT:

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

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended ("CSR Rules") and in accordance with the CSR Policy, during the financial year 2024-25, your Company has spent Rs. 2,00,00,000/- while the total obligation was Rs. 1,97,56,000/- (representing 2 % of the average net profit for the past the three financial years, being FY 2021-22, FY 2022-23 and FY 2023-24). The Company has spent an amount of Rs. 2,44,000/- in excess of the obligation of Rs. 1,97,56,000/- for the financial year 2024-25 which would be available to be set off in the subsequent three Financial Years.

Corporate Social Responsibility continues to be the core value of your Company embedded in the core value of caring, which focuses on 'serving and improving the communities in which we live.' The major areas of activities undertaken by the Company are Education, employment enhancing vocational skills, Art & Culture, Health Care Centers and voluntary support.

31. PUBLIC DEPOSITS:

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

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

Since the Company has not accepted any deposits during the Financial Year ended 31st March 2025, there has been no non-compliance with the requirements of the Act.

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

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

The Company declares that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post-maternity support such as nursing breaks and flexible return-to-work options, as applicable. The Company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

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

There are no significant and material orders passed by the regulators /courts that would impact the going concern status of the Company and its future operations.

34. DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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

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

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

35. INSURANCE:

The properties and assets of your Company are adequately insured.

36. CREDIT & GUARANTEE FACILITIES:

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

37. RISK MANAGEMENT POLICY:

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks and also to identify business opportunities. As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the senior management periodically.

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

38. SHARE CAPITAL:

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

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

39. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

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

40. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

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

41. POLICIES:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies.

All the policies are available on our website https://mtar.in/policies-related-documents/.

42. ENVIRONMENTS AND HUMAN RESOURCE DEVELOPMENT:

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

43. COMPLIANCE WITH SECRETARIAL STANDARDS:

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

44. STATUTORY COMPLIANCE:

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

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

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

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

Constitution of Committee:

Name	Designation
J. Srilekha	Presiding Officer
Naina Singh	Member
Ajayinder Talari	Member
Dr. Mahtab Bamji	External Member

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

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

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

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

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

47. RATIO OF REMUNERATION TO EACH DIRECTOR:

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

Director	Total Remuneration (Mn.)	Ratio to Median Remuneration
P. Srinivas Reddy	40.02	1:69
A. Praveen Kumar Reddy	12.77	1:22
Anushman Reddy	18.97	1:32

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

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading ("Insider Trading Code") and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("UPSI"). The Code of Practices and Procedures for fair disclosure of UPSI is available on the website of the Company at https://mtar.in/policies-related-documents/.

49. DECLARATION FROM DIRECTORS:

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

All members of the Board and Senior Management have affirmed compliance with the Code of Conduct for Board and Senior Management for the financial year 2024-25. The Company had sought the following certificates from an independent and reputed Practicing Company Secretaries Firm confirming that:

a. none of the Director on the Board of the Company has been debarred or disqualified from being appointed and/or continuing as Directors by the SEBI/MCA or any other such statutory authority.

b. independence of the Directors of the Company in terms of the provisions of the Act, read with Schedule IV and Rules issued thereunder and the Listing Regulations.

50. EVENT BASED DISCLOSURES:

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

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

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

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

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

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

53. MD & CFO CERTIFICATION:

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

54. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors other than sitting fee, and reimbursement of expenses.

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

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

56. FAILURE TO IMPLEMENT CORPORATE ACTIONS:

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

57. CREDIT RATING:

The ICRA has reaffirmed the credit rating and has awarded A (Stable) for long term rating and A1 credit rating for short term fund based for the bank credit facilities obtained by the Company. ICRA (A) Credit Rating implies that the Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk. The rating reflects ICRA's expectations that the company's operational and financial profile will continue to improve backed by its expanding order book position and scale, and it will maintain healthy profit margins as it is the key supplier for many of the products manufactured by it.

58.AGREEMENTS/MOU ENTERED BY THE COMPANY:

During the period under review, the Company has not entered into any MOU. However, the Company has entered into an agreement with Israel Aerospace Industries Ltd., Thales Global Services SAS and GKN Westland Aerospace Inc.

59. ACKNOWLEDGEMENTS:

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

For and on behalf of the Board of
MTAR Technologies Limited

Sd/-	**Sd/**
Subbu Venkata Rama Behara	**P. Srinivas Reddy**
Chairman	**Managing Director**
(DIN: 00289721)	**(DIN: 00359139)**

Place: Hyderabad
Date: 05.08.2025

ANNEXURE 1

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1	Corporate Identity Number (CIN) of the Company	L72200TG1999PLC032836	
2	Name of the Company	MTAR TECHNOLOGIES LIMITED	
3	Year of Incorporation	01-01-1999	
4	Registered Office Address	18, Technocrats Industrial Estate, Balanagar , Hyderabad, Telangana-500037	
5	Corporate Office Address	18, Technocrats Industrial Estate, Balanagar , Hyderabad, Telangana-500037	
6	E-Mail	info@mtar.in	
7	Telephone	040-44553333	
8	Website	https://mtar.in/	
9	Financial Year for which Reporting is being done		
		Start date	End date
	Current Financial Year	01-04-2024	31-03-2025
	Previous Financial Year	01-04-2023	31-03-2024
	Prior to Previous Financial year	01-04-2022	31-03-2023
10	Name of the Stock Exchange(s) where shares are listed	a. National Stock Exchange of India Limited (NSE) b. BSE Limited (BSE)	
11	Paid-up Capital	Rs. 30,75,95,910	
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Naina Singh Contact No: 040-44553333/23078312 email address: naina.singh@mtar.in	
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis	
14	Whether the company has undertaken reasonable assurance of the BRSR Core?	No	
15	Name of assurance provider	NA	
16	Type of assurance obtained	NA	

II. PRODUCTS/SERVICES

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and precision Engineering	The Company offers products and customized precision engineering solutions and caters to customers in strategic sectors including Civil Nuclear Power, Space & Defence and Clean energy. The company is a one stop solution for all manufacturing processes such as advanced machining, specialized fabrication, assembly and testing, surface treatment and special processes.	100

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture and Machining of high precision for aerospace, aircraft, spacecraft components.	30305	35.6%
2	Manufacture of generators/generating sets for clean energy using hydrogen fuel cell technology	31101	64.4%

III. OPERATIONS

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

Location	Number of Plants	Number of offices	Total
National	8	1	9
International	0	0	0

20. Markets served by the entity:

a. Number of Locations

Locations	Number
National (No. of States)	14
International (No. of Countries)	6

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

79%

c. A brief on types of customers

The Company's business is manufacturing of mission critical precision components for aerospace, space, defence, clean energy and civil nuclear sectors. Some of its major clients include Indian Civilian Nuclear Power Program, Indian Space Program, Indian and Global Defence industry as well as Global Clean Energy sectors.

IV. EMPLOYEES

21. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
			EMPLOYEES			
1	Permanent (D)	698	668	95.70%	30	4.30%
2	Other than Permanent (E)	40	39	97.50%	1	2.50%
3	**Total employees (D + E)**	**738**	**707**	**95.80%**	**31**	**4.20%**
			WORKERS			
4	Permanent (F)	482	482	100.00%	0	0.00%
5	Other than Permanent (G)	898	869	96.77%	29	3.23%
6	**Total employees (F+G)**	**1380**	**1351**	**97.90%**	**29**	**2.10%**

b. Differently abled Employees and Workers:

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

22. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	%(B/A)
Board of Directors	9	1	11.11%
Key Management Personnel	3	1	33.33%

23. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	23.50%	1.80%	25.35%	4.70%	0.90%	5.60%	8.00%	0.60%	8.60%
Permanent Workers	0.00%	0.00%	0.00%	0.85%	0.00%	0.85%	0.00%	0.00%	0.00%

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

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

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

VI. CSR DETAILS

22. CSR Details

Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
Turnover (in Rs.)	6,75,95,67,788.00
Net worth (in Rs.)	7,30,72,60,337.00

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism Place (Yes/No). (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			PY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://mtar.in/policies-related-documents/	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)		Nil	Nil	Nil	Nil	Nil	Nil
Shareholders		Nil	Nil	Nil	Nil	Nil	Nil
Employees and workers		Nil	Nil	Nil	Nil	Nil	Nil

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism Place (Yes/No). (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			PY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	https://mtar.in/policies-related-documents/	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Waste Management	R&O	Inefficient waste management may lead to environmental pollution and regulatory penalties, whereas effective waste segregation and recycling improve sustainability and reduce costs.	Implementation of a structured waste management system, regular audits, vendor tie-ups for hazardous and non-hazardous waste disposal, and training programs. Reduces waste disposal cost and improves compliance score.	**Positive Implication**
2	Water Management	R	Water scarcity can impact operations, particularly in manufacturing units with high water consumption.	Adoption of rainwater harvesting, installation of water recycling plants, and regular monitoring of water usage. Long-term savings on water bills and ensures business continuity.	**Positive Implication**
3	Occupational Health and Safety	R	Unsafe workplace conditions can lead to injuries, legal actions, downtime, and reputational damage.	Implementation of a robust EHS management system, periodic safety audits, training, and emergency preparedness. Fewer incidents lead to higher productivity and reduced insurance premiums.	**Positive Implication**

	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4	**Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	The company has qualified for various management and quality standards such as •AS9100D •ISO 9001:2015 •ISO 45001:2018 •ISO/IEC 27001 : 2022 •ISO 14001:2015 •NADCAP								
5	**Specific commitments, goals and targets set by the entity with defined timelines, if any**	The Company has established internal objectives across all departments to lower energy consumption, optimize raw material usage, ensure zero workplace incidents, and foster diversity and inclusion. Additionally, it aims to expand community engagement initiatives and integrate ESG (Environmental, Social, and Governance) principles into all areas of its operations.								
6	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	To achieve its sustainability goals, the Company has implemented solar power systems to cut down on energy usage. Efforts are consistently made to minimize raw material consumption, offering both economic and technical benefits. The Company upholds equal opportunity principles by promoting an inclusive workplace free from discrimination based on gender, religion, caste, region, or sexual orientation. Steps have been taken to build a diverse and cosmopolitan workforce, resulting in a higher number of female employees. Continuous monitoring is conducted to track progress toward ESG objectives.								
Governance, leadership and oversight										
7	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements** Please refer "Message from Managing Director"									
8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Mr. Pusparaj Satpathy/040-44553333/23078312 (till 16.12.2024) Mr. P. Srinivas Reddy/040-44553333/23078312 (From 17.12.2024)								
9	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	Yes. The Company's BR policies are implemented by the Managing Director of the Company. The CSR Committee and the Risk Management Committee evaluate sustainability related issues, from time to time.								

10. Details of Review of NGRBCs by the Company:

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

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	No. In the coming quarters the Company will approach for the independent assessment by external agency.																	

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No. In the coming quarters the Company will approach for the independent assessment by external agency. However, for FY 2022-23, the Company was assessed by Dun & Bradstreet.																	

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

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators maybe voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

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

ESSENTIAL INDICATORS

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

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	% age of persons in respective category covered by the awareness
Board of Directors	1	Code of Conduct, Whistle-blower Policy of the Company, Human Rights Policies of the Company, Safety and sustainability training	100 %
Key Managerial Personnel	2	Code of Conduct, Whistle-blower Policy of the Company, Human Rights Policies of the Company, Safety and sustainability training	100 %
Employees other than BoD and KMPs	4	Code of Conduct, Whistle-blower Policy of the Company, Human Rights Policies of the Company, Safety and sustainability training	75%
Workers	4	Code of Conduct, Whistle-blower Policy of the Company, Human Rights Policies of the Company, Safety and sustainability training	75 %

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

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

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

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

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

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

No. Although MTAR does not have a detailed anti-corruption or anti-bribery policy, the code of conduct and ethics policy compels the employees to be ethical transparent and accountable, the whistle-blower policy enables the employees and external Stakeholders to eliminate malpractices such as bribery and Corruption these policies are applicable to all Directors, KMPs, employees, workers.

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

	FY 2024-25	PY 2023- 24
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY 2024-25		PY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

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

Not Applicable

8. Number of days of accounts payables

	FY 2024-25	PY 2023- 24
i) Accounts payable x 365 days	3,83,76,55,33,665.00	2,56,07,67,00,000.00
ii) Cost of goods/services procured	3,39,95,43,986.00	2,61,86,20,000.00
iii) Number of days of accounts payables	113	98

9. Openness of business - Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY 2024-25	PY 2023- 24
Concentration of Purchases	a. i) Purchases from trading houses	0.00	2,61,86,20,000.00
	ii) Total purchases	0.00	2,61,86,20,000.00
	iii) Purchases from trading houses as % of total purchases	0.00%	100.00%
	b. Number of trading houses where purchases are made	0	0
	c. i) Purchases from top 10 trading houses	0.00	0.00
	ii) Total purchases from trading houses	0.00	0.00
	iii) Purchases from top 10 trading houses as % of total purchases from trading houses	0.00%	0.00%

Parameter	Metrics	FY 2024-25	PY 2023- 24
Concentration of Sales	a. i) Sales to dealer / distributors	0.00	0.00
	ii) Total Sales	0.00	0.00
	iii) Sales to dealer / distributors as % of total sales	0.00%	0.00%
	b. Number of dealers / distributors to whom sales are made	0	0
	c. i) Sales to top 10 dealers / distributors	0.00	0.00
	ii) Total Sales to dealer / distributors	0.00	0.00
	iii) Sales to top 10 dealers / distributors as % of total sales to dealer / distributors	0.00%	0.00%
Share of RPTs in	a. i) Purchases (Purchases with related parties)	3,20,40,000.00	0.00
	ii) Total Purchases	3,39,95,43,986.00	2,61,86,20,000.00
	iii) Purchases (Purchases with related parties as % of Total Purchases)	0.94%	0.00%
	b. i) . Sales (Sales to related parties)	0.00	0.00
	ii) Total Sales	6,75,95,67,788.00	5,80,03,24,678.00
	iii) Sales (Sales to related parties as % of Total Sales)	0.00%	0.00%
	c. i) Loans & advances given to related parties	0.00	1,95,00,000.00
	ii) Total loans & advances	16,50,90,000.00	8,92,10,000.00
	iii) Loans & advances given to related parties as % of Total loans & advances	0.00	21.86%
	d. i) Investments in related parties	0.00	0.00
	ii) Total Investments made	0.00	0.00
	iii) Investments in related parties as % of Total Investments made	0.00%	0.00%

LEADERSHIP INDICATORS

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

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
3	1.Compliance & Ethics 2.Human rights 3.Safety & Sustainability	75%

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

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

PRINCIPLE 2

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

ESSENTIAL INDICATORS

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

	FY 2024-25	PY 2023- 24	Details of improvements in environmental and social impacts
R&D	NIL	NIL	-
Capex	NIL	NIL	The investment has been towards various sustainability projects such as installation of solar plant , occupational health & safety improvement programmes, in-house machine manufacturing to reduce import of machinery, in-house development of erstwhile imported components for import substitution etc

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

Yes

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

95%

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

(a) Plastics (including packaging): Plastic packaging materials are segregated at source and collected separately. Reusable packaging is retained for internal use, and the remaining plastic waste is sent to authorized recyclers as per local pollution control board guidelines. Efforts are also made to minimize single-use plastics in packaging by shifting to biodegradable or recyclable alternatives.

(b) E-waste: Obsolete electronic items and equipment are identified and handed over to certified E-waste recyclers authorized by the government. An inventory of E-waste is maintained, and disposal is carried out as per E-Waste Management Rules, ensuring no environmental harm during handling or recycling.

(c) Hazardous waste: Hazardous waste, including used oils, paints, chemicals, and contaminated materials, is stored in labeled, secure containers in designated hazardous waste storage areas. It is disposed of only through Pollution Control Board (PCB)-authorized vendors as per the Hazardous and Other Wastes (Management and Transboundary Movement) Rules. Manifest tracking is used to ensure safe transportation and disposal.

(d) other waste: Other non-hazardous industrial waste such as metal scrap, wood, glass, and packaging material is segregated at source. Metal scrap is sent to authorized recyclers. Wood is reused for internal packaging or disposed through vendors for secondary use. All disposal activities follow environmental compliance protocols and internal waste management policies.

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

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

LEADERSHIP INDICATORS

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

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

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

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

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	PY 2023-24
Company's manufacturing processes generates some amount of metal scrap for which engineering measures are taken on a continual basis to minimize waste generation. The scrap is disposed to agencies who subsequently recycle the same for further use as may be applicable.		

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

	FY 2024-25			PY 2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable as the organization's business is B2B in nature and the products fall under capital goods category with long lifecycle, the company has no specific consumer product aside from aerospace and defence products, there is no product reclamation at the end of the product life. However, shipping containers are reused and waste material generated at the plant and project sites are reused, recycled and disposed as per the applicable regulatory requirements.					
E waste						
Hazardous waste						
Other waste						

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

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

PRINCIPLE 3

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

ESSENTIAL INDICATORS

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

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternal benefits		Day Care Facilities	
		Number (B)	% B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	668	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	30	0	0.00%	0	0.00%	2	6.67%	0	0.00%	0	0.00%
Total	698	0	0.00%	0	0.00%	2	0.29%	0	0.00%	0	0.00%

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternal benefits		Day Care Facilities	
		Number (B)	% B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than Permanent employees											
Male	39	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	1	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	40	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

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

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternal benefits		Day Care Facilities	
		Number (B)	% B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	482	482	100%	482	100%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	482	482	100%	482	100%	0	0.00%	0	0.00%	0	0.00%
Other than Permanent workers											
Male	869	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	29	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	898	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

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

	FY 2024-25	PY 2023-24
i) Cost incurred on wellbeing measures (well-being measures means well-being of employees and workers (including male, female, permanent and other than permanent employees and workers)	2,89,44,559.00	2,68,58,347.00
ii) Total revenue of the company	6,75,95,67,788.00	5,80,03,24,678.00
iii) Cost incurred on wellbeing measures as a % of total revenue of the company	0.43%	0.46%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2024-25			PY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	100.00%	100.00%	Yes	100.00%	100.00%	Yes
Gratuity	100.00%	100.00%	Yes	100.00%	100.00%	Yes
ESI	18.00%	35.00%	Yes	21.00%	33.00%	Yes
Others please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Yes, most of the Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers. Such arrangements include easily accessible offices, entrances, doors and availability of ramps and elevators etc.

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

The code of conduct provides guidelines for ensuring fairness and acting against discrimination on the basis of disability, race, gender, religion, region, age, or any other factors. The same can be accessed at https://mtar.in/policies-related-documents/.

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

Gender	Permanent employees		Non-Permanent employees	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	0	0	0	0
Female	0	0	0	0
Total	0%	0%	0%	0%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Grievance redressal mechanism is available to all employees as well as stakeholders with procedure for raising of grievances /complaints as well as their escalation and redressal. The same is detailed in the Code of Conduct of the Company.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			PY 2023-24		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B /A)	Total employees / workers in respective category (C)	No. of employees /workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	**698**	**0**	**0%**	**613**	0	**0%**
Male	668	0	0%	590	0	0%
Female	30	0	0%	23	0	0%
Total Permanent Workers	**482**	**482**	**100%**	**498**	**498**	**100%**
Male	482	482	100%	498	498	100%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2024-25					PY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	707	600	84.87%	540	76.38%	644	509	79.04%	475	73.76%
Female	31	29	93.55%	25	80.65%	27	23	85.19%	21	77.78%
Total	**738**	**629**	**85.23%**	**565**	**76.56%**	**671**	**23**	**79.28%**	**496**	**73.92%**
Workers										
Male	1351	1190	88.08%	1050	77.72%	1120	982	87.68%	735	65.63%
Female	29	26	89.66%	25	86.21%	0	0	0.00%	0	0.00%
Total	**1380**	**1216**	**88.12%**	**1075**	**77.90%**	**1120**	**982**	**87.68%**	**735**	**65.63%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25			PY 2023-24		
	Total (A)	No. (B)	% (B /A)	Total (D)	No. (E)	% (E/D)
Employees						
Male	707	551	77.93%	644	481	74.69%
Female	31	24	77.42%	27	14	51.85%
Total	738	575	77.91%	671	495	73.77%
Workers						
Male	1351	1351	100.00%	1120	1120	100.00%
Female	29	29	100.00%	0	0	0.00%
Total	**1380**	**1380**	**100.00%**	**1120**	**1120**	**100.00%**

10. Health and safety management system:

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

Yes, occupational health and safety management system has been implemented and the company is certified for ISO 45001:2018

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

The Company has risk management process in place which has five steps-Identification, Assessment, Mitigation, Monitoring and Reporting All the stakeholders involved participate in the risk assessment, after the analysis plans are drawn, documented and implemented along the timelines.

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

Yes, the Company has processes for workers to report work related hazards for mitigating such risks

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

Yes, The Workers of the company have access to non-occupational medical and healthcare services and are also covered under Group Medical as well as Accident Insurance Policies by the Company.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25	PY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.00
	Workers	4.54	0.37
Total recordable work related injuries	Employees	0	0
	Workers	2	1
No. of fatalities	Employees	0	0
	Workers	1	1

High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Management is strongly committed towards EHS by having risk management process in place to identify hazards and act towards minimising risk. The risk management process has five steps-Identification, Assessment, Mitigation, Monitoring and Reporting. All the stakeholders involved participate in the risk assessment as well as implementation of mitigation measures.

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

	FY 2024-25			PY 2023-24		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Working Conditions	Nil					
Health & Safety	Nil					

14. Assessments for the year:

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

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

All the safety related incidents are investigated properly as per the defined process. Appropriate corrective as well as preventive actions in line with our EHS standards are designed and implemented after Root Cause analysis is done.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Employees	No
Workers	Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that all relevant clauses relating to statutory compliance are met. These are a standard feature in our contracts / orders and bills are processed subject to compliance requirements being met.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable	
	FY 2024-25	PY 2023-24	FY 2024-25	PY 2023-24
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Company provides transition assistance programmes to facilitate continued employability and the management of careers till retirement.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	0.00%
Working Conditions	0.00%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

All safety related incidents are thoroughly investigated following the defined internal procedures. Based on the findings, suitable corrective and preventive action plans are developed and implemented to mitigate risks and enhance workplace safety.

