



MSL DRIVELINE SYSTEMS LIMITED

ANNUAL REPORT

2025-26



Board of Directors

Gaurav Motwane

Chairman, Managing Director & Chief Executive Officer

DIN 00746165

Superna Motwane

Non-Executive Director

DIN 01343282

Satpal Khattar

Non-Executive Director

DIN 00307293

Manish Choksi

Non-Executive Director

DIN 00026496

Vivek Patwardhan

Independent Director

DIN 07140190

Kaval Mirchandani

Independent Director

DIN 01179978

Nikhilesh Panchal

Non-Executive Director

DIN 00041080

Nitin Bhopale

Executive Director

DIN 11496951

Pradeep Mestry

Chief Financial Officer

Mahendra Salunke

Company Secretary



Auditors

S R B C & Co. LLP

12th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai 400028.

Registrar & Transfer Agent

KFin Technologies Limited

(Formerly known as KFin Technologies Private Limited)

Selenium Tower B, Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad 500032.

Registered & Corporate Office

Unit No.1506, 15th Floor, One BKC, 'B' Wing,
Bandra-Kurla Complex, Bandra (East), Mumbai 400051.

Factory

Nashik

89/1A, M.I.D.C., Satpur, Nashik 422007, Maharashtra, India.

Pithampur

Plot No.5, Sector II, Industrial Area, Pithampur,
District Dhar 454775, Madhya Pradesh, India.

Branch Offices

Chennai

Subhash Towers, 11th Floor, 8, Hazari Street,
(Near Hotel Lawoods), Mount Road, Chennai 600002.

Kolkata

7, KYD Street, 4th Floor, Kolkata 700016.

Delhi

Unit No.516, 6th Floor, Westend Mall,
Jankapuri West, New Delhi 110058.

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BOARD'S REPORT

Dear Members,

1. Your directors are pleased to submit the 32nd Annual Report of your Company MSL Driveline Systems Limited ('the Company' or 'MSL') along with the audited financial statements, for the Financial Year ended 31st March, 2026. The consolidated performance of the Company and its subsidiary have been referred to wherever required.

2. **FINANCIAL RESULTS (Standalone)**

(Rs. Million)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Total Revenue	8513.3	8516.0
Profit before Depreciation	709.1	953.4
Less : Depreciation / Amortization	160.3	149.4
Profit before Tax	548.8	804.0
Less : Provision for Tax – Current year	164.1	220.6
Deferred tax (net)	(21.5)	(13.3)
Adjustment of tax relating to earlier periods	-	(5.9)
Profit for the year after tax	406.2	602.6
Other Comprehensive Income (Net of Tax)	(32.6)	(4.1)
Total Comprehensive Income	373.6	598.5
Profit for earlier years brought forward	2198.8	1973.8
Profit available for appropriation	2603.8	2573.9
Buy Back of Shares (including transfer to Capital Redemption Reserve)	-	375.1
Dividend paid	229.8	-
Interim Dividend paid	114.9	-

Your Company's Revenue from Operations (Net) for the year under review was **Rs.8466.8 million** compared to Rs.8468.3 million in the previous year, registering a marginal decline of 0.02%.

Other Income for the year under review was **Rs.38.7 million** compared to Rs.44.9 million in the previous year. The Profit before Depreciation, Interest and Tax (PBDIT) was at **Rs.752.90 million** as against Rs.992.50 million in the previous year. The percentage of Profit before Tax (PBT) to Total Revenue (Net) decreased to **6.45%** in the current year from 9.44% in the previous year.

Profits after Tax decreased to **Rs.406.2 million** in the current year from Rs.602.6 million in the previous year. The percentage of Profit after Tax to Total Revenue decreased to **4.77%** in the current year as compared to the 7.08% in the previous year.

The Board of Directors does not propose to transfer any amount to reserves from surplus.

DIVIDEND

Pursuant to the approval of the Board of Directors on 28th January, 2026, your Company paid an interim dividend of Rs.16.50 per equity share of face value of Rs.10/- each, to shareholders who were on the register of members as on 28th January, 2026. The Board has not recommended a final dividend for the financial year 2025-26. Thus, the total dividend for the financial year 2025-26 remains Rs.16.50 per equity share.

3. SUBSIDIARIES

MSL Electric Vehicle Technologies Private Limited (MSL EV) is a wholly owned subsidiary company of your Company formed during the financial year 2021-2022. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013.