Health & Safety

Adequate placement of first aid kits, fire prevention systems, firefighting equipment, and engineering controls are ensured to uphold a safe and healthy work environment.

Personal Protective Equipment (PPE) is issued to all employees. Regular training and awareness programs are conducted to ensure proper usage and adherence to safety standards.

Working Conditions

All employees are compensated in accordance with statutory minimum wage requirements.

Eligible employees are provided with statutory social security and welfare benefits, including Provident Fund (PF), Employees' State Insurance (ESI), Gratuity, and Bonus.

PRINCIPLE 4

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

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

The entity identifies stakeholders as individuals or groups who influence or contribute to the company's operations, value creation, and compliance, either directly or indirectly. These include regulators, customers, suppliers, employees, local communities, and ESG-related bodies.

To ensure effective stakeholder engagement, the company conducts thorough assessments and regularly interacts with stakeholders through one-on-one discussions. This helps in understanding their expectations, mitigating potential risks, building credibility, and fostering trust.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Notice Board	Regularly	Engagement through CEO/MD messages, communication from unit heads, training programs, and employee-focused initiatives.
Community	No	Community Meetings	Need based	Regular support for community development in education, healthcare, and sanitation through partnerships (e.g., St. Jude India, Sri Satya Sai Trust, Parampara Foundation). Activities include providing sanitary products, skill training for college apprentices, and relationship-building programs.
Suppliers	No	E-mail	Regularly	Engagement through grievance handling, supply chain queries, and review meetings with the SCM Head.
Investors or external channels	No	Newspaper	Regularly	Engagement through MIS before listing, email updates, analyst interactions, press releases, annual reports, and official presentations.
Shareholders	No	E-mail	Quarterly	Sharing statutory updates and performance reviews of the company.

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

Category	FY (2024-25)			PY (2023-24)		
	Total (A)	No. of employees /workers covered (B)	% (B /A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
Employees						
Permanent	698	590	84.53%	613	495	80.75%
Other than permanent	40	35	87.50%	58	49	84.48%
Total Employees	**738**	**625**	**84.69%**	**671**	**544**	**81.07%**
Workers						
Permanent	482	420	87.14%	498	425	85.34%
Other than permanent	898	795	88.53%	622	501	80.55%
Total Workers	**1380**	**1215**	**88.04%**	**1120**	**926**	**82.68%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY (2024-25)					PY (2023-24)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**698**	**0**	**0.00%**	**698**	**100.00%**	**613**	**0**	**0.00%**	**613**	**100.00%**
Male	668	0	0.00%	668	100.00%	590	0	0.00%	590	100.00%
Female	30	0	0.00%	30	100.00%	23	0	0.00%	23	100.00%
Other than Permanent	**40**	**0**	**0.00%**	**40**	**100.00%**	**58**	**0**	**0.00%**	**62**	**106.90%**
Male	39	0	0.00%	39	100.00%	54	0	0.00%	58	107.41%
Female	1	0	0.00%	1	100.00%	4	0	0.00%	4	100.00%
Workers										
Permanent	**482**	**0**	**0.00%**	**482**	**100.00%**	**498**	**0**	**0.00%**	**498**	**100.00%**
Male	482	0	0.00%	482	100.00%	498	0	0.00%	498	100.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than Permanent	**898**	**0**	**0.00%**	**898**	**100.00%**	**622**	**0**	**0.00%**	**432**	**69.45%**
Male	869	0	0.00%	869	100.00%	622	0	0.00%	432	69.45%
Female	29	0	0.00%	29	100.00%	0	0	0.00%	0	0.00%

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	**Median remuneration/ salary/ wages of respective category**	**Number**	**Median remuneration/ salary/ wages of respective category**
Board of Directors (BoD)	8#	20,87,052@	1*	19,87,052
Key Managerial Personnel	1##	2,07,73,634	1	8,21,467
Employees other than BoD and KMP	708	3,96,890	31	2,61,785
Permanent Workers	1350	1,66,679	29	71,058

b. Gross wages paid to females:

	FY (2024-25)		PY (2023-24)	
Gross wages paid to females	1,50,69,517	1,20,84,652	1,50,69,517	1,20,84,652
Total wages	92,60,46,310	78,42,63,624	92,60,46,310	78,42,63,624
Gross wages paid to females (Gross wages paid to females as % of total wages)	1.63%	1.54%	1.63%	1.54%

Includes Managing Director, Executive directors and Independent directors
@excluding the directors who were on the Board for part of the year were not considered for median calculation.
Includes Chief Financial Officer and Company Secretary
* Only one Female Director- Total remuneration paid is considered

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

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

The Managing Director of the Company addresses all human rights impacts of the business. All grievances received are recorded, duly analysed, investigated and suitable actions as appropriate are taken to resolve them.

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

	FY (2024-25)			PY (2023-24)		
	Filed during the year	**Pending resolution at the end of the year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of the year**	**Remarks**
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/ Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

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

	FY (2024-25)	PY (2023-24)
i) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
ii) Female employees / workers	Nil	Nil
iii) Complaints on POSH as a % of female employees / workers	Nil	Nil
iv) Complaints on POSH upheld	Nil	Nil

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

The Company has policies in place such as Prevention of Sexual Harassment Policy, Code of Conduct which require employees to behave responsibly in their action and conduct. The Whistle Blower policy allows the employees to report incidents which are unethical or discriminatory. The Company also has an Internal Complaints Committee for the protection of women at workplace.

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

Yes, adherence to required compliance including child labour, forced labour and human rights form a part of the Company's business agreements and contracts.

10. Assessments of the year 100 %.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100 %
Forced/involuntary labour	100 %
Sexual harassment	100 %
Discrimination at workplace	100 %
Wages	100 %
Others – please specify	100 %

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risks / concerns.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances /complaints.

No complaints have been received for human rights violation.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The organization adheres to the standards and approaches laid out for the employees, workers and associates, which are extended across the value chain partners representatives. All the concerned entities adhere to the ethical conduct of business.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Most of the Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers. Such arrangements include easily accessible offices, entrances, doors and availability of ramps and elevators etc.

4. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0.00%
Forced/involuntary labour	0.00%
Sexual harassment	0.00%
Discrimination at workplace	0.00%
Wages	0.00%
Others – please specify	0.00%

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above

Not Applicable

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Whether total energy consumption and energy intensity is applicable to the company?
Yes

Revenue from operations (in Rs.)	FY (2024-25)	PY (2023-24)
	6,75,95,67,788	5,80,03,24,678

Parameter	FY (2024-25)	PY (2023-24)
From renewable sources [In Gigajoule (GJ)]		
Total electricity consumption (A)	46,17,626	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	46,17,626	0

From non-renewable sources [In Gigajoule (GJ)]		
Total electricity consumption (D)	55,428.54	4,69,14.38
Total fuel consumption (E)	3,737.20	4,569.26
Energy consumption through other sources (F)	0.00	0.00
Total energy consumed from non-renewable sources (D+E+F)	59165.74	51,483.64
Total energy consumed (A+B+C+D+E+F)	4676791.74	51,483.64
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0006918773	0.000008876
"Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)"	0.001384	0.00001
Energy intensity in terms of physical Output	0.001384	0.00001
Energy intensity (optional) – the relevant metric may be selected by the entity	0.00	0.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **(No)**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY (2024-25)	PY (2023-24)
Water withdrawal by source (in kilolitres)		
(I) Surface water	12,831.00	13,852
(ii) Groundwater	52,000.00	47,906
(iii) Third party water	0.00	0
(iv) Seawater / desalinated water	0.00	0
(v) Others	0.00	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**64,831.00**	**61,758.00**
Total volume of water consumption (in kilolitres)	**64,831.00**	**61,758.00**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.000009591	0
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00	0
Water intensity in terms of physical output	0.00	0
Water intensity (optional) – the relevant metric may be selected by the entity	0.00	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **(No)**

4. Provide the following details related to water discharged:

Parameter	FY 2024-25	PY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	**1,688**	**1,205**
No treatment	1,688	1,205
With treatment – please specify level of treatment	0	0
(v) Others	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**1,688**	**1,205**

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

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

Yes, the company implements water conservation through reduce, reuse, recharge and recycle approach, enabling the Company to implement ZLD at its locations.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Whether air emissions (other than GHG emissions) by the entity is applicable to the company?

Yes

Parameter	Please specify unit	FY (2024-25)	PY (2023-24)
NOx	ug/m3	52.00	40.00
SOx	ug/m3	49.00	36.00
Particulate matter (PM)	ug/m3	52.00	22.00
Persistent organic pollutants (POP)	ug/m3	0.00	0.00
Volatile organic compounds (VOC)	ug/m3	0.00	0.00
Hazardous air pollutants (HAP)	ug/m3	0.00	0.00
Others-Please specify	ug/m3	-	-

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

Yes. Assessed by Telangana State Pollution Control Board.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Whether greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity is applicable to the company?

Yes

Parameter	Unit	FY (2024-25)	PY (2023-24)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	280.07	304.63
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	12,625.39	10,686.05
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO2e / Rs.	0.0000019092	0.0000018948
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO2e / Rs.	0.0014794431	0.000001895
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO2e	12,905.46	10990.70
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO2e	0.00	0.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **(No)**

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

Some of our products and their development are our major contribution towards clean technology thereby contributing to reduction in global carbon footprint and greenhouse emissions. As part of our green initiative as well as thrust towards renewable energy, we have set up solar rooftop panels across the units for captive power generation and switched over to LED lights.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY (2024-25)	PY (2023-24)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.00	0.00
E-waste (B)	0.00	0.00
Bio-medical waste (C)	0.00	0.00
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	0.00	0.00
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	1,688.00	428.00
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. By materials relevant to the sector)	1,389.00	861.00
Total (A+B + C + D + E + F + G+H)	**3,077.00**	**1,289.00**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000004552	0.0000002222
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0000004552	0.0000002222
Waste intensity in terms of physical output	1.64	11.97
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1,389	861
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**1,389**	**861**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	**-**	**-**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **(No)**

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We dispose most of our waste which comes in the form of metal shavings and machining scrap to vendors who then re-melt the same for re-use, thereby leading to conservation of natural resources. Also, our products are transported in biodegradable plywood cartons that are re-usable.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of Operations/ Offices	Type of Operations	Whether the conditions of environmental approval/ clearance are being complied with? If no, the reasons thereofnd coreective action taken, if any.
Not Applicable			

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
No environmental impact assessments were required based on applicable law.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	All the units under the entity are in compliance with the applicable environmental laws/regulations and guidelines as per the national and state level mandates.			

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information : **NA**
(i) Name of the area
(ii) Nature of operations
(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY (2024-25)	PY (2023-24)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
(ii) Into Groundwater	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
(iii) Into Seawater	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
(v) Others	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **(No)**

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY (2024-25)	PY (2023-24)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	MtCO2e	1,126.11	956.14
Total Scope 3 emissions per rupee of turnover	MtCO2e / Rs.	0.0014794431	0.00000017
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **(No)**

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative Undertaken	Details of the initiative (Web link, if any, may be provided along-with summary)	Outcome of the initiative
Not Applicable			

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has emergency preparedness plans in place to deal with any sort of emergency situations, hazards & risks, including the provision for first aid. Relevant information and Basic training related to emergency preparedness and response is provided to the employees where the duties and responsibilities of various entities are communicated. In case of occurrence of any unfortunate incident in the plant, proper analysis is carried out and appropriate preventive measures are initiated to avoid recurrence in future.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impact reported from any value chain partners.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

As of now, the Company does not have any formal assessment mechanism to monitor the environmental impact of value chain partners' activities. However The code of conduct and ethics policy is applicable to all the business partners which urges one to align their goals with that of the socio-environment regulations.

PRINCIPLE 7

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

4

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

S .No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	National
2	Society of Indian Defence Manufacturer	National
3	The Federation of Telangana Chambers of Commerce and Industry	State
4	Export Promotion Council	National

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

Name of the authority	Brief of the case	Corrective action taken
The company has not engaged in any anti-competitive conduct		

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/Others– please specify)	Web Link, if available
1	Nil	Nil	Nil	Nil	Nil

PRINCIPLE 8

BUSINESS SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

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

Name and brief details of project	S/A Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No)	Relevant web link
None of the projects undertaken by the Company in FY 2024-25 required Social Impact Assessments (SIA).					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA	NA	NA	NA	NA	NA	NA

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

A Grievance redressal policy for the community is in place, including mechanisms and procedure for raising of grievances /complaints as well as their escalation and redressal in line with the Code of Conduct of the Company.

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

	FY (2024-25)	PY (2023-24)
Directly sourced from MSMEs/ small producer	20.55%	Nil
Sourced directly from within the district and neighbouring districts	13.22%	Nil

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

	FY (2024-25)	PY (2023-24)
1. Rural		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii) Total Wage Cost	0.00	0.00
iii) % of Job creation in Rural areas	0.00	0.00
2. Semi-urban		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii) Total Wage Cost	0.00	0.00
iii) % of Job creation in Semi-Urban areas	0.00	0.00
3. Urban		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	1,22,16,60,000.00	95,15,20,000.00
ii) Total Wage Cost	1,22,16,60,000.00	95,1520,000.00
iii) % of Job creation in Urban areas	100.00%	100.00%
4. Metropolitan		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii) Total Wage Cost	0.00	0.00
iii) % of Job creation in Metropolitan area	0.00	0.00

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Date of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Telangana	Hyderabad	2,00,00,000.00

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No. Ours being a highly technical domain dealing with a niche clientele, the suppliers are often limited to those who are qualified by the customer.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

0.00%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	The Company does not derive any benefits from intellectual properties owned or acquired based on traditional knowledge			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

S. No.	Name of authority	Brief of the Case	Corrective action taken
1	Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Ekam Foundation-Education Support Program	116	100%
2	Ekam Foundation-Surgical/ Medical Support	47	100%
3	3.2.1 Education Foundation	800	100%
4	Bright Future	207	100%
5	Agastya Interna-tional Foundation	5436	100%
6	Dangoria Charitable Trust	35	100%
7	Friends of Max	266	100%
8	St. Judes	20	100%
9	Parampara Foundation	2500	100%
10	Rotary Club of Hyderabad Deccan	800	100%
11	Mercy Hospital	2671	100%
12	ABC Society	153	100%
13	Women's International Summit on Entrepreneurship & B2B (WISE) 2025	1800	20.00%
14	Aroh	50	100%
15	MSSO	200	100%

PRINCIPLE 9

BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Consumers/Public are furnished with various choices to interface with the Organization through email, phone, and site. The Company has a committed personnel to respond to their queries and receive feedback in order to improve its services.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable as the Company has a wide range of product across different segments
Safe and responsible usage	
Recycling and/or safe disposal	

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

	FY 2024-25			PY 2023-24		
	Received during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential	Nil	Nil	Nil	Nil	Nil	Nil
services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

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

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

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

Yes, the Company is certified for ISO/IEC 27001 : 2022 for Information Security and has a policy in place to provide the framework for cyber security. https://mtar.in/policies-related-documents/

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

None

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact	0
b. Percentage of data breaches involving personally identifiable information of customers	0%
c. Impact, if any, of the data breaches	Nil

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)

The Company's business offerings can be found on the website- https://mtar.in/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

All Business segments of the Company comply with the regulations and relevant voluntary codes concerning the communications and pitch designed for the consumers. The Company's communications are aimed to enable the customers to make informed purchase decisions.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The company works on make to order system, however the Company has necessary mechanisms in place to inform consumers if any major discontinuation happens.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not applicable, as the Company operates in B2B model.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?

No

ANNEXURE II

FORM MR-3

Secretarial Audit Report

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

To,
The Members
MTAR Technologies Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MTAR Technologies Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the Financial Year commencing from 1st April, 2024 and ended 31st March, 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:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 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 there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2024-25:-

i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
Complied with yearly and event-based disclosures, wherever applicable.

ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018;
The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., https://www.mtar.in/

iii.The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
Not Applicable as the Company has not issued any Capital during the year under review.

iv. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
Not Applicable as the Company has not issued any Employee Stock Options during the year under review.

v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
Not Applicable as the Company has not issued any debt securities during the year under review.

vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has KFin Technologies Limited as its Share Transfer Agent.

vii. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.

viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.

ix. **Other applicable laws include the following**
1. Factories Act, 1948
2. Industrial Disputes Act, 1947
3. The Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. Employees' State Insurance Act, 1948
6. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
7. The Payment of Bonus Act, 1965
8. The Payment of Gratuity Act, 1972
9. The Contract Labour (Regulation & Abolition) Act, 1970
10. The Maternity Benefit Act, 1961
11. The Child Labour (Prohibition & Regulation) Act, 1986
12. The Industrial Employment (Standing Order) Act, 1946
13. The Employees' Compensation Act, 1923
14. The Apprentices Act, 1961
15. Equal Remuneration Act, 1976
16. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959

Environmental Laws

1.Water (Prevention and Control of Pollution) Cess Act, 1977;
2.Air (Prevention and Control of Pollution) Act, 1981;
3.Environment (Protection) Act, 1986;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

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

a) During the year the Company has conducted 4 meetings of the Board of Directors, 4 Meetings of Audit Committee meeting, 4 Meetings Nomination and Remuneration Committee, 2 Meetings of Risk Management Committee, 1 Meetings of Stakeholder Relationship Committee, 2 Meeting of Corporate Social Responsibility Committee and 1 Meeting of Independent Directors.

b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that:

(i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
• External Commercial Borrowings were not attracted to the Company under the financial year under report;

• Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;

• Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

(ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

• Mr. Gunneswara Rao Pusarla is the Chief Financial Officer of the Company.

• Ms. Naina Singh is the Company Secretary and Compliance Officer of the Company.

• The Company has Internal Auditors Namely M/s. Seshachalam & Co., Chartered Accountants, Hyderabad and Cost Auditors Namely M/s Sagar & Associates.

• The website of the Company contains policies as specified by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013.

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

• Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

• As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

• We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. other than those already disclosed to Stock Exchanges i.e., BSE and NSE.

• We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

• The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

For S.S. Reddy & Associates

Sd/-
S. Sarweswara Reddy
Practicing Company Secretary
M. No. F12619, C.P. No: 7478
UDIN: F012619G000934221
Peer Review Cer. No.: 1450/2021

Place: Hyderabad
Date: 05.08.2025

Annexure A

Annexure to the Secretarial Audit Report

To
The Members of
MTAR Technologies Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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

3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

For S.S. Reddy & Associates

Sd/-
S. Sarweswara Reddy
Practicing Company Secretary
M. No. F12611, C.P. No: 7478
UDIN: F012619G000934221
Peer Review Cer. No.: 1450/2021

Place: Hyderabad
Date: 05.08.2025

ANNEXURE III

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis : **Not Applicable as all the Related Party Transactions have been entered into at an arm's length basis.**

(a) Name(s) of the related party and nature of relationship:
(b) Nature of contracts/arrangements/transactions:
(c) Duration of the contracts/arrangements/transactions:
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
(e) Justification for entering into such contracts or arrangements or transactions:
(f) Date of approval by the Board:
(g) Amount paid as advances, if any:
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

2. Details of material contracts or arrangement or transactions at arms length basis:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any: Approved by Audit Committee and Board Meeting in last Financial Year
1	Magnatar Aero Systems Private Limited- WOS	Reimbursable Expenditure incurred on behalf of Magnatar	FY 2024-25	Not Applicable	13.02.2024
2	Gee Pee Aerospace & Defence Private Limited- WOS	Purchase transaction- Job Work	FY 2024-25		13.02.2024
3	Gee Pee Aerospace & Defence Private Limited- WOS	Interest Income	FY 2024-25		13.02.2024
4	Gee Pee Aerospace & Defence Private Limited- WOS	Commission Income	FY 2024-25		13.02.2024
5	K. Shalini- Promoter	Rent Expense	FY 2024-25		13.02.2024

During the financial year 2024-25, all related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis and were approved by the Audit Committee of the Company.

For and on behalf of the Board of
MTAR Technologies Limited

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

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

Place: Hyderabad
Date: 05.08.2025

ANNEXURE IV

Report on CSR Activities

[Pursuant to section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief Outline of Company's CSR Policy, including overview of projects or programmes undertaken/ proposed to be undertaken:

As an integral part of our commitment to good corporate citizenship, the Company believes in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around our business operations. Our Company clearly recognizes the long-term benefits of such an association over tangible results in the short-term, and strongly believes that the spend of contribution in all CSR activities would always depend on identifying the right projects. Towards achieving long-term stakeholder value creation, we shall always continue to respect the interests of and be responsive to our key stakeholders- the communities, especially those from socially and economically disadvantaged groups. CSR at the Company shall be underpinned by 'More from Less for More People' philosophy which implies striving to achieve greater impacts, outcomes and outputs of our CSR projects and programmes by judicious investment and utilization of financial and human resources, engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives. Corporate citizenship is a natural extension of the Company's values and personality. For a brand that is all about dependability, your Company recognizes the symbiotic relationship between the various stakeholders to strengthen communities.

Discovering once again the social responsibility of developing economic, social and environmental capital towards sustainability, MTAR Technologies Limited crafted CSR projects in achieving the mission. MTAR Technologies Limited believes and strives hard in sustainable development of society in which the enterprise draws economic and natural resources by enriching its capacity in contributing to the significant positive change in the economy.

Corporate Social Responsibility (CSR) is fundamentally a philosophy or a vision about the relationship of business and Society. The emerging concept of CSR goes beyond charity and requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into company's business process.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013 ('the Act'). Our Company is focused on working on projects that have a high impact on the communities in which we live and operate. The major areas of activities undertaken by the Company are towards the Education, employment enhancing vocational skills, Art & Culture, Health Care Centers, voluntary support, across all your Company's locations.

Additionally, your Company is committed to the active involvement and participation of its employees in its corporate social responsibility initiatives through the MTAR Voluntary week initiative.