During the year, the Board of Directors reviewed the affairs of MSL EV. In accordance with Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company, forms part of this Annual Report. Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of the financial statements of the Company's subsidiaries in Form No. AOC-1 is attached to the financial statements of the Company. Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of the subsidiary, are available on the Company's website at <https://www.msldriveline.com>.

MSL EV is yet to begin its operations and it has earned an interest of Rs.0.4 million on fixed deposit during the year ended March 31, 2026. The Consolidated total revenue of the Company for F.Y. 2025-26 is **Rs.8514.1 million** as against Rs.8516.9 million for the year ended 31st March, 2025, and consolidated profit for the year after tax for the year ended 31st March, 2026, amounts to **Rs.406.6 million** as against Rs.603.2 million for the year ended 31st March, 2025.

4. THE STATE OF THE COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the financial year 2025-26, the Company recorded Revenue from Operations of Rs.8466.8 million, which remained broadly in line with the previous financial year despite a challenging global business environment. Robust growth in the domestic business substantially offset the slowdown in exports, reflecting the resilience of the Company's diversified product portfolio, strong customer relationships and manufacturing capabilities. The Company continued to focus on operational excellence, product development and prudent financial management while navigating evolving global market conditions.

ECONOMIC SCENARIO AND DOMESTIC MARKET

The financial year 2025-26 was marked by a resilient domestic economy amidst a challenging global business environment. Continued Government investment in infrastructure, industrial development and capital expenditure supported demand across the automotive sector, while evolving global trade policies, geopolitical tensions in the Middle East and volatility in energy prices created uncertainty in international markets and impacted global supply chains.

The Indian commercial vehicle industry recorded healthy growth during the year, with overall production increasing by approximately 12.9%, led by 15.8% growth in the Medium & Heavy Commercial Vehicle (M&HCV) segment. Supported by this favourable industry environment, the Company's domestic business registered a growth of 10.3% over the previous financial year, driven by increased demand from key OEM customers and improved market activity.

The strong domestic performance substantially mitigated the impact of weaker export demand, enabling the Company to maintain its overall turnover at levels comparable with the previous year.

Despite continued emphasis on operational excellence, cost optimisation and efficient resource management, profitability during the year was influenced by lower export volumes, changes in business composition and prevailing market conditions. Inflationary pressures on certain input and operating costs, coupled with foreign exchange volatility, also impacted operating performance. The Company continues to implement initiatives aimed at enhancing productivity, improving operational efficiencies and strengthening long-term competitiveness.

EXPORTS

The Company's export business witnessed a decline during FY 2025-26, reflecting softer demand in key overseas markets and evolving international trade policies, including the imposition of additional tariff measures in certain jurisdictions.

Sales to the North American market stood at USD 7.19 million during FY 2025-26 as compared to USD 15.71 million in the previous financial year. In addition, geopolitical developments in the Middle East and volatility in logistics and energy markets influenced global business sentiment and customer procurement decisions during the year.

The Company remains committed to strengthening its international presence through customer diversification, expansion into new geographies and continuous product development. Backed by its engineering capabilities, manufacturing excellence and long-standing customer relationships, the Company remains well positioned to capitalise on emerging opportunities as global market conditions improve.

AFTER MARKET BUSINESS

The Company's Aftermarket business recorded a modest growth of 3.79%, with turnover increasing to Rs.1745.65 million during FY 2025-26 from Rs.1681.98 million in the previous financial year despite challenging market conditions and increasing competitive intensity.

The Company continues to strengthen this business segment through expansion of its product portfolio, introduction of new products, enhancement of its distribution network and entry into new application areas, including the tractor segment. These strategic initiatives are expected to support sustainable long-term growth and reinforce the Company's position in the replacement market.

PITHAMPUR PLANT

The Pithampur manufacturing facility continued to deliver a strong operational performance during FY 2025-26, recording a turnover growth of 12.93%, with sales increasing to Rs.996.39 million from Rs.882.34 million in the previous financial year.

The growth was driven by higher volumes from existing OEM customers and optimization of manufacturing operations through the transfer of selected production programs from the Nashik facility, resulting in improved capacity utilization and enhanced operational efficiencies.

The plant also continued to benefit from Government incentive schemes and remains a strategically important manufacturing hub supporting the Company's future growth plans.

NEW BUSINESS

The Company continues to focus on expanding its presence across existing and new vehicle platforms through sustained customer engagement, product development and technology-led innovation.

The Angstrom/CNH product range has successfully transitioned into regular production following successful testing and validation, strengthening the Company's future business pipeline. In addition, new vehicle platform programs, including the Z121 platform, are expected to contribute to incremental business over the coming years.

The Company continues to invest in next-generation technologies, process improvements and manufacturing capabilities to strengthen its competitive position and support long-term business expansion.

TECHNOLOGY AND PRODUCT DEVELOPMENT

Technology and innovation remain integral to the Company's growth strategy. The Company's state-of-the-art Research & Development Centre is equipped with advanced testing, validation and product development facilities catering to its diverse product portfolio.

Continuous investment in testing infrastructure and engineering capabilities enables faster product development cycles, enhanced validation processes and improved customer responsiveness. Through its strong in-house R&D capabilities, the Company continues to drive product innovation, value engineering and process improvements, thereby strengthening its ability to meet evolving customer requirements and secure new business opportunities.

THE YEAR AHEAD

The outlook for FY 2026-27 remains cautiously optimistic. The domestic automotive industry is expected to continue benefiting from sustained infrastructure investments, industrial growth and healthy demand in the commercial vehicle sector.

At the global level, business conditions are likely to remain influenced by developments in international trade policies, geopolitical events and volatility in energy markets. Any improvement in these external factors is expected to positively influence export demand and overall business sentiment.

The Company remains confident of navigating the evolving business environment through its diversified customer base, robust manufacturing capabilities, strong engineering expertise and continued focus on operational excellence, innovation and prudent financial management.

With a healthy pipeline of new business opportunities, ongoing investments in technology and manufacturing capabilities and a strong commitment to customer satisfaction, the Company is well-positioned to strengthen its market presence and create sustainable long-term value for all its stakeholders.

5. COST CONTROL

Cost optimisation and operational efficiency continued to be important elements of the Company's value creation strategy during the year under review. The Company pursued this objective through scale benefits in operations, process and technology improvements, reduction of wastage across the value chain, and efficient management of working capital. These initiatives supported the Company's efforts to strengthen cost competitiveness and improve overall operational performance.

In view of the continuing upward trend in indirect costs impacting products and the limited ability of OEM customers to absorb such cost increases, the Company remained focused on improving operational efficiencies across its manufacturing and business processes. During the year, the Company continued to intensify its cost management and productivity improvement initiatives through more rigorous Weekly Cross-Functional Review meetings, Total Productive Maintenance and Group Kaizen activities. The Company shall continue to pursue cost optimisation and operational excellence initiatives in the ensuing year.

6. SHARE CAPITAL

As on 31st March, 2026, the Authorised Share Capital of the Company is Rs.17,00,00,000 divided into 1,70,00,000 Equity Shares of Rs.10 each, and the outstanding paid-up share capital is Rs.6,96,37,960 divided into 69,63,796 Equity Shares of Rs.10 each.

7. UNCLAIMED DIVIDEND

Section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), mandates that companies transfer dividends that have remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate that the shares on which a dividend has not been paid or claimed for seven consecutive years or more be transferred to the IEPF.

The following table provides a list of years for which unclaimed dividends and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned below:

Year	Type of dividend	Dividend per share	Number of corresponding shares	Date of declaration	Due date for transfer	Amount
2020-21	Interim	Rs.17.00	25,000	30.10.2020	05.12.2027	Rs.4,25,000.00
2024-25	Final	Rs.33.00	25,003	12.08.2025	15.09.2032	Rs.6,60,099.00
2025-26	Interim	Rs.16.50	25,003	28.01.2026	03.03.2033	Rs.3,30,049.50
Total						Rs.14,15,148.50

The details of the above-mentioned unpaid/unclaimed dividend amount lying with the Company are available on the website of the Company, <http://www.msldriveline.com>.

Mr. Mahendra Salunke, Company Secretary of the Company, has been appointed as Nodal Officer under IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016. The details of the Nodal Officer are also available on the Company's website, <http://www.msldriveline.com>.

8. FINANCE

The outstanding working capital facility availed by the Company from banks amounts to Rs.137.0 million as on March 31, 2026. The outstanding term loan availed by the Company from the bank amounts to Rs.375.0 million as on March 31, 2026

9. DEPOSITS

The Company has not accepted any fixed deposits from the public and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

10. PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS

During the financial year ended March 31, 2026, the Company has not given any loan to any person or other body corporate or given any guarantee or provided any security in connection with a loan to any other body corporate or person.

The details of the investment made in the wholly owned subsidiary company, namely MSL Electric Vehicle Technologies Private Limited, are provided in Note No. 4 of the financial statements of the Company.