2. Composition of CSR Committee:
The details of the composition of the committee are given below

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	* Mr. G.V. Satish Kumar Reddy	Chairman, Non-Executive Director	2	1
2.	#Mr. U.C. Muktibodh	Chairman, Independent Director	2	2
3.	Mr. V.G. Sekaran	Member, Independent Director	2	2
4.	@Mr. Anushman Reddy	Member, Whole Time Director	2	1

* Resigned w.e.f 13.12.2024
# Appointed as the Chairman of the Committee w.e.f 10.02.2025
@ Appointed as member w.e.f. 10.02.2025

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The Committee has formulated a CSR Policy inter-alia indicating the CSR activities to be undertaken by your Company as per the Companies Act, 2013. The Committee reviews and recommends the amount of expenditure and CSR activities to be undertaken by your Company. The Committee also monitors the implementation of the CSR Policy of your Company from time to time. Details of the Policy of your Company are available at https://mtar.in/policies-related-documents/. Details of various CSR initiatives undertaken by your Company are provided in this report and in the Business Responsibility and Sustainability Report of the Company for FY 2024-25 and are also available at https://mtar.in/business-responsibility-sustainability-reports/.

4. Provide the executive summary along with the web-link of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not Applicable since the Company's average CSR obligation is less than Rupees Ten Crores in the three immediately preceding financial years.

5.

Sl. No.	Particulars	Amount in Mn.
(a)	Average Net Profit of the Company as per sub-section (5) of section 135	987.80
(b)	Two percent of average net profit of the company as per sub-section (5) of section 135	19.76
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	0
(d)	Amount required to be set off for the financial year, if any	2.65
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	17.11

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 2.00 Crores

b) Amount spent in Administrative overheads: Nil

c) Amount spent on Impact Assessment, if applicable: Not Applicable

d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 2.00 Crores

e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer.
2,00,00,000	NIL	NA	NA	NA	NA

(f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs)
(i)	Two percent of average net profit of the Company as per sub-section (5) of secion135)	1,97,56,000
(ii)	Total amount spent for the Financial Year	2,00,00,000
(iii)	Excess amount spent for the financial year	2,44,000
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	**Amount available for set off in succeeding financial years**	**26,57,983**

g) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under sub¬section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs.)	Date of Transfer		
NA									

7. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

8. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable as the company has spent the entire CSR obligation.

For and on behalf of the Board of
MTAR Technologies Limited

Sd/-
U. C. Muktibodh
Chairman CSR Committee
(DIN: 06558392)

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

Place: Hyderabad
Date: 05.08.2025

ANNEXURE V

Management Discussion and Analysis

The Management Discussion and Analysis Report, pursuant to the SEBI (LODR) Regulation that provides an overview of the affairs of the Company, its legal status and autonomy, business environment, mission & objectives, sectoral and segment-wise operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems is covered in corporate overview section (Refer page no. 46 to 65).

ANNEXURE VI

Corporate Governance

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at MTAR Technologies Limited as follows:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Code of Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

(a) BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Policy on Board Diversity which sets out the approach to diversity of the Board of Directors. The Policy on Board Diversity is available on our website, https://mtar.in/.

(b) DATE OF REPORT:

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2025. The Report is updated as on the date of the report wherever applicable.

2. BOARD OF DIRECTORS:

(a) COMPOSITION AND CATEGORY OF DIRECTORS

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with the right element of independence. As on date, the Company's Board comprises of 9 (nine) Directors, including one Managing Director (promoter category), two executive Whole Time Directors (promoter category) and a Non-Executive Director (promoter category). In addition, there are 5 (Five) Independent Directors including one-woman director on the Board of the Company. In terms of clause 17(1) (b) of SEBI (LODR) Regulations, 2015, the company is required to have one third of total Directors as Independent Directors. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the Directors other than Independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders. The composition and the category of directors are shown in **Table 1**.

(b) ATTENDANCE AND DIRECTORSHIPS HELD:

The attendance of the directors at Board Meetings conducted during the year and at last Annual General Meeting is shown in **Table 1**.

Table 1

Name of Director	Reltionship between directors inter se	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM (06.09.2024)	#No. of Directorship held in Public Companies	##No. of other Committee Membeships in Compnies	##No. of other Committee Chairmaships
Mr. B.V.R Subbu	NIL	NED & ID	4	4	Yes	3	4	2
Mr. A. Krishna Kumar	NIL	NED & ID	4	4	Yes	4	4	1
Mr. V.G. Sekaran	NIL	NED & ID	4	4	Yes	2	1	Nil
Mrs. Ameeta Chatterjee	NIL	NED & ID	4	4	Yes	6	6	3
Mr. U.C Muktibodh	NIL	NED & ID	4	4	Yes	2	1	Nil
Mr. P. Srinivas Reddy	NIL	ED & Promoter	4	4	Yes	2	1	Nil
** Mr. G.V Satish Kumar Reddy	NIL	NED & Non –ID	4	3	Yes	1	1	1
Mr. A. Praveen Kumar Reddy	Related to Mr. Anushman Reddy	WTD	4	4	Yes	1	Nil	Nil
*Mr. Rohith Loka Reddy	Related to Mr. P. Srinivas Reddy	NED & Non –ID	4	1	NA	1	Nil	Nil
Mr. Anushman Reddy	Related to Mr. A Praveen Reddy	WTD	4	4	Yes	1	Nil	Nil

*Appointed as the NED w.e.f. 10.02.2025.
* *Resigned as the NED w.e.f. 13.12.2024.
# including directorship in MTAR Technologies Limited
##includes only Audit Committee & Stakeholders Relationships Committee in all public limited companies including MTAR Technologies Limited and the chairmanship in the committees includes the membership in such committees.

NED – Non-Executive Director
ED- Executive Director
ID –Independent Non-Executive Director
WTD – Whole-Time Director

(c) NUMBER OF OTHER BOARD OF DIRECTORS OR COMMITTEES IN WHICH A DIRECTOR IS A MEMBER OR CHAIRPERSON:

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten Board-level committees nor they are the chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, they do not serve as independent director in more than three listed companies. The number of other board of directors or committees in which a director is a member or chairperson is shown in **Table 2.**

Table 2

Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. B.V.R Subbu	KPIT Technologies Limited	Independent Director
	Gabriel India Limited	Independent Director
Mr. A. Krishna Kumar	Zaggle Prepaid Ocean Services Limited	Independent Director
	UCO Bank	Independent Director
Mr. V.G. Sekaran	Premier Explosives Limited	Independent Director
Mrs. Ameeta Chatterjee	JSW Infrastructure Limited	Independent Director
	Jubilant Ingrevia Limited	Independent Director
Mr. U.C Muktibodh	KSB Limited	Independent Director
Mr. P. Srinivas Reddy	Ravileela Granites Limited	Non-Executive & Non- Independent Director
**Mr. G.V.K. Satish Reddy	-	-
Mr. A.Praveen Kumar Reddy	-	-
*Mr. Rohith Loka Reddy	-	-
Mr. Anushman Reddy	-	-

*Appointed as the NED w.e.f. 10.02.2025.
* *Resigned as the NED w.e.f. 13.12.2024.

d) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS HELD AND DATES ON WHICH HELD:

The Board of Directors duly met Four (4) times during the financial year 2024-25. The dates on which the meetings were held are 28th May 2024, 13th August 2024, 29th October 2024 and 10th February 2025. All the meetings were conducted through Physical mode and arrangement for Audio visual means was also made for those directors who could not attend the meeting physically during the FY 2024-25.

(e) DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:

The relationship between the Board of Directors inter-se is shown in **Table 1**.

(f) NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS:

None of the non- executive directors of the Company are holding any shares in the company.

(g) WEB LINK WHERE DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS:

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. During the financial year 2024-25, there has been no change in the Independent directors of the Company. The details of familiarisation programmes imparted to independent directors is available on our company website at www.mtar.in.

(h) DETAILS OF SKILLS/EXPERTISE/COMPETENCE MATRIX OF THE BOARD OF DIRECTORS:

S. No	Name of the Director	Skills/Expertise/Competence in specific functional areas
1	Mr. B V R Subbu	Specialisation in Economics, International Trade, Automobile Technology.
2	Mr. A. Krishna Kumar	Specialisation in Economics, Banking and Finance.
3	Mr. V.G. Sekaran	Mechanical Engineering, Specialisation in Aeronautical Engineering, Design and Technology Development of Indigenous long range Strategic Missile System.
4	Mrs. Ameeta Chatterjee	Commerce, Investments and Acquisitions, Finance and Accounting and Finance.
5	Mr. U.C Muktibodh	Specialisation in Mechanical Engineering, Nuclear Scientist, Design, Development and Engineering of various Nuclear and Conventional Systems.
6	Mr. P. Srinivas Reddy	Engineering, Specialisation in Industrial Production and Engineering, General Management, Operations and Corporate Strategy.
7	Mr. Rohith Loka reddy	Excels in financial portfolio management, distressed entity acquisition, business transformation leadership, investment and risk management.
8	Mr. A. Praveen Kumar Reddy	Engineering, Specialisation in Electronics and Communication, Manufacturing and Production.
9	Mr. Anushman Reddy	Mechanical Engineering, Global Supply chain management including AeroVironment.

(i) CONFIRMATION BY THE BOARD:

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

(j) RESIGNATION OF INDEPENDENT DIRECTOR

During the financial year 2024-25, there has been no resignation of the Independent Director before the expiry of his/her tenure hence, there was no requirement of receiving the confirmation from the Independent Directors.

(k) INFORMATION SUPPLIED TO THE BOARD:

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the Managing Director is presented in the quarterly Board meetings, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc.

(l) DECLARATION BY INDEPENDENT DIRECTORS:

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Section 149(6) of the Companies Act, 2013.

(m) PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2023-24 on 13th February 2024, involving the following:

i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfillment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and

ii. Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman. An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on 13th February 2024, mainly to review the performance of Independent Directors and the Chairman & Managing Director as also the Board as a whole.

a) **Board:** Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.

b) Executive Directors: Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.

c) Independent Directors: Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.

d) Chairman: Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.

e) Committees: Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with Company strategy, composition of committee, committee meetings and procedures and management relations.

Disclosures as prescribed under SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/79 dated 10th May 2018 are given below:

Observations of Board evaluation carried out for the year	No observations.
Previous year's observations and actions taken	Since no observations were received, no actions were taken.
Proposed actions based on current year observations	Since no observations were received, no actions were taken.

3. COMMITTEES OF THE BOARD:

The Company has the following Committees:

- Audit Committee
- Nomination& Remuneration Committee
- Stakeholder Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee.
- Management Committee
- Technology Committee
- POSH Committee

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided in this report below.

The Board Committees have been constituted to deal with specific areas/activities as mandated by applicable rules and regulations or as delegated by the Board, which need a closer review.

The terms of reference of the Committees define its scope, powers and responsibilities. The Chairperson of the respective Committees briefs the Board about the summary of the discussions held at the Committee meetings and the recommendations of the Committee members.

The minutes of the meetings of all Committees are placed before the Board for their perusal. Further, there is an effective cross-committee discussion and coordination, in instances where there is any overlap with activities of such Committees, to ensure effective exercising of their roles and responsibilities as per the framework laid down by the Board of Directors and bring uniformity.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

The terms of reference of the Committees are in line with the applicable provisions of the Listing Regulations, the Companies Act, 2013 ("the Act") and the Rules issued thereunder. The detailed terms of reference of the Committees can be accessed on the Company's website at https://mtar.in/policies-related-documents/.

4. AUDIT COMMITTEE:

Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and as per Regulation 18 of SEBI (LODR) Regulations, 2015 and, inter alia, includes:

i. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

b. Changes, if any, in accounting policies and practices and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions;

g. Modified opinion(s) in the draft audit report;

v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;

vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions of the listed entity with related parties;

ix. Scrutiny of inter-corporate loans and investments;

x. Valuation of undertakings or assets of the listed entity, wherever it is necessary;

xi. Evaluation of internal financial controls and risk management systems;

xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. Discussion with internal auditors of any significant findings and follow up there on;

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii. To review the functioning of the whistle blower mechanism;

xix. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

xxi. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

xxii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

xxiii. Carrying out any other function as may be referred to the Committee by the Board.

xxiv. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

B. THE AUDIT COMMITTEE SHALL MANDATORILY REVIEW THE FOLLOWING INFORMATION:

i. Management discussion and analysis of financial condition and results of operations;

ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;

iii. Internal audit reports relating to internal control weaknesses; and

iv. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

v. Statement of deviations:

• Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

• Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

C. COMPOSITION, MEETINGS & ATTENDANCE:

There were Four (4) Audit Committee Meetings held during the year on 28th May 2024, 13th August 2024, 29th October 2024 and 10th February 2025.

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. A. Krishna Kumar	Chairperson	Non-Executive Independent Director	4	4
Mrs. Ameeta Chatterjee	Member	Non-Executive Independent Director	4	4
Mr. B.V.R Subbu	Member	Non-Executive Independent Director	4	4

5. NOMINATION AND REMUNERATION COMMITTEE:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of an external agencies, if required;
b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
c. consider the time commitments of the candidates.

iii. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

iv. Devising a policy on diversity of board of directors;

v. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

vi. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

There were four (4) Nomination and Remuneration Committee Meetings held during the year on 27th April 2024, 28th May 2024, 15th November 2024 and 10th February 2025.

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Mrs. Ameeta Chatterjee	Chairperson	Non-Executive Independent Director	4	4
Mr. B.V.R Subbu	Member	Non-Executive Independent Director	4	4
Mr. Krishna Kumar Aravamudan	Member	Non-Executive Independent Director	4	4

C. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

In terms of the requirements of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and its Committees.

The Company has a structured assessment process, wherein the NRC of the Company has laid down the process for the effective manner of performance evaluation of the Board, its Committees and the Directors, including the Chairperson.

The evaluations are carried out in a confidential manner and the Directors provide their feedback by rating based on various metrics.

The Independent Directors at their separate meeting reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company after considering the views of other Directors, succession planning, the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The process of evaluations involved a questionnaire-based approach with all Board and committee members.

The Board evaluation process was completed for financial year 2024-25 to the satisfaction of the Board. The Board of Directors deliberated on the outcome and agreed to take necessary steps going forward.

D. POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company.

2. Terms and References:

2.1 “Director” means a director appointed to the Board of a Company.

2.2 “Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.3 “Independent Director” means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

• General understanding of the Company's business dynamics, global business and social perspective;
• Educational and professional background
• Standing in the profession;
• Personal and professional ethics, integrity and values;
• Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

• shall possess a Director Identification Number;
• shall not be disqualified under the companies Act, 2013;
• shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
• shall abide by the Code of Conduct established by the Company for Directors and senior Management personnel;
• shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
• Such other requirements as any prescribed, from time to time, under the Companies Act, 2013, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

3.2 Criteria of Independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

An independent Director in relation to a Company, means a director other than a Managing Director or a Whole-Time Director or a Nominee Director

i. who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;

ii. who is or was not a promoter of the listed entity or its holding, subsidiary or associate company [or member of the promoter group of the listed entity];

iii. who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;

iv. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the 3 (three) immediately preceding financial years or during the current financial year;

v. none of whose relatives—
a. is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;

b. is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;
c. has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or
d. has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income: Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.

vi. who, neither himself [“/herself], nor whose relative(s) —
a. holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company [or any company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed:
[Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment.]

b.is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
(i) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
(ii) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

c. holds together with his relatives two per cent or more of the total voting power of the listed entity; or

d. is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;

e.is a material supplier, service provider or customer or a lessor or lessee of the listed entity;

vii. who is not less than 21 years of age.

viii. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director:

3.2.3 The independent Director shall abide by the “code for independent Directors “as specified in Schedule IV to the companies Act, 2013.

3.3 Other Directorships/ Committee Memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board’s performance Accordingly, members should voluntarily limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the Company. The Nomination and Remuneration Committee shall take into account the nature of, and the time involved in a Director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed Company.

3.3.4 A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committees across all companies in which he holds Directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder’s relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the companies Act, 2013 shall be excluded.

E. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the Directors, key managerial personnel and other employees of the Company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

2.1 "Director" means a Director appointed to the Board of the Company.

2.2 "key managerial personnel" means
(i) The Chief Executive Officer or the managing Director or the manager;
(ii) The Company Secretary;
(iii) The Whole-time Director;
(iv) The Chief Financial Officer; and
(v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of Section 178 of the companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR)

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

(i) Basic pay
(ii) Perquisites and Allowances
(iii) Stock Options
(iv) Commission (Applicable in case of Executive Directors)
(v) Retrial benefits
(vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3.2 Remuneration to Non – Executive Directors

3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3.3. Remuneration to other employees

3.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

F. OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIPS

i. The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

ii. Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

iii. Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

iv. Director shall not be a member in more than 10 committees or act as chairman of more than 5 committees across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

6. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The Committee's role includes:

i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

ii. Review of measures taken for effective exercise of voting rights by shareholders;

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

iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

v. Such other matter as may be specified by the Board from time to time.

vi. Authority to review / investigate into any matter covered by Section 178 of the Companies Act, 2013 and matters specified in Part D of Schedule II of the Listing Regulations.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

One (1) Meeting of Stakeholders Relationship Committee held during the year on 13th February 2024.

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. B.V.R. Subbu	Chairperson	Non-Executive Independent Director	1	1
Mrs. K. Krishna Aravamudan	Member	Non-Executive Independent Director	1	1
Mr. V. G. Sekaran	Member	Non-Executive Independent Director	1	1

C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2024-25

Opening balance	Received during the year	Resolved during the year	Closing balance
0	0	0	0

D. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Mr. Shubham Sunil Bagadia who was appointed as the Company Secretary and Compliance Officer under the SEBI Regulations and the Nodal Officer to ensure compliance with the IEPF rules resigned w.e.f 31st May 2024.

Further, Ms. Naina Singh has been appointed as the Company Secretary and Compliance Officer under the SEBI Regulations and the Nodal Officer to ensure compliance with the IEPF rules w.e.f 1st June 2024.

7. RISK MANAGEMENT COMMITTEE:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The Committee's role includes:

The role of the committee shall, inter alia, include the following:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

There were Two (2) Risk Management Committee Meetings held during the year on 12th August 2024 and 10th February 2025.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. B.V. R Subbu	Chairman	Independent	2	2
Dr. V.G. Sekaran	Member	Independent	2	2
Mr. U.C. Muktibodh	Member	Independent	2	2
Mr. A. Krishna Kumar	Member	Independent	2	2
Ms. Ameeta Chatterjee	Member	Independent	2	2

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Committee comprising of Non-Executive Directors including two Independent Directors is constituted by the Board in accordance with the Act to:

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

b. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

c. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Policy is uploaded on the Company's website as required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

Two (2) Corporate Social Responsibility Committee Meetings held during the year on 28th May 2024 and 19th March 2025.

Name	Designation	Category	No of Meetings held	No of Meetings attended
#Mr. G.V Satish Kumar Reddy	Chairperson	Non-Executive Director	2	1
##Mr. U C Muktibodh	Chairperson	Non-Executive Independent Director	2	2
Mr. V G Sekaran	Member	Non-Executive Independent Director	2	2
*Mr. Anushman Reddy	Member	Executive Director	2	1

Mr. G.V Satish Kumar Reddy resigned as the Chairman of the CSR Committee w.e.f 13.12.2024
Mr. U C Muktibodh appointed as the Chairman of the CSR Committee w.e.f 10.02.2025
* Mr. Anushman Reddy appointed as the member of the CSR Committee w.e.f. 10.02.2025

9. SENIOR MANAGEMENT:

Particulars of senior management including the changes therein since the close of the previous financial year:

The Nomination and Remuneration Policy of the Company defines Senior Management of the Company. Below is the list of Senior Management Personnel of the Company as on 31st March 2025.

Sr. No.	Name	Designation
1	Gunneswara Rao Pusarla	Chief Financial Officer
2	Shubham Bagadia#	Company Secretary and Compliance Officer
3	Naina Singh	Company Secretary and Compliance Officer
4	Raja Sheker Bollampally	Chief Operating Officer
5	Arun Kumar Ojha	Chief Commercial Officer
6	Srilekha Jasthi	Head, Strategy and Investor Relations
7	Pusparaj Satpathy*	Vice President
8	Rohit Khera	Resident Director

Sr. No.	Name	Designation
9	K.Sreeramulu Reddy	Senior Vice President
10	N.Mondaiah	Senior Vice President
11	Alavalapati Veera Sudhakara Reddy	Vice President
12	Bhogadi Lakshmana Babu	Vice President
13	Charabuddi Ramesh Reddy	Vice President
14	Srikanta Bag	Associate Vice President
15	Niladri Sekhar Banerjee	General Manager
16	Doggala Sidda Reddy	Vice President
17	A Manimaran	Vice President
18	KJ Thomas	Senior Vice President
19	S Krishnan	General Manager
20	Soundarapandi	General Manager

[#] Resigned w.e.f 31.05.2024.
*Resigned w.e.f 16.12.2024.

Since the close of the previous financial year there is no other change has been in the list of senior management except due to change in the definition of Senior Management in the Nomination and Remuneration Policy of the Company pursuant to amendment to the Listing Regulations.

10. REMUNERATION OF DIRECTORS

a) PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED Company:

None of the Non-Executive Directors except Mr. G.V Satish Kumar Reddy and Mr. Rohith Loka Reddy had any pecuniary relationship or transaction with the company other than the Directors sitting fees and commission, if any.

b) CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

Policy:

1. Remuneration to Executive Director and key managerial personnel

1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components

(i) Basic pay
(ii) Perquisites and Allowances
(iii) Stock Options
(iv) Commission (Applicable in case of Executive Directors)
(v) Retrial benefits

1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual Performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

2. Remuneration to Non – Executive Directors

2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.

2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3. Remuneration to other employees

3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities should and individual performance.

c) REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2024-25 AND OTHER DISCLOSURES:

(Rs. in millions)

Name of the Director	Salary	Sitting Fees	Commission	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive	Number of Equity shares held
Mr. B.V.R Subbu	-	1.01	1.06	-	-	-	-	-
Mr. A. Krishna Kumar	-	0.96	1.06	-	-	-	-	-
Mr. V.G. Sekaran	-	0.71	1.06	-	-	-	-	-
Mrs. Ameeta Chatterjee	-	0.91	1.06	-	-	-	-	-
Mr. U.C Muktibodh	-	0.66	1.06	-	-	-	-	-
Mr. P. Srinivas Reddy	40.02	-	-	-	-	-	-	13,92,903
**Mr. G.V Satish Ku-mar Reddy	-	0.37	-	-	-	-	-	-
Mr. A. Praveen Kumar Reddy	12.77	-	-	-	-	-	-	-
Mr. Anushman Reddy	18.97	-	-	-	-	-	-	2,68,128
*Mr. Rohith Loka Reddy	-	0.09	-	-	-	-	-	-

**Resigned as NED w.e.f 13.12.2024.
*Appointed as NED w.e.f. 10.02.2025.

11. INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 10th February 2025, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarization program are given at company's website www. mtar.in.

12. DIRECTORS AND OFFICERS INSURANCE:

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy.

13. ANNUAL GENERAL MEETINGS:

A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL/ORDINARY RESOLUTIONS THERE AT AS UNDER:

Financial Year	Date	Time	Location	Special Resolution Passed
2023-24	06.09.2024	03:00 PM	Video Conferencing and Audio-Visual Means	Yes
2022-23	11.08.2023	03:00 PM	Video Conferencing and Audio-Visual Means	Yes
2021-22	23.09.2022	03:00 PM	Video Conferencing and Audio-Visual Means	No

B. PASSING OF RESOLUTIONS BY POSTAL BALLOT

During the year under review, there were no special resolutions passed through postal ballot process. However, the company conducted a postal ballot vide notice dated 17th February 2025 for the appointment of Mr. Rohith Loka Reddy as Non-Executive Director of the Company which was an ordinary resolution. This process was conducted as per the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, allowed shareholders to cast their votes remotely, through e-voting, on this important resolution.

To ensure the fairness and transparency of the entire postal ballot process, M/s. S.S. Reddy & Associates, Practicing Company Secretaries, was duly appointed as the scrutinizer.

C. SUSPENSION FROM TRADING

There was no suspension from trading in equity shares of the Company during the financial year 2024-25.

14. MEANS OF COMMUNICATION

The Company promptly discloses information on material corporate developments and other events as required under the Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purpose, it provides multiple channels of communications through dissemination of information on the online portal of the Stock Exchanges, Press Releases, Annual Reports and by placing relevant information on its website.

i. Publication of financial results: Quarterly, half-yearly and annual financial results of the Company are published in leading English and Telugu language newspapers, viz., all India editions of Financial Express, all India editions of Business Standard, and Nava Telangana, Hyderabad main edition.

ii. Website and News Releases: In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' i.e. 'Disclosure under Regulation 46 of SEBI (LODR) Regulations' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Reports, financial results along with the applicable policies of the Company.

The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website at https://mtar.in/.

Quarterly Compliance Reports on Corporate Governance and other relevant information of interest to the Investors are also placed under the Investors section on the Company's website.

iii. Analysts presentations: In compliance with Regulation 46 of the Listing Regulations, the presentations, audio recordings, video recordings and transcripts of investors conference call on business and financial performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders. The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director, Chief Financial Officer & Head, Strategy and Investor Relations. The Company also uploaded transcript and audio recordings of the said meet on its website.

iv. Stock Exchange: The Company has a Policy for determination of Materiality of Events/Information for the purpose of making disclosure to the Stock Exchanges. The Managing Director and CFO are severally authorised to decide on the materiality of information for the purpose of making disclosures to the Stock Exchanges. The Company makes timely disclosures of necessary information to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where shares of the Company are listed, in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI. The Policy for determination of Materiality of Events/Information is available on the Company's website at https://mtar.in/.

v. Exclusive email ID for investors: The Company has a designated email id i.e. naina.singh@mtar.in exclusively for investor services, and the same is prominently displayed on the Company's website.

vi. NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre: NEAPS and BSE Listing are web-based application designed by NSE and BSE, respectively, for corporates to make submissions. All periodical compliance filings, inter alia, shareholding pattern, compliance report on corporate governance, corporate announcements, amongst others, are filed electronically in accordance with the Listing Regulations. Further, in compliance with the provisions of the Listing Regulations, all the disclosures made to the Stock Exchanges are in a format that allows users to find relevant information easily through a searching tool.

15. GENERAL SHAREHOLDER INFORMATION:

A. ANNUAL GENERAL MEETING:

The 26th Annual General Meeting of the Company will be held as per the following schedule:

Day	Thursday
Date	18th September 2025
Time	11.00 A.M
Venue	Through Video Conferencing / other audio-video means

B. FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2024-25 (TENTATIVE SCHEDULE)

The financial calendar for FY 2025-26 (tentative) shall be as under:

Financial Year	2025-26
First Quarterly Results	On or before 14.08.2025
Second Quarterly Results	On or before 14.11.2025
Third Quarterly Results	On or before 14.02.2026
Fourth Quarterly Results	On or before 30.05.2026
Annual General Meeting for financial year ending 31st March 2026	On or before 30.09.2026

C. DIVIDEND PAYMENT DATE:

The Company has not paid any dividend during the year.

D. NAME AND ADDRESS OF STOCK EXCHANGE WHERE THE COMPANIES SECURITIES ARE LISTED:

BSE Limited, P. J. Towers, Dalal Street, Mumbai-400001. (BSE Scrip Code: 543270)	National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051. (NSE Symbol: MTARTECH)

E. ANNUAL LISTING FEE TO STOCK EXCHANGES:

The Company has paid the listing fees for the financial year 2025-26 to BSE Limited and National Stock Exchange of India Limited.

F. REGISTRAR AND SHARE TRANSFER AGENTS:

Kfintech Technologies Limited,
Slenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500032, Telangana
Email: einward.ris@kfintech.com
Website: https://www.kfintech.com/ or https://ris.kfintech.com/

G. SHARE TRANSFER SYSTEM:

In terms of Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities can be transferred only in dematerialized form with effect from April 01, 2019. Accordingly, 100 percent of the shares of the Company are held in Demat Form.

H. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2025:

Category	Number of shareholders	%	Number of shares	Amount	% of amount
1 - 5000	2,98,968	99.33	8,89,48,760	8,89,48,760	28.92
5001 - 10000	1,305	0.43	95,74,630	95,74,630	3.11
10001 - 20000	423	0.14	60,13,730	60,13,730	1.96
20001 - 30000	100	0.03	24,75,100	24,75,100	0.80
30001 - 40000	41	0.01	14,11,850	14,11,850	0.46
40001 - 50000	26	0.01	12,16,720	12,16,720	0.40
50001 - 100000	37	0.01	25,02,420	25,02,420	0.81
100001 & Above	70	0.02	19,54,52,700	19,54,52,700	63.54
Total:	**3,00,970**	**100.00**	**3,07,59,591**	**30,75,95,910**	**100.00**

I. DEMATERIALISATION & LIQUIDITY OF SHARES:

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE864I01014. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares held in demat mode as on 31st March 2025 is as follows:

Particulars	No. of Shares	% Share Capital
NSDL	2,38,82,782	77.64
CDSL	68,76,809	22.36
Total	**3,07,59,591**	**100.00**

J. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March 2025.

K. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company faces foreign exchange fluctuation risk as majority of the turnover is derived from export. To mitigate the foreign exchange fluctuation risk, the Company has hedged though forward contracts.

L. PLANT LOCATIONS:

S. No	Name of the Unit	Address
1	Unit- 1	18, Technocrats Industrial Estate, Balanagar, Hyderabad- 500037 Telangana, India.
2	Unit- 2	Survey No. 149/P, IDA, Jagadgirigutta Road,Gandhinagar, Hyderabad–500037, Telangana, India.
3	Unit – 3	Plot No. 97 & 100A, Co-operative Industrial Estate, (E.P), Gandhinagar, Hyderabad – 500037, Telangana, India.
4	Unit- 4	B-34, EEIE, Balanagar Township, Hyderabad – 500037, Telangana, India.
5	Unit- 5	58/C, PHASE-1, IDA JEEDMETLA, Hyderabad – 500055, Telangana, India.
6	EOU	Jagadgiri Gutta Road, Gandhinagar, Balanagar, Hyderabad 500 037, Telangana, India.
7	Unit- 6	Plot No.1B in Sy No. 656/A, situated at Adibatla (Aditya Nagar) Village, Gram Panchayat Adibatla, Ibrahimpatnam Mandal, Ranga Reddy District, T.S.- 501510, India.
8	Unit- 7	17/A PHASE-III, IDA, Pashamailaram, PHASE-III, IDA Pashamailaram, Isnapur, Sangareddy, Telangana, 502307
9	Magnatar Aero Systems Private Limited (Wholly Owned Subsidiary	B-34, EEIE, Balanagar Township, Hyderabad – 500037, Telangana, India.
10	Gee Pee Aerospace And Defence Private Limited (Wholly Owned Subsidiary)	Plot no's 75 and 81 , phase-III TSIIC Pashamailaram Mandal Patancheru , Hyderabad, Telangana, India- 502307

M. REGISTERED OFFICE AND ADDRESS FOR CORRESPONDANCE:

Ms. Naina Singh
(Company Secretary and Compliance Officer)

Address:
18, Technocrats Industrial
Estate, Balanagar,
Hyderabad – 500037
Telangana

N. LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD:

The Company has not issued any debt instruments and did not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended 31st March 2025. The ratings given by ICRA for short-term borrowings and long-term borrowings of the Company are A (Stable) and A (Stable), respectively. There was no revision in the said ratings during the year under review.

O. BOOK CLOSURE DATE:

The date of Book Closure for Annual General Meeting shall be from 12th September 2025 to 18th September 2025 (both days inclusive).

P. ELECTRONIC CONNECTIVITY: Demat ISIN Number: INE864I01014

Q. NATIONAL SECURITIES DEPOSITORY LIMITED

Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013.

R. CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

Marathon Futurex, A-Wing,
25th floor, NM Joshi Marg,
Lower Parel, Mumbai 400013

S. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2025:

S. No	Category	No. Shares held	% of shareholding
A	**Shareholding of Promoter and Promoter group**		
1	Indian		
	Individual	97,58,598	31.73
	Body Corporate	12,500	0.04
2	Foreign		
	Individual	-	-
	Sub-Total A	**97,71,098**	**31.77**
B.	**Public Shareholding**		
1.	Institutions	95,76,983	31.14
2.	Non-Institutions		
	a. Bodies Corporate	4,16,840	1.36
	b. Indian Public and Others	1,09,94,670	35.73
	Sub Total B	**1,92,97,617**	**68.23**
	Grand Total (A+B)	**3,07,59,591**	**100.00**

16. OTHER DISCLOSURES:

A. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF LISTED ENTITY AT LARGE:

There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

B. DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES, STRICTURES IMPOSED ON THE LISTED ENTITY BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS:

There was no penalty imposed on company by stock exchanges during the previous three financial years except for delay in intimation for declaration of dividend in the FY 2021-22.

C. WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined in Regulation 22 of SEBI (LODR) Regulations 2015 and in terms of Section 177 of the Companies Act, 2013.

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not s ubjected to any discrimination. No person has been denied access to the Audit Committee.

D. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and implemented non– mandatory requirements to better suit the governance practices of the company.

E. WEB LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED:

The Company does not have any material subsidiary as defined under Listing Regulations, however, the policy for determining its 'Material' Subsidiaries was formulated and the same is available on the website of the Company https://mtar.in/.

F. WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's Website https://mtar.in/. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by the statutory auditor to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Listing Regulations.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. There were no Material Related Party Transactions during the Financial year 2024-25. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-1 annexed as **Annexure IX**.

G. DISCLOSURE OF COMMODITY HEDGING ACTIVITIES:

The Company is not materially exposed to commodity price risks nor does the company do any commodity hedging.

H. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A):

The Company has not raised any fund through preferential allotment or Qualified Institutional Placement during the financial year 2024-25.

I. CERTIFICATE FROM PRACTICING COMPANY SECRETARY:

The Company has obtained certificate from Practicing Company Secretary that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such authority and the Certificate to this effect, duly signed by the Practicing Company Secretary is annexed as **Annexure A to this Report**.

J. RECOMMENDATIONS OF COMMITTEES:

The Board has accepted and acted upon all the recommendations by the Audit & Nomination and Remuneration Committees.

K. TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR:

The Total Audit Fee for all services paid by the Company and its subsidiaries on a consolidated basis to the statutory auditor (s) is Rs. 6.84 Mn.

L. DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Sr. No.	Particulars	Number
a.	No. of Complaints filed during the financial year	Nil
b.	No. of Complaints disposed of during the financial year	Nil
c.	No. of Complaints pending as on end of the financial year	Nil

M. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT:

Neither the listed company nor the subsidiary company has advanced any loan to firm/ companies in which directors are interested except loans and advances between MTAR and its subsidiaries where there are common directors.

N. DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY; INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES: NIL

17. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT:

The company has complied with the requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015.

18. ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II of SEBI (LODR) REGULATIONS, 2015:

The company has adopted discretionary requirements to the extent of Internal Auditors reporting to the Audit Committee.

19. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46 ARE AS FOLLOWS:

Regulation	Particulars	Compliance Status u/r 46
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of Listed company	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46 (2) (b) to (i)	Website	Yes

20. DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2024-25:

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended on 31st March, 2025 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015. The Certificate on Code of Conduct has been provided as **Annexure B** t**o this Report**.

21. MD/ CFO CERTIFICATION:

The Managing Director and CFO certification of the financial statements as specified in Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the Financial Year 2024-25 is provided as **Annexure C to this Report**.

22. CORPORATE GOVERNANCE CERTIFICATE:

The Certificate on Corporate Governance from Practicing Company Secretary, stating compliance with conditions of corporate governance of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the Financial Year 2024-25 is provided as **Annexure D to this Report**.

23. RECONCILIATION OF SHARE CAPITAL:

A qualified Practicing Company Secretary carries out audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital of the Company. Reconciliation of Share Capital Audit Report issued by the Practicing Company Secretary confirms that the total paid up capital was in agreement with the total number of shares in physical firm and the total number of dematerialized shares held with NSDL and CDSL.

24. DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE:

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years except one penalty due to the delay in intimation for declaration of dividend. The penalty was paid and the management assured the Board that due care would be taken in order to avoid any further non-compliances.

25. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

No equity shares were lying under unclaimed suspense account during the financial year 2024-25.

26. COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS UNDER LISTING REGULATIONS:

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- **Audit qualifications**: Company's financial statements have no qualifications.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2) (a) of the Listing Regulations.

27. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 133 of the Companies Act, 2013.

28. GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

As part of the green initiative process, the Company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, Audited financial Statements, Auditors Report, Dividend intimations etc., by email are sent only to those shareholders whose email addresses are not registered with the Company and for bounced mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent/ concerned depository to enable the Company to send the documents in electronic from or inform the Company, in writing, in case they wish to receive the above documents in paper mode.

For and on behalf of the Board of
MTAR Technologies Limited

	Sd/-	**Sd/-**
	Subbu Venkata Rama Behara	**P. Srinivas Reddy**
Place: Hyderabad	**Chairman**	**Managing Director**
Date: 05.08.2025	**(DIN: 00289721)**	**(DIN: 00359139)**

ANNEXURE A to Report on Corporate Governance

Certificate of Non-Disqualification of Directors

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

To,
The Members of
MTAR Technologies Limited
Hyderabad

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MTAR Technologies Limited** having **CIN: L72200TG1999PLC032836** and having registered office at 18, Technocrats Industrial Estate, Balanagar, Hyderabad 500037 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our 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 us by the Company & its officers, We 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.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Subbu Venkata Rama Behara	00289721	05/12/2020
2.	Mr. Parvat Srinivas Reddy	00359139	11/03/2015
3.	Mr. Aravamudan Krishna Kumar	00871792	05/12/2020
4.	Mr. Gnana Sekaran Venkatasamy	02012032	05/12/2020
5.	Mrs. Ameeta Chatterjee	03010772	05/12/2020
6.	Mr. Udaymitra Chandrakant Muktibodh	06558392	05/12/2020
7.	Mr. Anushman Reddy	08104131	09/08/2022
8.	Mr. Praveen Kumar Reddy Akepati	08987107	14/12/2020
9.	Mr. Rohith Loka Reddy	06464331	10/02/2025

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

For S.S. Reddy& Associates
Practicing Company Secretaries

Sd/-
S. Sarweswara Reddy
M. No.: F12611; CP No. 7478
UDIN: F012619G000934397
Peer Review Cer. No.: 1450/2021

Place: Hyderabad
Date: 05.08.2025

ANNEXURE B to Report on Corporate Governance

Declaration of compliance with the Code of Conduct

I, P. Srinivas Reddy, Managing Director of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2024-25.

For MTAR Technologies Limited

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

Place: Hyderabad
Date: 05.08.2025

ANNEXURE C to Report on Corporate Governance

MD AND CFO Certification in respect of Financial Statements and Cash Flow Statement

(Pursuant to Regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 For the Financial Year ended March 31, 2025)

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March 2025 and we hereby certify and confirm to the best of our knowledge and belief the following:

a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.

c. There are no transactions entered in to by the Company during the year ended 31st March 2025 which are fraudulent, illegal or violative of Company's Code of Conduct.

d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.

e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.

f. That there have been no significant changes in the accounting policies during the relevant period.

g. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

	Sd/-	**Sd/-**
Place: Hyderabad	**P Srinivas Reddy**	**Gunneswara Rao Pusarla**
Date: 05.08.2025	**Managing Director**	**Chief Financial Officer (CFO)**
	(DIN: 00359139)	

ANNEXURE D to Report on Corporate Governance

Certificate on Corporate Governance

To
The Members Of
MTAR Technologies Limited

We have examined the compliance of the conditions of Corporate Governance by MTAR Technologies Limited ('the Company') for the year ended on March 31, 2025, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para-C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2025.

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

For S.S. Reddy& Associates
Practicing Company Secretaries

Sd/-
S. Sarweswara Reddy
M. No.: F12611; CP No. 7478
UDIN: F012619G000934430
Peer Review Cer. No.: 1450/2021

Place: Hyderabad
Date: 05.08.2025

ANNEXURE VII(a)

STATEMENT SHOWING THE NAMES OF TOP TEN EMPLOYEES PURSUANT TO SEC. 197 READ WITH RULE 5 (1) (2) and (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of remuneration to each director to the median remuneration of the employees of the Company for the financial year.

Director	Total Remuneration (Rs. Mn)	Ratio to Median Remuneration
Parvat Srinivas Reddy	40.02	1:69
A. Praveen Kumar Reddy	12.77	1:22
Anushman Reddy	18.97	1:32

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Name	Designation	Remuneration (Rs. Mn)		Increase/ (Decrease) %
		FY 2024-25	FY 2023-24	
Parvat Srinivas Reddy	Managing Director	40.02	30.02	33%
Praveen Kumar Reddy	Executive Director	12.77	7.53	70%
Anushman Reddy	Executive Director	18.97	9.94	91%
Gunneswara Rao Pusarla	Chief Financial Officer	20.77	13.18	58%
Naina Singh	Company Secretary & Compliance Officer	0.82	NA	NA

3. The percentage increase in the median remuneration of employees in the financial year (Amount in INR)

Particulars	Remuneration (Rs.)		Increase/(Decrease) %
	FY 2024-25	FY 2023-24	
Median Remuneration of all the employees per annum	5,82,854	5,25,502	10.9%

4. No. of Employees on the Roll of Company as on 31st March 2025

Particulars	Number
Staff	698
Other than permanent employee	40
Permanent workers	482
Other than permanent workers	898
Total	**2118**

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

Particulars	Increase/(Decrease) %
Average Percentage increase in the Remuneration of all Employees* (Other than Key Managerial Personnel)	23%
Average Percentage increase in the Remuneration of Key Managerial Personnel	55%

**Employees who have served for whole of the respective financial years have been considered.*

6. Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company is in compliance with its remuneration policy.

ANNEXURE VII(b)

Statement showing the names of the Top ten Employees in terms of Remuneration drawn as per Rule 5 (3) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

No	Name	Designation	Remuneration received (Rs.)	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014.	Whether any such employee is a relative of any director or manager of the Company and if so, name of such Director or manager
1	Srinivas Reddy P	Managing Director	4,00,21,600	Permanent	Ms- Industrial Engineering	01-03-2020	59	-	0.00	Yes, Relative of Rohith Loka Reddy
2	Anushman Reddy	Executive Director	1,89,66,900	Permanent	MS &MBA	04-12-2016	34	Aerovironment	0.00	Yes, Relative of Akepati Praveen Kumar Reddy
3	Gunneswara Rao Pusarla	Chief Financial Officer	2,07,73,634	Permanent	CA, CMA	08-11-2021	55	Tata Sikrosky Aerospace	0.00	NA
4	Akepati Praveen Kumar Reddy	Executive Director	1,27,66,446	Permanent	B.Tech (ECE)	01-10-2022	58	-	0.00	Yes, Relative of Anushman Reddy
5	Raja Sheker Bollampally	Chief Operating Officer	1,22,68,200	Permanent	MS- Material Science	03-05-2023	50	OHMIUM	0.00	NA
6	Rohit Khera	Resident Director	1,15,62,500	Permanent	Economics Honours	15-09-2021	71	GOI	0.00	NA
7	Arun Ojha	Chief Commercial Officer	95,59,740	Permanent	B. Tech & MBA	10-05-2024	52	Schlumberger Technology Corporation	0.00	NA
8	Doggala Siddareddy	Vice President	61,36,645	Permanent	M.Tech & EPBM-IIM	25-07-2010	63	ITC	0.00	NA
8	Alavalapati Veera Sudhakara Reddy	Vice President	58,67,400	Permanent	-	18-01-1987	62	-	0.00	NA
9	Bhogadi Lakshmana Babu	Vice President	51,48,000	Permanent	M.Tech	29-07-2016	60	SEC	0.00	NA

ANNEXURE VIII

Form AOC - 1

Statement containing salient features of the financial statements of Subsidiaries
(Pursuant to proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

1. Name of the Subsidiaries: i. Magnatar Aero Systems Private Limited
ii. Gee Pee Aerospace & Defence Private Limited

2. Reporting Period: 01.04.2024 to 31.03.2025

3. Reporting Currency: Indian Rupee

(Amount in Rs.)