11. RISK MANAGEMENT

The Company has in place a Risk Management Policy approved by the Board of Directors, which provides for a structured framework to identify, assess, monitor and mitigate risks with the objective of supporting sustainable business growth. The risk management framework of the Company covers, inter alia, business risks, statutory and regulatory compliance risks, and environmental risks.

The risk management systems and processes are reviewed on an ongoing basis at appropriate levels of management, and necessary corrective actions are taken, wherever considered necessary. The Company has also put in place adequate insurance coverage to mitigate various insurable risks. In addition, safety audits are conducted at regular intervals as part of the Company's continued focus on operational safety and risk mitigation.

12. VIGIL MECHANISM

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in conformity with Section 177(9) of the Act to report concerns about unethical behaviour. This Policy is available on the Company's website at www.msldriveline.com.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate Internal Financial Controls commensurate with the size, scale and complexity of its operations and the nature of its business. The internal financial control framework of the Company covers entity-level controls, business process controls and Information Technology General Controls.

These controls are designed to provide reasonable assurance with regard to orderly and efficient conduct of business, adherence to the Company's policies, safeguarding of assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information and disclosures. The Board of Directors has approved the framework for Internal Financial Controls, and the same is periodically reviewed to ensure its continued adequacy and effectiveness.

The Company has appointed Internal Auditors to monitor and evaluate the adequacy and operating effectiveness of its internal financial control systems. The Audit Committee reviews the internal audit findings and monitors the implementation of corrective actions, wherever required. The Audit Committee and the Board are of the view that the Company's internal financial control systems are adequate and commensurate with the nature of its business and the scale of its operations.

The Statutory Auditors of the Company have also audited the Internal Financial Controls with reference to financial statements for the financial year ended March 31, 2026. Based on their audit, they have expressed an opinion that the Company has, in all material respects, adequate internal financial controls with reference to financial statements and that such controls were operating effectively as at March 31, 2026, in accordance with the criteria for internal financial control over financial reporting 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.

14. CODE OF CONDUCT

The code of conduct for directors, senior management and employees of the Company commits management to financial and accounting policies, systems and processes. Further, the Company has, in respect of the year ended March 31, 2026, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

15. INDUSTRIAL RELATIONS

Industrial relations during the year were cordial.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Chairman of the Board

Mr. Gaurav Motwane, Managing Director & CEO of the Company, who was appointed as Chairman of the Board & Company w.e.f. December 19, 2016, continues to be the Chairman of the Board and the Company.

Inductions

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors approved the following appointments during the year under review:

- Mr. Nitin Bhopale (DIN: 11496951) was appointed as an Additional Director in the category of Executive Director with effect from 29th January, 2026.
- Mr. Manish Choksi (DIN: 00026496) was appointed as an Additional Director in the category of Non-Executive Director with effect from 12th February, 2026.
- Mr. Vivek Patwardhan (DIN: 07140190) was appointed as an Additional Director in the category of Independent Director with effect from 13th May, 2026.

All three directors were appointed as Additional Directors and, in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, their appointments are subject to approval by the Members at the ensuing Annual General Meeting.

The Nomination and Remuneration Committee and the Board of Directors are of the opinion that Mr. Nitin Bhopale, Mr. Manish Choksi and Mr. Vivek Patwardhan are persons of integrity. Mr. Bhopale brings with him extensive experience in engineering and the auto sector; Mr. Choksi brings expertise in IT strategy and business leadership; and Mr. Patwardhan contributes deep

knowledge in HR, governance and business leadership. Their collective experience brings valuable and diverse perspective to the Board. The requisite declarations under the Companies Act, 2013 have been received from all three directors.

Re-appointment of Retiring Directors

As per the provisions of the Companies Act, 2013, Mrs. Superna Motwane, Non-Executive Director of the Company, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment. The Nomination & Remuneration Committee and the Board recommend her re-appointment.

Resignation

During the year under review, Mr. Rajesh Nagpal (DIN: 00032123), Non-Executive Director, resigned from the Board with effect from 4th November, 2025, owing to pre-occupation with other matters.

Mr. Bhushan Patwardhan, Whole-Time Director, resigned from the Board with effect from 28th January, 2026, upon his superannuation from the services of the Company.

The Board places on record its sincere appreciation for the valuable contributions made by Mr. Rajesh Nagpal and Mr. Bhushan Patwardhan during their respective tenures and wishes them well in their future endeavours.

Cessation

Mr. Manish Choksi (DIN: 00026496), having completed his second term as Independent Director, retired from the Board as Independent Director with effect from 11th February, 2026. The Board places on record its sincere appreciation for his valuable contributions and guidance during his tenure as Independent Director.

Subsequently, based on the recommendations of the Nomination and Remuneration Committee, Mr. Manish Choksi was appointed as an Additional Director in the category of Non-Executive, Non-Independent Director with effect from 12th February, 2026, as mentioned earlier.

Declaration by Independent Director

In terms of Section 149 of the Companies Act, 2013, Mr. Kaval Mirchandani and Mr. Vivek Patwardhan are the Independent Directors of the Company as on the date of this Report.

All Independent Directors of the Company have given a declaration under Section 149(7) of the Companies Act, 2013, that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013. The Independent Directors have undertaken requisite steps towards the inclusion of their name in the data bank of the Independent Directors maintained with the Indian Institute of Corporate Affairs, in terms of Section 150 of the Companies Act, 2013, read with Rule 6 of the Companies (Appointment & Qualifications of Directors) Rules, 2014.

The Independent Directors are not liable to retire by rotation.

Number of Meetings of the Board of Directors

During the year under review, the Board met 5 (Five) times viz on 22nd May, 2025, 26th June, 2025, 12th August, 2025, 4th November, 2025 and 28th January, 2026, the details of which are provided for in Annexure 'B' forming part of this Board's Report.

The maximum interval between two meetings did not exceed 120 days, as prescribed in Section 173 of the Companies Act, 2013.

17. AUDIT COMMITTEE

As at the beginning of the year under review, the Audit Committee comprised Mr. Gaurav Motwane, Managing Director, Mr. Kaval Mirchandani, Independent Director, and Mr. Manish Choksi, Independent Director.

Consequent to the completion of his second term as Independent Director, Mr. Manish Choksi retired from the Board with effect from 11th February, 2026. Upon his re-appointment as a Non-Executive, Non-Independent Director with effect from 12th February, 2026, Mr. Manish Choksi was re-inducted as a member of the Audit Committee.

Upon the appointment of Mr. Vivek Patwardhan as an Independent Director with effect from 13th May, 2026, he was inducted as a member of the Audit Committee. Mr. Gaurav Motwane, Managing Director, vacated his position as a member of the Audit Committee with effect from 13th May, 2026.

As presently constituted, the Audit Committee comprises Mr. Kaval Mirchandani, Independent Director, Mr. Manish Choksi, Non-Executive Director, and Mr. Vivek Patwardhan, Independent Director.

During the year under review, the Audit Committee met 4 (Four) times i.e. on 22nd May, 2025, 12th August, 2025, 4th November, 2025 and 28th January, 2026. The details thereof are provided in Annexure 'B' annexed to this Report.

There were no circumstances requiring reporting where the Board has not accepted the recommendations of the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVE

Your Company has framed a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Companies Act, 2013, which is available on the Company's website (www.msldriveline.com). The CSR activities undertaken by the Company primarily focus on education, health, environment, women empowerment and upliftment of poor.

As at the beginning of the year under review, the CSR Committee comprised Mrs. Superna Motwane, Non-Executive Director, Mr. Rajesh Nagpal, Non-Executive Director and Mr. Manish Choksi, Independent Director.

Mr. Rajesh Nagpal resigned from the Board and consequently ceased to be a member of the CSR Committee with effect from November 4, 2025. Consequent to the completion of his second term as Independent Director, Mr. Manish Choksi retired from the Board with effect from 11th February, 2026, and accordingly ceased to be a member of the CSR Committee. Upon his re-appointment as a Non-Executive, Non-Independent Director with effect from 12th February, 2026, Mr. Manish Choksi was re-inducted as a member of the CSR Committee.

Upon the appointment of Mr. Vivek Patwardhan as an Independent Director with effect from 13th May, 2026, he was also inducted as a member of the CSR Committee.

As presently constituted, the CSR Committee comprises Mrs. Superna Motwane, Non-Executive Director, Mr. Manish Choksi, Non-Executive Director and Mr. Vivek Patwardhan, Independent Director.

The CSR corpus for the financial year 2025-26 amounted to Rs.16.50 million. The details of CSR initiatives undertaken during the year, and the amount spent are provided in the Annual Report on CSR, which forms part of this Report, as well as in Annexure 'C' annexed hereto.

During the year under review, the CSR Committee met 1 (One) time i.e. on 22nd May, 2025. The details thereof are provided in Annexure 'B' annexed to this Report.