S. No.	Particulars	Magnatar Aero System Private Limited	Gee Pee Aerospace & Defence Private Limited
1.	Share Capital	1,00,000	30,83,500
2.	Reserves and surplus	(4,60,464)	(36,83,582)
3.	Total Assets	1,39,593	10,93,81,799
4.	Total Liabilities	1,39,593	10,93,81,799
5.	Investments	0	0
6.	Turnover	0	3,24,25,839
7.	Profit / loss before Taxation	(75,886)	(78,20,598)
8.	Provision for Taxation	0	7,79,653
9.	Profit / loss after Taxation	(75,886)	(86,00,251)
10.	Proposed Dividend	0	0
11.	% of Shareholding	100%	100%

1. Names of Subsidiaries which are yet to commence operation: **Magnatar Aero System Private Limited**

2. Names of subsidiaries which have been liquidated or sold during the year: **None**

For and on behalf of the Board of
MTAR Technologies Limited

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

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

Place: Hyderabad
Date: 05.08.2025

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of MTAR Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Key audit matters	How our audit addressed the key audit matter
(a) Revenue recognition (as described in Note 2.2f and 20 of the standalone financial statements)	
Revenue from contracts with customer is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. During the year ended March 31, 2025, the Company has recognised revenue amounting to Rs. 1,328.80 million and Rs. 5,317.66 million from domestic and export sales respectively.	Our audit procedures, among others included the following: •Assessed the Company's revenue recognition policy in terms of Ind AS 115 ("Revenue from Contracts with Customers"). •Obtained an understanding, assessed the design and tested the operating effectiveness of internal controls related to revenue recognition.

Key audit matters	How our audit addressed the key audit matter
(a) Revenue recognition (as described in Note 2.2f and 20 of the standalone financial statements)	
The point at which control passes is determined based on the terms and conditions by each customer arrangement i.e., delivery specifications including incoterms in case of exports. The risk is, therefore, that revenue may not get recognised in the correct period. Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the standalone financial statements.	•Performed the following tests for a sample of transactions o tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts / sales orders, shipping documents and other related documents. o verified whether the recognition of revenue is in accordance with the incoterms / when the conditions for revenue recognitions are satisfied. • Tested the supporting documentation for sample of sales transactions recorded during the period closer to the year end to agree the period of revenue recognition to underlying documents as referred above. • Assessed the relevant disclosures made in the standalone financial statements.

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

Other Information

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

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

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

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Standalone Financial Statements

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

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

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

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

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

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

• Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

•Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

•Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

•Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1.As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2.As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a)We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b)In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c)The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d)In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e)On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;

(g)In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h)With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi.Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software (refer Note 41 to the financial statements). Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention.

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

Sd/-
per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 25504777BMOCMM7252

Place of Signature: Hyderabad
Date: May 22, 2025

Annexure 1 referred to in paragraph under the heading "Report on Other legal and Regulatory Requirements" of our report of even date

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

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B)The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c)The title deeds of all the immovable properties are held in the name of the Company

(d)The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.

(e)There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a)Physical verification of inventory has been conducted at reasonable intervals during the year by management. In our opinion, the coverage and procedure of such verification by the management is appropriate. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.

(b) As disclosed in note 17 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

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

(Amount in Rs. million)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

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

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

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

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

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

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

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

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

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

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

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

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

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

(xix) On the basis of the financial ratios disclosed in note 39 to the financial statements, ageing and expect ed dates of realization of financial assets and payment of financial liabilities, other information accom panying the financial staements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our atte tion, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due with in 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 duewithin a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

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

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

Sd/-
per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 25504777BMOCMM7252

Place of Signature: Hyderabad
Date: May 22, 2025

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Sd/-
per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 25504777BMOCMM7252

Place of Signature: Hyderabad
Date: May 22, 2025

Standalone Balance Sheet as at March 31, 2025

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

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	4,223.57	3,312.10
Capital work in progress	3.1	531.61	677.50
Intangible assets	3 (b)	25.42	7.30
Financial assets			
Investments	4 (a)	67.04	67.04
Loans	5 (a)	61.17	61.17
Other financial assets	5 (b)	44.31	25.69
Non-current tax assets (net)	6	15.41	51.49
Other non-current assets	7	142.20	213.30
		5,110.73	**4,415.59**
Current Assets			
Inventories	9	3,452.62	3,468.39
Financial assets			
Trade receivables	10	2094.43	1,462.72
Cash and cash equivalents	11	18.72	392.22
Bank balances other than cash and cash equivalents	12	147.28	114.42
Other financial assets	5 (b)	81.18	92.57
Other current assets	8	376.89	114.16
		6,171.12	**5,644.48**
Total assets		**11,281.85**	**10,060.07**
Equity and liabilities			
Equity			
Equity share capital	13	307.59	307.59
Other equity	14	6,999.60	6,464.06
Total equity		**7,307.19**	**6,771.65**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	17	810.33	969.89
Provisions	15	46.56	26.27
Deferred tax liabilities (net)	16	219.95	206.56
Non current liabilities	19	31.78	30.43
		1,108.62	**1,233.15**
Current liabilities			
Financial liabilities			
Borrowings	17	962.11	932.39
Trade payables	18		
- total outstanding dues of micro, small and medium enterprises		114.74	3.03
- total outstanding dues of creditors other than micro, small and medium enterprises		936.67	610.75
Other financial liabilities	17A	373.17	157.30
Other current liabilities	19	441.55	318.63
Provisions	15	37.80	33.17
		2,866.04	**2,055.27**
Total equity and liabilities		**11,281.85**	**10,060.07**
Summary of material accounting policies	2.2		

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

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

per Atin Bhargava
Partner
Membership no: 504777

Hyderabad
Date: May 22, 2025

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Naina Singh
Company Secretary
Membership no: ACS-68201

Hyderabad
Date: May 22, 2025

Standalone statement of profit and loss for the year ended March 31, 2025

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

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

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

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

per Atin Bhargava
Partner
Membership no: 504777

Hyderabad
Date: May 22, 2025

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Naina Singh
Company Secretary
Membership no: ACS-68201

Hyderabad
Date: May 22, 2025

Standalone statement of cash flows for the year ended March 31, 2025
(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A Cash flow from operating activities		
Profit before tax	**724.58**	**732.22**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	317.74	226.42
Finance costs	221.60	221.71
Profit from sale of mutual funds	(0.42)	(23.64)
Net unrealised exchange loss	-	8.01
Profit on sale of property, plant and equipment	(12.85)	(2.43)
Interest Income on bank deposits and others	(16.20)	(14.30)
Operating profit before working capital changes	**1,234.45**	**1,147.99**
Movements in working capital:		
Decrease / (Increase) in trade receivables	(631.71)	611.63
Decrease / (Increase) in inventories	15.77	391.28
Decrease / (Increase) in current and non current financial assets	13.70	(43.22)
Decrease / (Increase) in other current and non current assets	(258.56)	269.99
Increase / (decrease) in trade payables	437.62	(1,566.91)
Increase / (decrease) in other financial liabilities	196.98	87.80
Increase / (decrease) in other current and Non current liabilities	124.27	(146.84)
Increase / (decrease) in Provisions	20.92	14.91
Cash generated from operations	**1,153.44**	**766.63**
Income tax paid (net of refunds)	(135.57)	(211.92)
Net cash flows from operating activities (A)	**1,017.87**	**554.71**
B Cash flow used in investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress, capital creditors and capital advances	(1,015.93)	(903.57)
Proceeds from Sale of Property Plant and Equipment	13.16	3.45
Investment in units of mutual fund	(70.00)	(751.76)
Receipt from redemption in units of mutual fund	70.42	1050.14
Loans to Subsidary	-	(19.50)
Investment in bank deposits	(127.89)	(259.49)
Redemption from bank deposits	80.50	332.59
Interest received	9.81	10.72
Net cash flows used in investing activities (B)	**(1,039.93)**	**(537.42)**
C Cash flow from financing activities		
Proceeds from long term borrowings	291.50	676.53
Repayment of long term borrowings	(446.06)	(302.65)
Proceeds from / (repayment of) short term borrowings (net)	24.72	100.47
Finance costs paid	(221.60)	(221.71)
Net cash flows from financing activities (C)	**(351.44)**	**252.64**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(373.50)**	**269.93**
Cash and cash equivalents at the beginning of the year	392.22	122.29
Cash and cash equivalents at the end of the year	**18.72**	**392.22**

Standalone statement of cash flows for the year ended March 31, 2025
(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

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

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

Particulars	Long-term including current maturities	Short-term
Opening as on April 01, 2023	1,050.82	377.11
Proceeds for Long-term including current maturities	676.53	-
Repayment for Long-term including current maturities	(302.65)	-
Proceeds / (repayment) for Short-term (net)	-	100.47
Closing as on March 31, 2024	1,424.70	477.58
Proceeds for Long-term including current maturities	291.50	-
Repayment for Long-term including current maturities	(446.06)	-
Proceeds / (repayment) for Short-term (net)	-	24.72
Closing as on March 31, 2025	**1,270.14**	**502.30**
Summary of material accounting policies 2.2		

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

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

per Atin Bhargava
Partner
Membership no: 504777

Hyderabad
Date: May 22, 2025

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

NainaSingh
Company Secretary
Membership no: ACS-68201

Hyderabad
Date: May 22, 2025

Standalone statement of changes in equity for the year ended March 31, 2025
(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

a) Equity share capital

Equity shares of Rs. 10 each, issued, subscribed and fully paid up	No. of shares	Amount
For the year ended March 31, 2025		
As at April 01, 2024	**30,759,591**	**307.59**
Add: Issued during the year	-	-
As at March 31, 2025	**30,759,591**	**307.59**
For the year ended March 31, 2024		
As at April 01, 2023	**30,759,591**	**307.59**
Add: Issued during the year	-	-
As at March 31, 2024	**30,759,591**	**307.59**

b) Other Equity

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

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

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

per Atin Bhargava
Partner
Membership no: 504777

Hyderabad
Date: May 22, 2025

For and on behalf of the Board of Directors of
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Parvat Srinivas Reddy
Managing Director
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Gunneswara Rao Pusarla
Chief Financial Officer

Naina Singh
Company Secretary
Membership no: ACS-68201

Hyderabad
Date: May 22, 2025

Notes to the standalone financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

1 Corporate Information

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

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

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

2 Material accounting policies

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

2.1 Basis of preparation

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

"The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),and
- Defined benefits plan- plan assets measured at fair value.

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

2.2 Summary of material accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

The Company classifies all other liabilities as non-current.

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

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

b) Property, plant and equipment

Freehold land is carried at cost, net of tax / duty credit availed, net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

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

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

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

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

The useful lives estimated by the management are given below:

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

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

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

C) Intangible assets

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

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

d) Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
Costs incurred in bringing each product to its present location and condition are accounted for as follows:

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

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

e. Impairment of non financial assets

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

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset’s or CGU’s recoverable amount.

Notes to the standalone financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

f) Revenue

(i) Revenue from contract with customers

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the transaction price of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates. Amounts collected on behalf of third parties such as Goods and Service Tax (GST) are excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

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

Contract Balances

Contract assets

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

Trade receivable

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

Contract liabilities

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

Notes to the standalone financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(ii) Export benefits

Export benefits are recognised where there is reasonable assurance that the benefit will be received and all attached conditions will be complied with. Export benefits on account of export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

(iii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(iv) Dividend income

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

g) Borrowing costs

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

h) Foreign currency transactions

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

Transactions and balances

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

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a nonmonetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

i) Financial instruments

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

Debt instruments at amortised cost
Debt instruments at fair value through other comprehensive income (FVTOCI)
Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the profit or loss.

Debt instruments at FVTOCI

A 'debt instrument' 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) The asset's contractual cash flows represent SPPI

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

Debts Instrument at FVTPL

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

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

Financial assets at fair value through profit or loss

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

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

Equity instruments designated at fair value through OCI

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Notes to the standalone financial statements for the year ended March 31, 2025

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

Investment in Subsidiary:

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

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

Derecognition:

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

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

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

Impairment of financial assets

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

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

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

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

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

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

The measurement of financial liabilities is as described below:

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

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

Reclassification of financial instruments

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

Offsetting of financial instruments

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

j) Segment reporting

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

k) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (notes 32)
- Investment in unquoted equity shares (note 4)
- Financial instruments (including those carried at amortised cost) (notes 5, 9, 10, 11, 16, 17, 17A, 34, 37)

l) Taxes

Tax expense comprises current tax expense and deferred tax

Current income tax

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

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

Deferred tax

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

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

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

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

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the standalone financial statements for the year ended March 31, 2025

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

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

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

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

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

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

m) Retirement and other employee benefits

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

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

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

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

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

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

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

n) Provisions, contingent liabilities and contingent assets

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise the contingent liability but discloses its existence in the financial statements.

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

o) Earnings per share

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

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

p) Cash and cash equivalents

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

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

q) Cash dividend to equity holders of the Company

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

r) Supplier finance arrangements

The Company has established supplier finance arrangements (Refer Note 17A). The Company evaluates whether financial liabilities covered such arrangements continue to be classified within trade payables, or they need to be classified as a borrowing or as part of other financial liabilities/ as a separate line item on the face of the balance sheet. Such evaluation requires exercise of judgment basis specific terms of the arrangement.

Notes to the standalone financial statements for the year ended March 31, 2025

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

The Company classifies financial liabilities covered under supplier finance arrangement within trade payables in the balance sheet only if (i) the obligation represents a liability to pay for goods and services, (ii) is invoiced and formally agreed with the supplier, (iii) is part of the working capital used in its normal operating cycle, (iv) the Company is not legally released from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (iv) there is no substantial modification to the terms of the liability.

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

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

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

s) New and amended standards:

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

(i) Ind AS 117 Insurance Contracts

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

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

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

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

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

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

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

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

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

Notes to the standalone financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

Note 3a : Property, plant and equipment

	Freehold land	Buildings	Plant and machinery	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total property, plant and equipment
As at April 01, 2023	**467.14**	**723.89**	**2,326.32**	**30.89**	**38.96**	**20.05**	**43.41**	**19.71**	**3,670.37**
Additions during the year	145.86	95.40	427.79	9.15	19.33	9.94	11.59	-	**719.06**
Disposals during the year	-	-	16.71	-	-	-	-	-	**16.71**
As at March 31, 2024	**613.00**	**819.29**	**2,737.40**	**40.04**	**58.29**	**29.99**	**55.00**	**19.71**	**4,372.72**
Additions during the year	-	138.35	1,037.13	-	18.73	15.99	8.36	3.76	**1,222.32**
Disposals during the year	-	-	8.21	-	-	-	-	-	**8.21**
As at March 31, 2025	**613.00**	**957.64**	**3,766.32**	**40.04**	**77.02**	**45.98**	**63.36**	**23.47**	**5,586.83**
Accumulated depreciation and amortisation									
As at April 01, 2023	**-**	**98.46**	**678.42**	**18.60**	**17.64**	**8.14**	**27.80**	**6.15**	**855.21**
Charge for the year	-	26.59	172.63	3.23	3.35	4.86	8.16	2.17	**220.99**
Disposals for the year	-	-	15.58	-	-	-	-	-	**15.58**
As at March 31, 2024	-	**125.05**	**835.47**	**21.83**	**20.99**	**13.00**	**35.96**	**8.32**	**1,060.62**
Charge for the year	-	30.19	252.71	4.31	4.51	7.05	9.13	2.18	**310.08**
Disposals for the year	-	-	7.44	-	-	-	-	-	**7.44**
As at March 31, 2025	-	**155.24**	**1,080.74**	**26.14**	**25.50**	**20.05**	**45.09**	**10.50**	**1,363.26**
Net block									
As at March 31, 2025	**613.00**	**802.40**	**2,685.58**	**13.90**	**51.52**	**25.93**	**18.27**	**12.97**	**4,223.57**
As at March 31, 2024	**613.00**	**694.24**	**1,901.93**	**18.21**	**37.30**	**16.99**	**19.04**	**11.39**	**3,312.10**

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

Note 3b: Intangible assets

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

Note 3.1: Capital work in progress

Particulars	Amount
As at April 01, 2023	**631.61**
Additions	769.74
Capitalised during the year	(723.85)
As at March 31, 2024	**677.50**
Additions	1,102.21
Capitalised during the year	(1,248.10)
As at March 31, 2025	**531.61**

Capital work in progress (CWIP)

(a) Ageing schedule

	March 31, 2025					March 31, 2024				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	390.13	73.10	68.37	-	531.61	350.75	323.03	0.17	3.55	677.50
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**390.13**	**73.10**	**68.37**	**-**	**531.61**	**350.75**	**323.03**	**0.17**	**3.55**	**677.50**

Notes to the standalone financial statements for the year ended March 31, 2025

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

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

Note 4: Investments

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

5 Financial assets

a) Loans (unsecured, considered goods)

	As at March 31, 2025	As at March 31, 2024
Loans to subsidiary (refer note 36)	61.17	61.17
	61.17	**61.17**

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

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

(b) Financial assets - others

Unsecured, considered good unless stated otherwise

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

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

	As at March 31, 2025	As at March 31, 2024
Non-current tax asset (net)		
Advance income tax (net)	15.41	51.49
	15.41	**51.49**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and related to income tax levied by same tax authority.

7 Other non-current assets

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

8 Other current assets

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

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

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

10 Trade receivables

	As at March 31, 2025	As at March 31, 2024
Current		
Unsecured considered good	2,095.63	1,463.92
Less: allowance for credit loses	1.20	1.20
	2,094.43	**1,462.72**

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

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

Movement in expected credit loss

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

Trade receivables ageing schedule
As at March 31, 2025

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

Trade receivables ageing schedule
As at March 31, 2024

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

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

11 Cash and cash equivalents

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

12 Balances at bank other than cash and cash equivalents

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

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

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

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

Breakup of financial assets carried at amortised cost:

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

The management assessed that cash and cash equivalents and trade receivables approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values. The fair values of the financial assets included above have been determined in accordance with generally accepted pricing models.

13. Equity share capital

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

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

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

(b) Rights, preferences and restrictions attached to shares

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

Notes to the standalone financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

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

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

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

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

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

(e) Details of shares held by promoters
As at March 31, 2025
Equity shares of Rs. 10 each fully paid

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

Notes to the standalone financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

As at March 31, 2024
Equity shares of Rs. 10 each fully paid

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

14. Other Equity

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

Nature and purpose of reserves

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

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

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

15. Provisions

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

16. Deferred tax liabilities (net)

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

The Company offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Notes to the standalone financial statements for the year ended March 31, 2025

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

Break up of deferred tax (asset) / liabilities

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

17. Borrowings

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

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

(i) State Bank of India
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

(ii) HDFC Bank Limited
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

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

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

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

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

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

17A Other Financial Liabilities

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

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

18 Trade Payable

	As at March 31, 2025	As at March 31, 2024
- dues of micro and small enterprises	114.74	3.03
- dues of creditors other than micro and small enterprises	936.67	610.75
	1,051.41	**613.78**

Notes to the standalone financial statements for the year ended March 31, 2025

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

Trade payables ageing schedule
As at March 31, 2025

	Outstanding for following periods from due date of payment					
	Unbilled	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of MSME	-	114.74	-	-	-	114.74
Total outstanding dues of creditors other than MSME	300.56	617.01	8.57	10.53	0.00	936.67
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	300.56	**731.75**	**8.57**	**10.53**	**0.00**	**1,051.41**

Trade payables ageing schedule
As at March 31, 2024

	Outstanding for following periods from due date of payment					
	Unbilled	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of MSME	-	3.03	-	-	-	3.03
Total outstanding dues of creditors other than MSME	161.94	431.91	15.92	0.65	0.33	610.75
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	161.94	**434.94**	**15.92**	**0.65**	**0.33**	**613.78**

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

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

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

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

Breakup of financial liabilities carried at amortised cost:

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

The management assessed that trade payables, short-term borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial liabilities included above is at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

19. Other Liabilities

	As at March 31, 2025	As at March 31, 2024
Non-Current		
Statutory dues	31.78	30.43
	31.78	**30.43**
Current		
Statutory dues	11.13	13.46
Contract liability- advance from customers	430.42	305.17
	441.55	**318.63**

20. Revenue from Operations

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

(i) Disaggregated revenue information

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

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

(ii) Contract balances

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

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

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

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

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

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

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

21. Other Income

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

22. Cost of materials consumed

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

23. Changes in inventories of work-in-progress

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

24. Employee Benefit Expenses

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

25. Finance costs

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

Notes to the standalone financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

26. Depreciation and amortisation expenses

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

27. Other Expenses

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

Payment to auditors

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

28. Tax expense

a) Income tax expense:

The major components of income tax expense

(i) Profit or loss section

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

(ii) OCI Section

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

b) Reconciliation of effective tax rate:

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

Notes to the standalone financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

29. Earnings per share (EPS)

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

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

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

30. Employment benefit Obligations

I. Defined benefits plan

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

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

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

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

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

C) Amount recognised in the balance sheet

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

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

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

E) Changes in the fair value of plan assets

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

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

Investment details of plan assets		
Investment with insurer- Assets under Schemes of Insurance	100.00%	100.00%

(i) The principal assumptions used in determining gratuity obligation

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

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

	As at March 31, 2025	As at March 31, 2024
1 year	20.59	17.97
2-5 years	105.62	101.32
6-10 years	96.26	94.43

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

(iii) Sensitivity analysis:

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

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

II. Defined contribution plans

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

31. Detail of CSR expenditure

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

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

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

32. Commitments and contingencies

a. Commitments

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

b. Contingent liabilities

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

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

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

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

33. Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

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

Notes to the standalone financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

i. Defined benefit plans (gratuity benefits)

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

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

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

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

34. Financial risk management objectives and policies

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

A. Credit risk

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

Exposure to credit risk

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

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

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

Notes to the standalone financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

B. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.
The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (including interest payments):

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

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

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. The sensitivity analysis has been included in the below disclosures.

Foreign currency exchange rate risk

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

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

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

b. Foreign currency sensitivity

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

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

Interest rate risk

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

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

35. Capital management

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

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

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowing in the current year. The Group has established a supplier finance arrangement to manage its working capital.

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

36. Related party disclosures

Names of related parties and description of relationship

(a) Subsidiaries Company

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

(b) Key managerial personnel

Parvat Srinivas Reddy, Managing Director
A. Praveen Kumar Reddy, Director
M. Anushman Reddy, Director
Gunneswara Rao Pusarla, Chief financial officer
Shubham Sunil Bagadia, Company secretary (upto May 31, 2024)
Naina Singh, Company secretary (w.e.f June 1, 2024)

(c) Relatives of key management personnel

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

(d) Independent / Non-Executive Directors
Subbu Venkata Rama Behara
A. Krishna Kumar
Ameeta Chatterjee
U C Muktibodh
V.G. Sekaran
Venkata Satish Kumar Reddy Gangapatnam, Director (upto December 13, 2024)
Rohith Loka Reddy (w.e.f February 10, 2025)

Transactions and balances with related parties

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

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

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

37. Fair values

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

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

38. Segment Reporting

The Managing director / chief executive officer of the Company takes decision in respect of allocation of resources and assesses the performance basis the report / information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Company's business model, manufacturing high precision and heavy equipment, components, machines have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below.

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

(a) Revenue from contracts with customers

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

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

(c) Customer contributing more than 10% of revenue

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

39. Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Change	Reason for variance (above 25%)
(i) Current ratio	6,171	2,866	2.15	2.75	-22%	
(ii) Debt- equity ratio	1,772	7,307	0.24	0.28	-14%	
(iii) Debt service coverage ratio	1,029	446	2.31	3.23	-29%	The decrease is due to increase in long term loan repayments during the year.
(iv) Return on equity ratio	539	7,039	8%	9%	-12%	
(v) Inventory turnover ratio	3,415	3,461	0.99	0.82	20%	
(vi) Trade receivable turnover ratio	6,760	1,779	3.80	3.27	16%	
(vii) Trade payable turnover ratio	3,400	833	4.08	1.87	118%	The increase is due to decrease in average of trade payables.
(viii) Net capital turnover ratio	6,760	3,305	2.05	1.60	28%	The increase due to increase in revenue from operations during the year.
(ix) Net profit ratio	539	6,760	7.97%	9.70%	-18%	
(x) Return on capital employed	897	8,880	9.65%	10.36%	-7%	
(xi) Return on investment	0	6	7.06%	17.21%	-59%	The decrease is due to decrease in profit from sale of mutual funds in current year.

Basis for calculating above ratios as below:

Current ratio = Current assets/Current Liabilities

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

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

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

Inventory turnover ratio= Cost of goods sold/ Average inventory

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

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

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

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

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

Return on investment= Gain on investment/ Average investment

Notes to the standalone financial statements for the year ended March 31, 2025

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

40. Other statutory information

i)No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii)The title deeds of all the immovable properties disclosed in the standalone financial statements are held in the name of the Company.

iii)There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv)The Company does not have any transactions with the companies struck off.

v)The Company has not traded or invested in crypto currency or virtual currency during the financial year.

vi)During the current year, the borrowed funds were utilised for the purpose which they were obtained and as per the terms specified in the sanction letter.

vii)The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries)

viii)The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries).

ix)The Company has borrowings from banks on the basis of security of current assets and the quarterly returns and statements of current assets filed by the Company with banks are in agreement with the books of accounts.

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

xi)The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

41. The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved as per the statutory requirements for record retention.

42. Subsequent event

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

Notes to the standalone financial statements for the year ended March 31, 2025

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

As per our report of even date

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

per Atin Bhargava
Partner
Membership no: 504777

Hyderabad
Date: May 22, 2025

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Naina Singh
Company Secretary
Membership no: ACS-68201

Hyderabad
Date: May 22, 2025

INDEPENDENT AUDITOR'S REPORT

To
The Members of MTAR Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the acCompanying consolidated financial statements of MTAR Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 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 consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the acCompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 2.2(f) and note 20 of the consolidated financial statements)	
Revenue from contracts with customer is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Holding Company expects to be entitled in exchange for those goods. During the year ended March 31, 2025, the Holding Company has recognised revenue amounting to Rs. 1,328.80 million and Rs. 5,317.66 million from domestic and export sales respectively. The point at which control passes is determined based on the terms and conditions by each customer arrangement i.e., delivery specifications including incoterms in case of exports. The risk is, therefore, that revenue may not get recognised in the correct period. Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures, among others included the following: • Assessed the Holding Company's revenue recognition policy in terms of Ind AS 115 ("Revenue from Contracts with Customers"). • Obtained an understanding, assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. • Performed the following tests for a sample of transactions o tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts / sales orders, shipping documents and other related documents. o verified whether the recognition of revenue is in accordance with the incoterms / when the conditions for revenue recognitions are satisfied. • Tested the supporting documentation for sample of sales transactions recorded during the period closer to the year end to agree the period of revenue recognition to underlying documents as referred above. • Assessed the relevant disclosures made in the consolidated financial statements.

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

Other Information

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

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

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

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements include total assets of Rs 109.52 as at March 31, 2025, and total revenues of Rs 32.43 and net cash outflows of Rs 0.49 for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

(c)The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 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 consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Holding Company and its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 32 to the consolidated financial statements;

ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 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 subsidiaries, incorporated in India during the year ended March 31, 2025.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries ; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries and companies, incorporated in India.

vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and as described in note 41, the Holding Company and subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Holding Company and the above referred subsidiaries as per the statutory requirements for record retention.

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

per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 25504777BMOCMO2112

Place of Signature: Hyderabad
Date: May 22, 2025

Place of Signature: Hyderabad
Date: May 22, 2025

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

Re: MTAR Technologies Limited ("the Company")

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

(i) Qualifications by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements

S.No	Name	CIN	Holding Company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Magnatar Aero Systems Private Limited	U29308TG2019PTC136567	Subsidiary	Clause 3(xvii)
2	Gee Pee Aerospace and Defence Private Limited	U29100TG1988PTC008777	Subsidiary	Clause 3(xvii)

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

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per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 25504777BMOCMO2112

Place of Signature: Hyderabad
Date: May 22, 2025

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

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

In conjunction with our audit of the consolidated financial statements of MTAR Technologies Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

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

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

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these two subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, incorporated in India.

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

per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 25504777BMOCMO2112

Place of Signature: Hyderabad
Date: May 22, 2025

Consolidated Balance Sheet as at March 31, 2025

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

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	4,361.24	3,398.08
Capital work in progress	3.1	531.61	728.82
Intangible assets	3 (b)	25.42	7.30
Financial assets			
-Investments	4 (a)	0.10	0.10
-Other financial assets	5	44.79	26.18
Non-current tax assets (net)	6	15.41	52.64
Other non-current assets	7	143.49	215.02
		5,122.06	**4,428.14**
Current assets			
Inventories	9	3,460.52	3,476.31
Financial assets			
Trade receivables	10	2,097.78	1,466.03
Cash and cash equivalents	11	19.34	392.36
Bank balances other than cash and cash equivalents	12	149.90	115.99
Other financial assets	5	68.53	85.63
Other current assets	8	384.69	112.13
		6,180.76	**5,648.45**
Total assets		**11,302.82**	**10,076.59**
Equity and liabilities			
Equity			
Equity share capital	13	307.59	307.59
Other equity	14	6,981.59	6,455.71
Total Equity		**7,289.18**	**6,763.30**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	17	810.46	969.89
Provisions	15	46.75	26.27
Deferred tax liabilities (net)	16	223.66	208.53
Non current liabilities	19	31.78	30.43
		1,112.65	**1,235.12**
Current liabilities			
Financial liabilities			
Borrowings	17	962.12	939.27
Trade payables	18		
- total outstanding dues of micro, small and medium enterprises		115.75	3.03
- total outstanding dues of creditors other than micro, small and medium enterprises		945.44	621.46
Other financial liabilities	17A	394.97	162.37
Other current liabilities	19	444.91	318.87
Provisions	15	37.80	33.17
		2,900.99	**2,078.17**
Total equity and liabilities		**11,302.82**	**10,076.59**
Summary of material accounting policies	2.2		

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

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

per Atin Bhargava
Partner
Membership no: 504777

Place: Hyderabad
Date: May 22, 2025

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Naina Singh
Company Secretary
Membership no: ACS-68201

Place: Hyderabad
Date: May 22, 2025

Consolidated statement of profit and loss for the year ended March 31, 2025

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

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	20	6,759.95	5,807.52
Other income	21	51.50	58.07
Total income		**6,811.45**	**5,865.59**
Expenses			
Cost of materials consumed	22	3,495.10	3,184.07
Changes in inventories of work-in-progress	23	(75.95)	(160.19)
Employee benefit expense	24	1,237.63	969.75
Finance costs	25	221.79	223.09
Depreciation and amortisation expense	26	322.35	231.63
Other expenses	27	894.83	686.87
Total expenses		**6,095.75**	**5,135.22**
Profit before tax		**715.70**	**730.37**
Tax expense	28		
Current tax		175.87	157.66
Adjustment of tax relating to earlier periods		(4.22)	(14.29)
Deferred tax	5	15.18	25.87
Total tax expense		**186.83**	**169.24**
Profit for the year		**528.87**	**561.13**
Other comprehensive income (OCI)			
Items not to be reclassified to profit or loss:			
Re-measurement gains/ (losses) on defined benefit plans		(4.00)	1.14
Income tax on above		1.01	(0.29)
OCI for the period, net of tax		**(2.99)**	**0.85**
Total comprehensive income for the year		**525.88**	**561.98**
Earnings per equity share of Rs. 10 each fully paid (31 March, 2024; INR 10)	29		
Basic and diluted, computed on the basis of profit attributable to equity holders		17.19	18.24
Summary of material accounting policies	2.2		

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

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

per Atin Bhargava
Partner
Membership no: 504777

Place: Hyderabad
Date: May 22, 2025

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Naina Singh
Company Secretary
Membership no: ACS-68201

Place: Hyderabad
Date: May 22, 2025

Consolidated statement of cash flows for the year ended March 31, 2025

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A Cash flow from operating activities		
Profit before tax	**715.70**	**730.37**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	322.35	231.63
Finance costs	221.79	223.09
Profit from sale of mutual funds	(0.42)	(23.64)
Net Unrealised exchange loss	-	8.01
Profit on sale of property, plant and equipment	(12.91)	(2.43)
Interest on bank deposits and others	(10.28)	(8.74)
Operating profit before working capital changes	**1,236.23**	**1,158.29**
Movements in working capital:		
Decrease / (Increase) in trade receivables	(630.55)	611.11
Decrease / (Increase) in inventories	15.79	389.31
Decrease / (Increase) in current and non current financial assets	12.58	(43.02)
Decrease / (Increase) in other current and non current assets	(268.39)	271.92
Increase / (decrease) in trade payables	437.66	(1,558.00)
Increase / (decrease) in other financial liabilities	196.33	89.62
Increase / (decrease) in other current and Non current liabilities	127.39	(147.37)
Increase / (decrease) in provisions	19.91	14.91
Cash generated from operations	**1,146.95**	**786.77**
Income tax paid (net of refunds)	(134.42)	(212.85)
Net cash flows from operating activities (A)	**1,012.53**	**573.92**
B Cash flow used in investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress, capital creditors and capital advances	(1,003.12)	(941.77)
Proceeds from Sale of property, plant and equipment	13.24	3.45
Investment in units of mutual fund	(70.00)	(751.76)
Receipt from redemption in units of mutual fund	70.42	1,050.14
Investment in bank deposits	(127.89)	(259.49)
Redemption from bank deposits	79.44	333.34
Interest received	10.73	9.60
Net cash flows used in investing activities (B)	**(1,027.18)**	**(556.49)**
C Cash flow from/(used in) financing activities		
Proceeds from long term borrowings	291.63	676.53
Repayment of long term borrowings	(446.06)	(302.65)
Proceeds from / (repayment of) short term borrowings (net)	17.85	101.74
Finance costs paid	(221.79)	(223.09)
Net cash flows from financing activities (C)	**(358.37)**	**252.53**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(373.02)**	**269.96**
Cash and cash equivalents at the beginning of the year	392.36	122.40
Cash and cash equivalents at the end of the year	**19.34**	**392.36**

Consolidated statement of cash flows for the year ended March 31, 2025

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Components of cash and cash equivalents		
Cash on hand	0.70	0.25
Balance with banks:		
Current accounts	18.64	392.11
Total cash and cash equivalents	**19.34**	**392.36**

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

Particulars	Long-term including current maturities	Short-term
Opening as on April 01, 2023	1,050.82	382.72
Proceeds for Long-term including current maturities	676.53	-
Repayment for Long-term including current maturities	(302.65)	-
Proceeds / (repayment) for Short-term (net)	-	101.74
Closing as on March 31, 2024	**1,424.70**	**484.46**
Proceeds for Long-term including current maturities	291.63	-
Repayment for Long-term including current maturities	(446.06)	-
Proceeds / (repayment) Short-term (net)	-	17.85
Closing as on March 31, 2025	**1,270.27**	**502.31**
Summary of material accounting policies 2.2		

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

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

per Atin Bhargava
Partner
Membership no: 504777

Place: Hyderabad
Date: May 22, 2025

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Naina Singh
Company Secretary
Membership no: ACS-68201

Place: Hyderabad
Date: May 22, 2025

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

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

a) Equity share capital

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

b) Other Equity

Particulars	Securities premium	Capital redemption reserve	Retained Earnings	Total
For the year ended March 31, 2025				
As at April 01, 2024	**3,199.56**	**14.55**	**3,241.60**	**6,455.71**
Profit for the year	-	-	528.87	528.87
Other comprehensive income for the year (net of tax)	-	-	(2.99)	(2.99)
As at March 31, 2025	**3,199.56**	**14.55**	**3,767.48**	**6,981.59**
For the year ended March 31, 2024				
As at April 01, 2023	3,199.56	14.55	2,679.62	5,893.73
Profit for the year	-	-	561.13	561.13
Other comprehensive income for the year (net of tax)	-	-	0.85	0.85
As at March 31, 2024	**3,199.56**	**14.55**	**3,241.60**	**6,455.71**

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

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered accountants
ICAI Firm registration number: 101049W/E300004

per Atin Bhargava
Partner
Membership no: 504777

Place: Hyderabad
Date: May 22, 2025

For and on behalf of the Board of Directors of
MTAR Technologies Limited

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

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Naina Singh
Company Secretary
Membership no: ACS-68201

Place: Hyderabad
Date: May 22, 2025

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

1 Corporate Information

The consolidated financial statements comprise financial statements of MTAR Technologies Limited, (“MTAR” or “the Holding Company” or “the Company” or “the parent”) and its subsidiaries (collectively, “the Group”) for the year ended March 31, 2025. The Company was a private limited Company domiciled in India, and incorporated on November 11, 1999 under the provisions of the erstwhile Companies Act, 1956 replaced with Companies Act, 2013 (“Act”) w.e.f. April 1, 2014 with its registered office at 18, Technocrats Industrial Estate, Balanagar, Hyderabad, Telangana, India 500037. The Company became a Public Limited Company w.e.f. November 2, 2020 and consequently the name of the Company has changed from MTAR Technologies Private Limited to MTAR Technologies Limited. The Holding Company listed its shares in both BSE and NSE on March 15, 2021.

The Group is engaged in the business of manufacturing high precision and heavy equipment, components, machines for sectors including nuclear, aerospace, defence, etc.

The consolidated financial statements were approved for issue in accordance with a resolution passed by the Board of Directors of the Company on 22 May 2025.

The financial statements once approved by the Board of directors needs to be adopted by the shareholders at the annual general meeting of the Company. The Board of directors can withdraw and re-issue the financial statements so adopted only in specific cases such as non-compliance with the applicable accounting standards, with the approval of Tribunal, after following the appropriate procedure as per Act.

2 Material accounting policies

These notes provide a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1.a Basis of preparation

The consolidated financial statements for the year ended March 31, 2025 comprising of consolidated balance sheet as at March 31, 2025, consolidated statement of profit and loss, consolidated statement of cash flow and consolidated statement of changes in equity for the year then ended, and a summary of explanatory notes (together hereinafter referred to as “financial statements”) have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable to the consolidated financial statements and other accounting principles generally accepted in India.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Defined benefits plan- plan assets measured at fair value

The financial statements are presented in Indian Rupees “INR” or “Rs.” and all values are stated as INR in millions upto two decimal places, except when otherwise indicated.

2.1.b Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2025.
Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of subsidiary used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure

1. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiary.
2. Eliminate the carrying amount of the Holding Company's investment in subsidiary and the Holding Company's portion of equity of subsidiary till date of incorporation of subsidiary.
3. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
4. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

2.2 Summary of material accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b) Property, plant and equipment

Freehold land is carried at cost, net of tax / duty credit availed, net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Capital work-in-progress (CWIP) includes cost of property, plant and equipment under installation/ under development, net of accumulated impairment loss, if any, as at the balance sheet date.

Directly attributable expenditure incurred on project under implementation are shown under CWIP. At the point when an asset is capable of operating in the manner intended by management, the capital work in progress is transferred to the appropriate category of property, plant and equipment.

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance.

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which is equal to the life prescribed under the Schedule II to the Companies Act, 2013.

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

The useful lives estimated by the management are given below:

Category of Asset	Estimated useful life (years)
Property, plant and equipment	
Buildings	30
Plant and machinery	15
Electrical equipment	5
Furniture and fixtures	10
Office equipment	5
Computers	3 / 6 years
Vehicles	8

The residual value, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other(income)/expense, net" in the statement of profit and loss.

c) Intangible assets

Costs relating to computer software, which is acquired, are capitalised and amortised on a straight-line basis over their estimated useful lives of three years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

d) Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

i. Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

ii. Finished goods and work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

e. Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

f) Revenue

(i) Revenue from contract with customers

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the transaction price of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates. Amounts collected on behalf of third parties such as Goods and Service Tax (GST) are excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue is recognized at the point in time when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on delivery to the customer. The contracts that Group enters into relate to sales order containing single performance obligations for the delivery of goods as per Ind AS 115. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods to a customer. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Contract Balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Trade receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (i) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(ii) Export benefits

Export benefits are recognised where there is reasonable assurance that the benefit will be received and all attached conditions will be complied with. Export benefits on account of export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

(iii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(iv) Dividend income

Dividend income from investments is recognised in the year in which the right to receive the payment is established.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

h) Foreign currency transactions

Items included in the financial statements of Group are measured using currency of the primary economic environment in which the Group operates (“the functional currency”). The financial statements are presented in Indian rupees (INR), which is the functional currency of the Group.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group in INR at spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at INR spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss. Net loss relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Asset

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (f) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised cost
Debt instruments at fair value through other comprehensive income (FVTOCI)
Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the profit or loss.

Debt instruments at FVTOCI
A 'debt instrument' 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) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debts Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL.However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Equity instruments designated at fair value through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Investment in Subsidiaries:

The Group has elected to recognize its investments in subsidiaries at cost less accumulated impairment loss, if any in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost represents amount paid for acquisition of the said investments.
On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss. The details of such investment are given in Note 4. Refer to the accounting policies in (g) Impairment of non-financial assets.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:
- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following note:
Trade receivables– see note 10

For trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than the 365 days over and above the usual credit period.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).
Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due over a reasonable period of credit
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Subsequent measurement

The measurement of financial liabilities is as described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial instruments

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating officer/ chief executive officer. The chief operating officer/ chief executive officer is responsible for allocating resources and assessing performance of operating segments and accordingly is identified as the chief operating decision maker.

k) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
-Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
-Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (notes 32)
- Investment in unquoted equity shares (note 4)
- Financial instruments (including those carried at amortised cost) (notes 5, 9, 10, 11, 16, 17, 17A, 33, 36)

l) Taxes
Tax expense comprises current tax expense and deferred tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

m) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the consolidated financial statements for the year ended March 31, 2025
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A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise the contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

o) Business combination

The Group accounts for its business combinations under acquisition method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair value of the assets transferred and liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in standalone statement of profit and loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire, if any over the net of the acquisition–date amounts of the identifiable assets acquired and the liabilities assumed. Such goodwill is tested annually for impairment.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date and is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

Business combinations arising from entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the entity are recorded in other equity.

p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Group and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the consolidated financial statements for the year ended March 31, 2025
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q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above are considered an integral part of the Group's cash management.

r) Cash dividend to equity holders of the Group

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors. A corresponding amount is recognised directly in equity.

s) Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

t) Supplier finance arrangements

The Group has established supplier finance arrangements (Refer Note 21A). The Group evaluates whether financial liabilities covered such arrangements continue to be classified within trade payables, or they need to be classified as a borrowing or as part of other financial liabilities/ as a separate line item on the face of the balance sheet. Such evaluation requires exercise of judgment basis specific terms of the arrangement.

The Group classifies financial liabilities covered under supplier finance arrangement within trade payables in the balance sheet only if (i) the obligation represents a liability to pay for goods and services, (ii) is invoiced and formally agreed with the supplier, (iii) is part of the working capital used in its normal operating cycle, (iv) the group is not legally released from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (iv) there is no substantial modification to the terms of the liability.

If one or more of the above criteria are met, the Group derecognises its original liability toward the supplier and recognise a new liability toward the bank which is classified as bank borrowing or other financial liability, depending on factors such as whether the Group (i) has obligation toward bank, (ii) is getting extended credit period such that obligation is no longer part of its working capital cycle, (iii) is paying interest directly or indirectly, (iv) has provided guarantee or security, and/ or (v) is recognized as borrower in the bank books.

Cash flows related to liabilities arising from supplier finance arrangements that continue to be classified in trade payables in the consolidated balance sheet are included in operating activities in the consolidated statement of cash flows, when the Group finally settles the liability.

In cases, where the Group has derecognised its original liability toward the supplier and recognise a new liability toward the bank, the Group has assessed that the bank is acting as its agent in making payment to the supplier. Accordingly, the Group presents operating cash outflow and financing cash inflow, when bank made payment to the supplier. The payment made by the group to the bank toward interest, if any, as well as on settlement is presented as financing cash outflow.

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

u) New and amended standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. Following are the new standards or amendments to the existing standards.

(i) Ind AS 117 Insurance Contracts

The Ministry of corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 1 April 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 had no impact on the Group's consolidated financial statements as the Group has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

(ii) Amendment to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendment does not have a material impact on the Group's financial statements.

Notes to the consolidated financial statements for the year ended March 31, 2025
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Note 3a : Property, plant and equipment and intangible assets

	Freehold land	Buildings	Plant and machinery	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total property, plant and equipment
As at April 01, 2023	**511.15**	**732.85**	**2,361.08**	**31.55**	**39.00**	**20.35**	**45.25**	**19.94**	**3,761.17**
Additions during the year	145.86	95.40	431.23	9.15	19.92	9.97	11.80	-	**723.33**
Disposals during the year	-	-	16.71	-	-	-	-	-	**16.71**
As at March 31, 2024	**657.01**	**828.25**	**2,775.60**	**40.70**	**58.92**	**30.32**	**57.05**	**19.94**	**4,467.79**
Additions during the year	-	184.86	1,037.13	9.15	18.73	16.53	8.47	3.76	**1,278.63**
Disposals during the year	-	-	8.28	-	-	-	-	-	**8.28**
As at March 31, 2025	**657.01**	**1,013.11**	**3,804.45**	**49.85**	**77.65**	**46.85**	**65.52**	**23.70**	**5,738.14**
Accumulated depreciation and amortisation									
As at April 01, 2023	**-**	**98.87**	**681.38**	**18.69**	**17.65**	**8.20**	**28.14**	**6.19**	**859.11**
Charge for the year	-	27.03	176.54	3.33	3.39	4.96	8.75	2.20	**226.20**
Disposals for the year	-	-	15.60	-	-	-	-	-	**15.60**
As at April 01, 2024	-	**125.90**	**842.32**	**22.01**	**21.04**	**13.16**	**36.89**	**8.39**	**1,069.71**
Charge for the year	-	30.63	256.03	4.41	4.56	7.13	9.72	2.21	**314.69**
Disposals for the year	-	-	7.50	-	-	-	-	-	**7.50**
As at March 31, 2025	-	**156.53**	**1,090.85**	**26.42**	**25.60**	**20.29**	**46.61**	**10.60**	**1,376.90**
Net block									
As at March 31, 2025	**657.01**	**856.58**	**2,713.60**	**23.43**	**52.04**	**26.56**	**18.92**	**13.10**	**4,361.24**
As at March 31, 2024	**657.01**	**702.35**	**1,933.28**	**18.70**	**37.87**	**17.16**	**20.17**	**11.55**	**3,398.08**

Certain land and buildings are subject to a first charge to secure the Holding Company's bank loans. (refer note 17)

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Note 3b: Intangible assets

	Intangible asset- Software
As at April 01, 2023	**43.72**
Additions during the year	4.79
Disposals during the year	-
As at March 31, 2024	**48.51**
Additions during the year	25.78
Disposals during the year	-
As at March 31, 2025	**74.29**
Accumulated depreciation and amortisation	
As at April 01, 2023	**35.78**
Charge for the year	5.43
Disposals for the year	-
As at March 31, 2024	**41.21**
Charge for the year	7.66
Disposals for the year	-
As at March 31, 2025	**48.87**
Net block	
As at March 31, 2025	**25.42**
As at March 31, 2024	**7.30**

Note 3.1: Capital work in progress

Particulars	Amount
As at April 01, 2023	**643.77**
Additions	813.17
Capitalised during the year	(728.12)
As at March 31, 2024	**728.82**
Additions	1,107.20
Capitalised during the year	(1,304.41)
As at March 31, 2025	**531.61**

Capital work in progress (CWIP)

(a) Ageing schedule

	March 31, 2025					March 31, 2024				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	390.14	73.10	68.37	-	531.61	387.07	323.03	0.17	3.55	713.82
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**390.14**	**73.10**	**68.37**	**-**	**531.61**	**387.07**	**323.03**	**0.17**	**3.55**	**713.82**

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

b) As at March 2025, there are no projects for which the completion is overdue or has exceeded its cost as compared to its original plan.
As at March 2024, there are no projects for which the completion is overdue or has exceeded its cost as compared to its original plan.

Note 4: Investments

	As at March 31, 2025	As at March 31, 2024
(a) Non-current investments		
Unquoted equity shares		
(a) Others (at fair value through profit or loss)		
Samuha Engineering Industries Limited [10,000 (March 31, 2024: 10,000) equity shares of par value Rs. 10 each (31 March 2024 : INR 10 each) fully paid]	0.10	0.10
	0.10	**0.10**
Aggregate amount of unquoted investments- in others	0.10	0.10

5 Financial assets

Unsecured, considered good unless stated otherwise

	As at March 31, 2025	As at March 31, 2024
Non-current		
Security deposits	30.25	26.18
Deposit with remaining maturity more than 12 months (refer note 12)	14.54	-
	44.79	**26.18**
Current		
Deposit with remaining maturity less than 12 months (refer note 12)	3.55	-
Retention money	62.74	82.44
Interest accrued	1.09	1.54
Loans and advances to employees	1.15	1.65
	68.53	**85.63**

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

6 Non current tax assets (net) / current tax liabilities (net)

	As at March 31, 2025	As at March 31, 2024
Non-current tax asset (net)		
Advance income tax (net)	15.41	52.64
Liability for current tax		
Tax liability	-	-
	15.41	**52.64**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and related to income tax levied by same tax authority.

7 Other non-current assets

	As at March 31, 2025	As at March 31, 2024
Non-current		
Unsecured, considered good		
Prepaid expenses	4.83	9.00
Advance for capital goods	113.13	180.49
Balances recoverable from government authorities	25.53	25.53
	143.49	**215.02**

8 Other current assets

	As at March 31, 2025	As at March 31, 2024
Current		
Unsecured, considered good		
Advance to suppliers	102.24	65.32
Prepaid expenses	12.32	33.49
Export benefits receivable	5.01	0.74
Balances recoverable from government authorities	265.12	12.58
	384.69	**112.13**

9 Inventories (at lower of cost and net realisable value)

	As at March 31, 2025	As at March 31, 2024
Raw materials	1,661.99	1,769.74
[Includes in transit: Rs. 240.45 (March 31, 2024: Rs. 117.64)]		
Stores and Spares	116.53	100.52
Work-in-progress	1,682.00	1,606.05
	3,460.52	**3,476.31**

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

10 Trade receivables

	As at March 31, 2025	As at March 31, 2024
Current		
Unsecured considered good	2,098.98	1,467.23
Less: allowance for credit loses	1.20	1.20
	2,097.78	**1,466.03**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Movement in expected credit loss

	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	1.20	-
Provision made during the year, net of reversals	-	1.20
Bad debts written off against opening provision during the year	-	-
Balance at the end of the year	**1.20**	**1.20**

Trade receivables ageing schedule
As at March 31, 2025

	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Unsecured considered good	1,795.64	216.28	30.01	54.72	1.97	0.36	2,098.98
Trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**1,795.64**	**216.28**	**30.01**	**54.72**	**1.97**	**0.36**	**2,098.98**
Less: allowance for credit loses							**1.20**
Total							**2,097.78**

As at March 31, 2024

	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Unsecured considered good	1,158.89	243.53	52.79	9.17	2.63	0.21	1,467.23
Trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**1,158.89**	**243.53**	**52.79**	**9.17**	**2.63**	**0.21**	**1,467.23**
Less: allowance for credit loses							**1.20**
Total							**1,466.03**

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

11 Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.70	0.25
Balances with banks		
On current accounts	18.64	392.11
	19.34	**392.36**

12 Balances at bank other than cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Margin money deposits*		
Deposits with original maturity for more than three months but remaining maturity of less than twelve months	149.90	115.99
Deposits with remaining maturity of more than twelve months	14.54	-
Less: Amount clubbed under 'non-current financial assets- others' (refer note 5)	(14.54)	-
Deposits with remaining maturity of less than twelve months	3.55	-
Less: Amount clubbed under 'current financial assets- others' (refer note 5)	(3.55)	-
	149.90	**115.99**

* Margin money deposits represent security held by bank for the bank guarantees and letter of credits of Rs. 726.65 (March 31, 2024: Rs. 878.72) issued by the bankers on behalf of the Company.

Breakup of financial assets carried at fair value through profit or loss:

	As at March 31, 2025		As at March 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Investments in unquoted equity shares (others)	0.10	0.10	0.10	0.10
Total financial assets carried at fair value through profit or loss	**0.10**	**0.10**	**0.10**	**0.10**

Breakup of financial assets carried at amortised cost:

	As at March 31, 2025		As at March 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Trade receivables	2,097.78	2,097.78	1,466.03	1,466.03
Cash and cash equivalent	19.34	19.34	392.36	392.36
Balances at bank other than cash and cash equivalents	149.90	149.90	115.99	115.99
Retention money	62.74	62.74	82.44	82.44
Security deposits	30.25	30.25	26.18	26.18
Deposit with remaining maturity more than 12 months	14.54	14.54	-	-
Deposit with remaining maturity less than 12 months	3.55	3.55	-	-
Interest accrued	1.09	1.09	1.54	1.54
Loans and advances to employees	1.15	1.15	1.65	1.65
Total financial assets carried at amortised cost	**2,380.34**	**2,380.34**	**2,086.19**	**2,086.19**

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

The management assessed that cash and cash equivalents and trade receivables approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values. The fair values of the financial assets included above have been determined in accordance with generally accepted pricing models.

13. Equity share capital

	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of Rs. 10 each	66,000,000	660.00	66,000,000	660.00
Issued, subscribed and fully paid up shares				
Equity shares of Rs. 10 each	**30,759,591**	**307.59**	**30,759,591**	**307.59**

(a) Reconciliation of equity shares outstanding at beginning and at end of the year:

	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	30,759,591	307.59	30,759,591	307.59
Issued during the year	-	-	-	-
At the end of the year	**30,759,591**	**307.59**	**30,759,591**	**307.59**

(b) Rights, preferences and restrictions attached to shares

The Holding has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shareholders holding more than 5% equity shares in the Holding Company

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares	%	Number of shares	%
(i) Vamshidhar Reddy Kallem	18,56,087	6.03%	18,56,087	6.03%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest,the above shareholding represents both legal and beneficial ownerships of shares.

(d) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(i) There are no equity shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

(ii) During the year ended March 31, 2020, the Holding has bought back 1,454,541 equity shares of Rs. 10 each.

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(e) Details of shares held by promoters

As at March 31, 2025

Equity shares of Rs. 10 each fully paid

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
K Vamshidhar Reddy	18,56,087	-	18,56,087	6.03%	0.00%
P Srinivas Reddy	13,92,903	-	13,92,903	4.53%	0.00%
Mitta Madhavi	12,05,983	2,25,000	14,30,983	4.65%	0.73%
A Manogna	11,86,889	(25,000)	11,61,889	3.78%	-0.08%
Saranya Loka Reddy	9,89,666	(3,90,000)	5,99,666	1.95%	-1.27%
P Kalpana Reddy	9,74,000	(1,00,000)	8,74,000	2.84%	-0.33%
D Anitha Reddy	7,90,431	(7,90,431)	-	0.00%	-2.57%
K Shalini	7,55,483	(3,45,000)	4,10,483	1.33%	-1.12%
Leelavathi Parvatha Reddy	7,21,712	3,00,000	10,21,712	3.32%	0.98%
Usha Reddy Chigarapalli	7,05,445	(7,05,445)	-	0.00%	-2.29%
Kavitha Reddy Gangapatnam	6,02,741	(1,10,000)	4,92,741	1.60%	-0.36%
Praval Reddy Akepati	-	2,50,000	2,50,000	0.81%	0.81%
Anushman Reddy	2,68,128	-	2,68,128	0.87%	0.00%
Northeast Broking Services Limited	12,500	-	12,500	0.04%	0.00%
Total	**1,14,61,968**	**(16,90,876)**	**97,71,092**	**31.77%**	**-5.50%**

As at March 31, 2024

Equity shares of Rs. 10 each fully paid

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
K Vamshidhar Reddy	20,91,559	(2,35,472)	20,91,559	6.03%	-0.77%
K Shalini	13,92,903	-	20,91,483	4.53%	0.00%
Leelavathi Parvatha Reddy	7,71,321	4,34,662	16,18,712	3.92%	1.41%
D Anitha Reddy	6,43,813	5,43,076	13,92,903	3.86%	1.77%
Usha Reddy Chigarapalli	9,24,666	65,000	12,80,431	3.22%	0.21%
P Srinivas Reddy	10,25,000	(51,000)	12,05,445	3.17%	-0.17%
Kavitha Reddy Gangapatnam	12,80,431	(4,90,000)	10,25,000	2.57%	-1.59%
Saranya Loka Reddy	20,91,483	(13,36,000)	9,95,446	2.46%	-4.34%
P Kalpana Reddy	16,18,712	(8,97,000)	9,24,666	2.35%	-2.92%
Mitta Madhavi	12,05,445	(5,00,000)	7,71,321	2.29%	-1.63%
A Manogna	9,95,446	(3,92,705)	6,43,813	1.96%	-1.28%
Anushman Reddy	2,68,128	-	2,68,128	0.87%	0.00%
Northeast Broking Services Limited	35,000	(22,500)	35,000	0.04%	-0.07%
Total	**1,43,43,907**	**(28,81,939)**	**1,43,43,907**	**37.26%**	**-9.37%**

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

14. Other Equity

	As at March 31, 2025	As at March 31, 2024
Securities premium		
Balance at the beginning of the year	3,199.56	3,199.56
Balance at the end of the year	**3,199.56**	**3,199.56**
Capital redemption reserve		
Balance at the beginning of the year	14.55	14.55
Balance at the end of the year	**14.55**	**14.55**
Retained earnings		
Balance at the beginning of the year	3,241.60	2,679.62
Add: Other comprehensive income / (loss) for the year	(2.99)	0.85
Add: Profit for the year	528.87	561.13
Balance at the end of the year	**3,767.48**	**3,241.60**
	6,981.59	**6,455.71**

Nature and purpose of reserves

Security premium represents the amount received in excess of par value of equity shares. Section 52 of Companies Act, 2013 specifies regulation around application of premiums received on issue of shares. Accordingly, the Group has applied securities premium to write off Group's share of expenses incurred on fresh issue of equity shares.

Capital redemption reserve represents the amount of profits transferred from securities premium for the buy back of equity shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Retained earnings are the profits that the Group has earned till date, less dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the Group and eligible for distribution to shareholders.

15. Provisions

	As at March 31, 2025	As at March 31, 2024
Non-current		
Provision for employee benefits		
- Gratuity (refer note 30)	46.56	26.27
- Other provisions	0.19	-
	46.75	**26.27**
Current		
Provision for employee benefits		
- Gratuity (refer note 30)	20.30	17.74
- Compensated absences	17.50	15.43
	37.80	**33.17**

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

16. Deferred tax liabilities (net)

	As at March 31, 2025	As at March 31, 2024
Deferred tax liability arising on account of timing differences relating to:		
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	263.14	233.31
	263.14	**233.31**
Deferred tax asset arising on account of timing differences relating to:		
Expenses allowed on payment basis	39.48	24.78
	39.48	**24.78**
Deferred tax liability (net)	**223.66**	**208.53**

The Group offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Break up of deferred tax (asset) / liabilities

	Opening balance	Recognised in the statement of profit and loss	Recognised in OCI	Closing balance
For the year ended March 31, 2025:				
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	233.31	28.87	-	263.14
Expenses allowed on payment basis	(24.78)	(13.69)	(1.01)	(39.48)
	208.53	**15.18**	**(1.01)**	**223.66**
For the year ended March 31, 2024:				
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	190.14	43.17	-	233.31
Expenses allowed on payment basis	(7.77)	(17.30)	0.29	(24.78)
	182.37	**25.87**	**0.29**	**208.53**

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

17. Borrowings

	As at March 31, 2025	As at March 31, 2024
Non-current		
Secured bank borrowings		
Long-term borrowings	1,270.27	1,424.70
Less: Amount disclosed under “short-term borrowings”	(459.81)	(454.81)
	810.46	**969.89**
Current		
Secured bank borrowings		
Cash credit	502.31	484.46
Export packing credit (USD)	-	-
Current maturity of long-term borrowings	459.81	454.81
	962.12	**939.27**
Aggregate secured borrowings	**1,772.58**	**1,909.16**
Aggregate unsecured borrowings	-	-

1. The long-term borrowings including current maturities of Rs. 1,270.14 (March 31, 2024: Rs. 1,424.70) from banks is secured by collateral security against inventories, trade receivables and all other charges on current assets of the present and future current assets of the Holding Company. The Holding Company has not fully drawn the loan facility as at March 31, 2025.

(i) State Bank of India
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

(ii) HDFC Bank Limited
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

(iii) EXIM Bank
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

(iv) Union Bank
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

Particulars	Outstanding balance as at (` in mn)		Interest range % per annum	Balance number of installments as at		Frequency of installments	Repayments commencing from - to
	March 31, 2025	March 31, 2024		March 31, 2025	March 31, 2024		
HDFC Bank Limited	273.86	446.82	9.65 to 9.85	18	30	Monthly	April 01, 2022 to October 31, 2026
EXIM Bank- 1	229.50	331.69	9.00 to 9.10	9	13	Quarterly	September 01, 2023 to August 31, 2027
State Bank of India- 1	-	52.58	9.40 to 9.55	0	8	Quarterly	March 31, 2021 to March 31, 2026
State Bank of India- 2	290.94	373.71	8.95 to 9.35	16	20	Quarterly	March 31, 2025 to March 31, 2029
EXIM Bank- 2	210.35	59.90	9.25	16	16	Quarterly	March 01, 2025 to December 01, 2028
Union Bank	124.44	160.00	9.35 to 9.45	15	18	Quarterly	March 31, 2025 to September 30, 2028
EXIM Bank- 3	141.05	-	8.25	16	-	Quarterly	January 01, 2026 to October 01, 2029

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

2. Cash credit and export packing credit facility (USD) aggregating to Rs. 502.31 (March 31, 2024: Rs. 484.46) is secured against inventories, trade receivables, and all other charges on current assets of the present and future current assets of the Company. Further the borrowing is secured by collateral security on the certain land and building of the Company.

The cash credit facility is repayable on demand and carries interest @ 7.22% to 9.57% p.a. (March 31, 2024: 5.95% to 9.50% p.a.).

17A Other Financial Liabilities

	As at March 31, 2025	As at March 31, 2024
Payable for capital goods	109.02	72.75
Supplier credit *	163.36	-
Accrued Wages and Salaries	122.59	89.62
	394.97	**162.37**

* Supplier credit availed at an interest rate ranging from 8% to 9%.

18 Trade Payable

	As at March 31, 2025	As at March 31, 2024
- dues of micro and small enterprises	115.75	3.03
- dues of creditors other than micro and small enterprises	945.44	621.46
	1,061.19	**624.49**

Trade payables ageing schedule
As at March 31, 2025

		Outstanding for following periods from due date of payment				
	Unbilled	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of MSME	-	115.75	-	-	-	115.75
Total outstanding dues of creditors other than MSME	300.56	625.78	8.57	10.53	0.00	945.44
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	300.56	**741.53**	**8.57**	**10.53**	**0.00**	**1,061.19**

As at March 31, 2024

		Outstanding for following periods from due date of payment				
	Unbilled	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of MSME	-	3.03	-	-	-	3.03
Total outstanding dues of creditors other than MSME	249.74	444.44	15.92	0.65	0.33	711.08
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	249.74	**447.47**	**15.92**	**0.65**	**0.33**	**714.11**

Trade payables are non-interest bearing and are normally settled on 60-day terms, including those trade payables that are included in the Group's supplier finance arrangement.

For explanations on the Group's credit risk management processes, refer to Note 34.

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Disclosure pertaining to Micro, Small And Medium Enterprises Act (as per information available with the Company)

	As at March 31, 2025	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount remaining unpaid	115.75	3.03
Interest due thereon	-	-
	115.75	**3.03**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Breakup of financial liabilities carried at amortised cost:

	As at March 31, 2025		As at March 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings- long-term including current maturities	1,270.27	1,270.27	1,424.70	1,424.70
Borrowings- short-term	502.31	502.31	484.46	484.46
Payable for capital goods	109.02	109.02	72.75	72.75
Supplier credit	163.36	163.36	-	-
Accrued Wages and Salaries	122.59	122.59	89.62	89.62
Trade payables	1,061.19	1,061.19	624.49	624.49
	3,228.74	**3,228.74**	**2,696.02**	**2,696.02**

The management assessed that trade payables, short-term borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial liabilities included above is at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

19. Other Liabilities

	As at March 31, 2025	As at March 31, 2024
Non-Current		
Statutory dues	31.78	30.43
	31.78	**30.43**
Current		
Statutory dues	11.50	13.99
Contract liability- advance from customers (refer note 20)	433.41	304.88
	444.91	**318.87**

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

20. Revenue from Operations

	For the year ended March 31, 2025	For the year ended March 31, 2024
(A) Revenue from contracts with customers		
Sale of products	6,646.46	5,725.98
	6,646.46	**5,725.98**
(B) Other operating revenue		
- Sale of scrap and others	113.49	81.54
	113.49	**81.54**
Total (A+B)	**6,759.95**	**5,807.52**

(i) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the year ended March 31, 2025	For the year ended March 31, 2024
India	1,328.80	1,607.08
Outside India	5,317.66	4,118.90
	6,646.46	**5,725.98**
Timing of revenue recognition		
Goods transferred at a point of time	6,646.46	5,725.98
Total	**6,646.46**	**5,725.98**

(ii) Contract balances

	As at March 31, 2025	As at March 31, 2024
Trade receivable	2,097.78	1,466.03
Retention money	62.74	82.44
Contract liabilities		
Advance from customer	433.41	304.88

The performance obligation is satisfied when control of the goods are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

Trade receivables and retention money are non-interest bearing. Refer note 10 for details on expected credit loss.

Unbilled revenue are initially recognised for revenue earned from transfer of goods and services but not billed to customer because the work completed has to meet requirements of various milestones as set out in the contract with customers. Upon fulfilling the milestones and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Advance from customers pertain to balance received as advance from various parties as certain percentage of the order value. The same will be adjusted against the order on the basis of delivery and collection of receivables.

There is no difference in the contract price negotiated and the revenue recognised in the statement of profit and loss. There is no significant revenue recognised in the current year from performance obligations satisfied in previous years.

(iii) Amounts included in contract liabilities at the beginning of the period recognised as revenue in the current period of Rs. 65.16 (March 31, 2024: Rs. 220.03). Generally the advance from customers are settled over a period of 1 to 3 years.

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

21. Other Income

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on bank deposits and others	10.28	8.74
Interest income on Income Tax Refund	1.80	2.58
Other non operating income:	25.71	20.24
Foreign exchange gain (net)		
Profit on sale of Assets	12.91	2.43
Profit from sale of mutual funds	0.42	23.64
Miscellaneous income	0.38	0.44
	51.50	**58.07**

22. Cost of materials consumed

	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventory at the beginning of the year	1,870.26	2,419.76
Add: Purchases	3,403.36	2,634.57
Less: Inventory at the end of the year	(1,778.52)	(1,870.26)
	3,495.10	**3,184.07**

23. Changes in inventories of work-in-progress

	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventory at the beginning of the year	1,606.05	1,445.86
Less: Inventory at the end of the year	(1,682.00)	(1,606.05)
	(75.95)	**(160.19)**

24. Employee Benefit Expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	1,142.25	888.88
Contribution to provident and other funds [refer note 30 (II)]	46.89	37.49
Gratuity expense [refer note 30 (I)]	19.26	16.31
Staff welfare expenses	29.23	27.07
	1,237.63	**969.75**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the Code came into effect on 3 May 2024. However, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

25. Finance costs

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expenses		
- Short term borrowings	53.29	82.93
- Long term borrowings	119.63	105.19
Bank charges	48.87	34.97
	221.79	**223.09**

26. Depreciation and amortisation expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment	314.69	226.20
Amortisation on intangible assets	7.66	5.43
	322.35	**231.63**

27. Other Expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Sub-contractor charges	263.84	157.08
Production expenses	167.35	128.21
Power and fuel	169.43	145.07
Repairs and maintenance		
- Buildings	35.62	31.55
- Plant and machinery	55.25	29.27
- Others	13.81	8.26
Insurance	14.38	14.98
Rates and taxes	14.39	13.43
Travelling and conveyance	20.52	19.30
Freight and forwarding	20.39	10.42
Provision for excpected credit loss for trade receivables	-	1.20
Legal and professional charges	35.09	38.13
Security charges	18.25	16.35
Payment to auditors (refer below)	6.84	5.99
CSR expenses (refer note 31)	20.00	20.66
Miscellaneous expenses	39.67	46.97
	894.83	**686.87**

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Payment to auditors

	For the year ended March 31, 2025	For the year ended March 31, 2024
Statutory audit	6.60	5.50
Out of pocket expenses	0.24	0.49
	6.84	**5.99**

28. Tax expense

a) Income tax expense:

The major components of income tax expense

(i) Profit or loss section

	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Current tax	175.87	157.66
B. Deferred tax		
Tax expense on origination and reversal of temporary difference	15.18	25.87
Actual tax expense accounted in books	**191.05**	**183.53**
C. Adjustment of tax relating to earlier periods		
Income tax expense recognised in the statement of profit and loss	(4.22)	(14.29)
	186.83	**169.24**

(ii) OCI Section

	For the year ended March 31, 2025	For the year ended March 31, 2024
Income tax expense to OCI	**(1.01)**	**0.29**

b) Reconciliation of effective tax rate:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax (A)	715.70	730.37
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	**180.13**	**183.82**
Tax effect of		
Adjustments for taxes with respect of earlier period	(4.22)	(14.29)
Expenses disallowed under Income Tax Act, 1961	5.03	5.33
Others	5.89	(5.62)
Total (D)	**6.70**	**(14.58)**
Expected tax expenses (C+D)	186.83	169.24
Income tax expenses	186.83	169.24
Effective tax rate	26.10%	23.17%

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

29. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit attributable to equity share holders	528.87	561.13
Weighted average number of equity shares in calculating basic and diluted EPS	3,07,59,591	3,07,59,591
Face value of each equity share (Rs.)	10.00	10.00
Basic and diluted earnings per share	**17.19**	**18.24**

30. Employment benefit Obligations

I. Defined benefits plan

The Employees' Gratuity Fund Scheme managed by a trust is a defined benefit gratuity plan which is administered through gratuity scheme with Life Insurance Corporation of India. Every employee who has completed five years or more of service gets gratuity, on retirement/termination, at 15 days last drawn salary for each completed year of service subject to a maximum of Rs. 2.00. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

A) Net employee benefit expense (recognised in employee benefits expense)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	16.09	14.14
Interest cost on defined benefit obligation	14.82	14.49
Interest (income) on plan assets	(11.65)	(12.32)
Net employee benefit expenses	**19.26**	**16.31**

B) Amount recognised in the statement of other comprehensive income (OCI)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Remeasurements- due to experience adjustments	(1.64)	(7.02)
Return on plan assets	1.00	1.66
Remeasurements- due to financial assumptions	4.64	4.22
	4.00	**(1.14)**

C) Amount recognised in the balance sheet

	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation	230.85	213.07
Fair value of plan assets	163.99	169.06
Net defined benefit liability	**66.86**	**44.01**

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

D) Changes in the present value of the defined benefit obligation

	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	213.07	198.03
Interest cost	14.82	14.49
Current service cost	16.09	14.14
Net actuarial (losses) / gains on obligations recognised under OCI	3.01	(2.80)
Benefit payments from plan assets	(16.14)	(10.79)
Closing defined benefit obligation	**230.85**	**213.07**

E) Changes in the fair value of plan assets

	As at March 31, 2025	As at March 31, 2024
Opening fair value of plan assets	169.06	169.19
Interest income	11.65	12.32
Remeasurements- return on assets	(1.00)	(1.66)
Contributions by employer	0.42	-
Benefit payments from plan assets	(16.14)	(10.79)
Closing fair value of plan assets	**163.99**	**169.06**

Expected contribution to the gratuity fund during the next year would be Rs. 44.01 (March 31, 2024: Rs. 44.01)

Investment details of plan assets		
Investment with insurer- Assets under Schemes of Insurance	100.00%	100.00%

(i) The principal assumptions used in determining gratuity obligation

	As at March 31, 2025	As at March 31, 2024
Discount rate	6.94%	7.23%
Rate of increase in compensation	7.00%	7.00%
Employee attrition rate	5.00%	5.00%
Mortality rate	Indian assured life mortality (2012-14)	Indian assured life mortality (2012-14)

(ii) Disclosure related to indication of effect of the defined benefit plan on the Group's future cash flow

	As at March 31, 2025	As at March 31, 2024
1 year	20.59	17.97
2-5 years	105.62	101.32
6-10 years	96.26	94.43

The weighted average duration of the defined benefit obligation is 8.00 years (March 31, 2024: 8.00 years).

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

	As at March 31, 2025	As at March 31, 2024
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(15.30)	(13.90)
- 1% decrease	17.47	15.83
(b) Effect of 1% change in rate of increase in compensation		
- 1% increase	18.42	16.78
- 1% decrease	(16.46)	(15.01)
(c) Effect of 1% change in assumed attrition rate		
- 1 % increase	(0.25)	0.05
- 1 % decrease	0.26	(0.07)

II. Defined contribution plans

The Group made provident fund and other funds contributions to defined contribution plans for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs. 45.79 (March 31, 2024: Rs. 36.17) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

31. Detail of CSR expenditure

	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Gross amount required to be spent by the Group during the year	20.00	20.66
(b) Amount approved by the Board to be spent during the year	20.00	20.66
(c) Amount spent during the year (in cash)		
i) Construction /acquisition of any asset	-	-
- Other than ongoing project	-	-
	-	-

(d) Details of ongoing project and other than ongoing project

	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
	With Company	In separate CSR unspent A/c		With Company	In separate CSR unspent A/c	With Company	In separate CSR unspent A/c
March 31, 2025							
Ongoing project	-	-	-	-	-	-	-
Other than ongoing project	-	-	20.00	20.00	-	-	-
March 31, 2024							
Ongoing project	-	-	-	-	-	-	-
Other than ongoing project	-	-	20.66	20.66	-	-	-

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

32. Commitments and contingencies

a. Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for: Rs. 121.20 (March 31, 2024: Rs. 466.62).

b. Contingent liabilities

Claims against the Company not acknowledged as debts is amounting to Rs. 22.67 for March 31, 2024 (March 31, 2024: Rs. 22.67).

33. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the acCompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. There are no significant areas involving a high degree of judgement or complexity.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Rate of increase in compensation are based on expected future inflation. Further details about gratuity obligations are given in note 30.

ii. Depreciation of property, plant and equipment and amortization of Intangible assets

Depreciation of property, plant and equipment and amortization of intangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values as estimated by the management. The management believes that depreciation and amortization rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment and intangible assets.

34. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, other financial assets, cash and cash equivalent and balance at bank other than cash and cash equivalent. The Group is exposed to credit risk, market risk and liquidity risk. The Group has a risk management policy and its management is supported by a risk management committee that advices on risk and appropriate financial risk governance framework for the Group. The risk management committee provides assurance to the Group's management that the risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks.

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables), cash and cash equivalent, balance at bank other than cash and cash equivalent and other financial assets. The Group deals with parties which has good credit rating /worthiness given by external rating agencies or based on Group's internal assessment. The major customers are usually the Government parties and export customers with high credit worthiness.

Exposure to credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was (i) Rs. 2,160.52 (March 31, 2024: Rs. 1,548.47) being the total of the carrying amount of balances with trade receivables (including retention money and unbilled revenue) (ii) cash and cash equivalent (excluding cash on hand), balance at bank other than cash and cash equivalent, non-current bank balances and interest accrued of Rs. 170.33 (March 31, 2024: Rs. 509.64) and (iii) other financial assets of Rs. 49.49 (March 31, 2024: Rs. 27.83).

The measurement of impaired credit for carrying amount of the above financial assets is ascertained using the expected credit loss model (ECL) approach. Credit risk is managed through continuously monitoring the creditworthiness of customers. The Group is considerate of the fact the majority of the collection is receivable from export customers with high credit worthiness or the government companies where there are no significant risk of bad debts. The customers of the Group have a defined period for payment of receivables, hence the Group evaluates the concentration of risk with respect to trade receivables as low. The total amount receivable from top 2 customers is Rs. 1,590.33 for March 31, 2025 (March 31, 2024: Rs. 1,008.67).

The cash and cash equivalent (excluding cash on hand), balance at bank other than cash and cash equivalent, non-current bank balances and interest accrued of Rs. 170.33 (March 31, 2024: Rs. 509.64) are held with banks having good credit rating.

B. Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (including interest payments):

	Within 1 year	1 to 5 years	After 5 years	Total
March 31, 2025				
Borrowings	962.12	810.46	-	1,772.58
Trade payables	1,061.19	-	-	1,061.19
Other financial liability	394.97	-	-	394.97
	2,418.28	**810.46**	**-**	**3,228.74**
March 31, 2024				
Borrowings	939.27	969.89	-	1,909.16
Trade payables	624.49	-	-	624.49
Other financial liability	162.37	-	-	162.37
	1,726.13	**969.89**	**-**	**2,696.02**

The cash credit facility amounting to Rs. 502.31 (March 31, 2024: Rs. 484.46), repayable on demand, has been disclosed as within 1 year for the purpose of disclosure of liquidity risk of the Group.

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. The sensitivity analysis has been included in the below disclosures.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss. The risks primarily relate to fluctuations in US Dollar (USD) as against the functional currency of the Group. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

a. The year end unhedged foreign currency exposures is as under:

	Currency	Amount in foreign currency	Exchange rate	Amount in Rs.
Trade receivables				
March 31, 2025	USD	19.57	85.58	1,674.63
March 31, 2025	EUR	0.10	92.32	8.86
March 31, 2024	USD	10.88	83.37	907.29
Cash and cash equivalents				
March 31, 2025	USD	0.01	85.58	0.77
March 31, 2025	EUR	0.00	92.32	0.11
March 31, 2024	USD	4.53	83.37	377.30
Trade payables				
March 31, 2025	USD	8.79	85.58	752.15
March 31, 2025	GBP	0.13	110.74	13.87
March 31, 2025	EUR	0.00	92.32	0.01
March 31, 2024	USD	4.66	83.37	388.33
March 31, 2024	GBP	0.22	105.29	23.61
March 31, 2024	EURO	0.00	92.41	0.05
March 31, 2024	CHF	0.02	90.22	1.50

b. Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Change in USD exchange rate		Effect on profit before tax	
	Increase	Decrease	Increase	Decrease
March 31, 2025	1%	1%	9.18	(9.18)
March 31, 2024	1%	1%	8.71	(8.71)

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because certain funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

If interest rates had been 100 basis points (1%) higher / lower and all other variables were held constant, the Group's profit before tax for the year end ended March 31, 2025 would decrease / increase Rs. 17.73 (March 31, 2024: Rs. 19.09).

35. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio to an acceptable level. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents excluding balance with monitoring agency account.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowing in the current year. The Group has established a supplier finance arrangement to manage its working capital.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Borrowings	1,772.58	1,909.16
Less: Cash and cash equivalents excluding balance with monitoring agency account	(19.34)	(392.36)
Net debt (A)	**1,753.24**	**1,516.80**
Equity (B)	**7,289.18**	**6,763.30**
Equity and net debt (C) = (A) + (B)	**9,042.42**	**8,280.10**
Gearing ratio (A) / (C)	**19.39%**	**18.32%**

36. Related party disclosures

Names of related parties and description of relationship

(a) Key managerial personnel

Parvat Srinivas Reddy, Managing Director
A. Praveen Kumar Reddy, Director
M. Anushman Reddy, Director
Gunneswara Rao Pusarla, Chief financial officer
Shubham Sunil Bagadia, Company secretary (upto May 31, 2024)
Naina Singh, Company secretary (w.e.f June 1, 2024)

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(b) Relatives of key management personnel
- A. Pranay Kumar Reddy
- A. Praval Kumar Reddy
- K. Shalini

(c) Independent / Non-Executive Directors
Subbu Venkata Rama Behara
A. Krishna Kumar
Ameeta Chatterjee
U C Muktibodh
V.G. Sekaran
Venkatasatishkumar Reddy Gangapatnam, Director (upto December 13, 2024)
Rohith Loka Reddy (w.e.f February 10, 2025)

Transactions and balances with related parties

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Transactions with related parties		
Remuneration*		
M. Anushman Reddy	18.97	9.94
Parvat Srinivas Reddy	40.02	30.02
A. Praveen Kumar Reddy	12.77	7.53
A. Pranay Kumar Reddy	0.85	0.86
A. Praval Kumar Reddy	0.75	-
Shubham Sunil Bagadia	0.16	0.92
Naina Singh	0.82	-
Gunneshwara Rao Pusarla	20.77	13.18
Sitting fees/Commission		
Venkatasatishkumar Reddy Gangapatnam	0.37	0.46
B V R Subbu	2.09	2.21
A. Krishna Kumar	2.04	2.26
Ameeta Chatterjee	1.99	2.21
U C Muktibodh	1.74	1.96
V.G. Sekaran	1.79	2.01
Rohith Loka Reddy	0.09	-
Rent expense		
K. Shalini	0.76	0.73

*As the future liability for gratuity and leave encashment is provided on actuarial basis for the Group as a whole, the amount pertaining to the individuals is not ascertainable, therefore not included above.

37. Fair values

There are no significant financial assets and liabilities measured at fair value through profit or loss except for Investment in units of mutual fund [refer note 4(b)] which has been valued using Level 1 valuation method as described in note 2.2(i).

The fair value of the financial assets and liabilities measured at amortised cost approximates their carrying amounts as at the balance sheet date. (refer breakup of financial assets carried at fair value through profit or loss and breakup of financial assets and financial liabilities carried at amortised cost).

Notes to the consolidated financial statements for the year ended March 31, 2025
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

38. Segment Reporting

The Managing director / chief executive officer of the Group takes decision in respect of allocation of resources and assesses the performance basis the report / information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Group's business model, manufacturing high precision and heavy equipment, components, machines have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below.

The geographic information analyses the Group's revenues and non-current assets by the country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of the assets.

(a) Revenue from contracts with customers

	For the year ended March 31, 2025	For the year ended March 31, 2024
India	1,328.80	1,607.08
Outside India	5,317.66	4,118.90
Total	**6,646.46**	**5,725.98**

(b) The Group has entire non-current assets within India. Hence, separate figures have not been furnished.

(c) Customer contributing more than 10% of revenue

	No of customers	Amount
For the year ended March 31, 2025	1	4,836.99
For the year ended March 31, 2024	1	4,076.04

39. Interest in other entities

(a) Subsidiaries

The Group's subsidiaries are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business:

Name of entity	Principle	Country of incorporation	Ownership interest held by the Company (%)	
			March 31, 2025	March 31, 2024
Magnatar Aero Systems Private Limited	Specialising in the manufacture of domestic appliance	India	100%	100%
Gee Pee Aerospace and Defence Private Limited	Manufacturing of High precision components with advanced CNC Machining	India	100%	100%

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

b) Additional information, as required under schedule III of the Companies Act, 2013, as required enterprises considered as subsidiaries.

Summary of net assets and profits

Net assets

Name of entity	As at March 31, 2025		As at March 31, 2024	
	(%)	Amount	(%)	Amount
A. Holding Company	100.25%	7,310.19	100.12%	6,771.65
B. Subsidiaries				
Magnatar Aero Systems Private Limited	0.00%	(0.36)	0.00%	(0.28)
Gee Pee Aerospace and Defence Private Limited	-0.01%	(0.60)	0.12%	8.00
Total	**100.23%**	**7,309.23**	**100.24%**	**6,779.37**
Consolidation adjustments	-0.23%	(17.05)	-0.24%	(16.07)
Net amount	**100.00%**	**7,292.18**	**100.00%**	**6,763.30**

Share of profit/ (loss)

Name of entity	As at March 31, 2025		As at March 31, 2024	
	(%)	Amount	(%)	Amount
A. Holding Company	102.39%	541.53	100.28%	562.68
B. Subsidiaries				
Magnatar Aero Systems Private Limited	-0.01%	(0.08)	-0.01%	(0.07)
Gee Pee Aerospace and Defence Private Limited	-1.63%	(8.60)	-0.04%	(0.23)
Total	**100.75%**	**532.85**	**100.22%**	**562.38**
Consolidation adjustments	-0.75%	(3.98)	-0.22%	(1.25)
Net amount	**100.00%**	**528.87**	**100.00%**	**561.13**

Share in other comprehensive income/ (loss)

Name of entity	As at March 31, 2025		As at March 31, 2024	
	(%)	Amount	(%)	Amount
A. Holding Company	100.00%	(2.99)	100.00%	0.85
B. Subsidiaries				
Magnatar Aero Systems Private Limited	0.00%	-	0.00%	-
Gee Pee Aerospace and Defence Private Limited	0.00%	-	0.00%	-
Total	**100.00%**	**(2.99)**	**100.00%**	**0.85**
Consolidation adjustments	0.00%	-	0.00%	-
Net amount	**100.00%**	**(2.99)**	**100.00%**	**0.85**

Notes to the consolidated financial statements for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Share in total comprehensive income/ (loss)

Name of entity	For the year ended March 31, 2025		For the year ended March 31, 2024	
	(%)	Amount	(%)	Amount
A. Holding Company	102.41%	538.54	100.28%	563.53
B. Subsidiaries				
Magnatar Aero Systems Private Limited	-0.01%	(0.08)	-0.01%	(0.07)
Gee Pee Aerospace and Defence Private Limited	-1.64%	(8.60)	-0.04%	-0.23
Total	**100.76%**	**529.86**	**100.22%**	**563.23**
Consolidation adjustments	-0.76%	(3.98)	-0.22%	(1.25)
Net amount	**100.00%**	**525.88**	**100.00%**	**561.98**

The disclosure above represents separate information for the consolidated entity before elimination of inter-Company transactions. The net impact on elimination of inter-Company transactions/ profits or (loss) / consolidation adjustments have been disclosed separately. Based on the Group's structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.

40. Other statutory information

i)No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii)The title deeds of all the immovable properties disclosed in the consolidated financial statements are held in the name of the Group.

iii)There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv)The Group does not have any transactions with the companies struck off.

v)The Group has not traded or invested in crypto currency or virtual currency during the financial year.

vi)During the current year, the borrowed funds were utilised for the purpose which they were obtained and as per the terms specified in the sanction letter.

vii)The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries)

viii)The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)

ix)The Group has borrowings from banks on the basis of security of current assets and the quarterly returns and statements of current assets filed by the Group with banks are in agreement with the books of accounts.

x)The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

xi) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

41. The Holding Company and the subsidiaries which are companies incorporated in India and whose financial statements have been audited under the Act, have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, the Holding Company and above referred subsidiaries did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Holding Company and the above referred subsidiaries as per the statutory requirements for record retention.

42. Subsequent event

No significant subsequent events have been observed till May 22, 2025 which may require any additional disclosure or an adjustment to the consolidated financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered accountants
ICAI Firm registration number: 101049W/E300004

per Atin Bhargava
Partner
Membership no: 504777

Place:Hyderabad
Date: May 22, 2025

For and on behalf of the Board of Directors of
MTAR Technologies Limited

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Naina Singh
Company Secretary
Membership no: ACS-68201

Place:Hyderabad

Date: May 22, 2025

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