18. NOMINATION & REMUNERATION POLICY & COMMITTEE

The Company has constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

As at the beginning of the year under review, the Nomination and Remuneration Committee comprised Mr. Manish Choksi, Independent Director, Mrs. Superna Motwane, Non-Executive Director, Mr. Kaval Mirchandani, Independent Director and Mr. Nikhilesh Panchal, Non-Executive Director.

Consequent to the completion of his second term as Independent Director, Mr. Manish Choksi retired from the Board with effect from 11th February, 2026, and accordingly ceased to be a member of the Nomination and Remuneration Committee. Upon his re-appointment as a Non-Executive, Non-Independent Director with effect from 12th February, 2026, Mr. Manish Choksi was re-inducted as a member of the Committee.

Upon the appointment of Mr. Vivek Patwardhan as an Independent Director with effect from 13th May, 2026, he was also inducted as a member of the Nomination and Remuneration Committee. Mr. Nikhilesh Panchal, Non-Executive Director, vacated his position as a member of the Committee with effect from 13th May, 2026.

As presently constituted, the Nomination and Remuneration Committee comprises Mr. Manish Choksi, Non-Executive Director, Mrs. Superna Motwane, Non-Executive Director, Mr. Kaval Mirchandani, Independent Director and Mr. Vivek Patwardhan, Independent Director.

The Committee has formulated a Policy on Directors' appointment and remuneration, including recommendations for the remuneration of Key Managerial Personnel and other employees, and the criteria for determining qualifications, positive attributes and independence of a director. The details thereof are provided in Annexure 'D' annexed to this Report.

During the year under review, the Nomination and Remuneration Committee met 2 (Two) times i.e. on 22nd May, 2025 and 28th January, 2026. The details thereof are provided in Annexure 'B' annexed to this Report.

19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards for the financial year ended 31st March, 2026, have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis;
5. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into by the Company with related parties during the financial year were on an arm's length basis and were in the ordinary course of business.

The disclosure of related party transactions as required under Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, in Form AOC-2 is not applicable to the Company for FY 2025-2026 and hence does not form part of this report.

21. AUDITORS

STATUTORY AUDITORS

M/s SRBC & Co. LLP, Chartered Accountants (Firm Registration Number: 324982E) were appointed as the Statutory Auditors of the Company to hold office for a second term of five consecutive years from the conclusion of the 28th Annual General Meeting of the Company held on 27th September, 2022, till the conclusion of the 33rd Annual General Meeting of the Company.

The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

The Auditors' Report is enclosed with the financial statements in the Annual Report.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 thereunder, Vijay Tiwari & Associates, Practicing Company Secretaries, were appointed to conduct the Secretarial Audit of the Company for the financial year 2025-26. The Secretarial Audit Report for the financial year 2025-26 forms part of the Annual Report as Annexure 'E' to the Board's Report.

The Secretarial Auditors in their report have made a comment on the non-compliance of the provisions of the Foreign Exchange Management Act, 1999 ("FEMA"). The non-compliance with regard to FEMA pertains to non-filing of the Annual Performance Report (APR), which mainly occurred on account of non-availability of the financial statements of foreign joint venture companies, corresponding to the Company's financial years.

The Company is making its best efforts to resolve the pending issue and is engaged in discussions with experts in this matter.

The Board has appointed Vijay Tiwari & Associates, Practicing Company Secretaries, as the Secretarial Auditor of the Company for the financial year 2026-27.

COST RECORDS AND COST AUDIT

The company maintains the cost record as prescribed under the provisions of Section 148 (1) of the Companies Act, 2013.

The Board of Directors, on the recommendation of the Audit Committee, appointed M/s. Shilpa & Co., Cost Accountants (Firm Registration Number 100558), as the Cost Auditors of the Company for the Financial Year 2026-27 under Section 148 of the Companies Act, 2013. M/s. Shilpa & Co., Cost Accountants, have confirmed that their appointment is within the limits of section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualification specified under section 141(3) and proviso to section 148(3) read with section 141(4) of the Companies Act, 2013.

The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the company.

As per the provisions of the Companies Act, 2013, the remuneration payable to a Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s Shilpa & Co., Cost Accountants, is included in the Notice convening the Annual General Meeting.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of fraud committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

22. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption, and foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are provided for in Annexure 'A' forming part of this Board's Report.

23. EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, as amended vide the Companies (Amendment) Act, 2017, the Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013, in the prescribed Form MGT-7 will be placed on the Company's website at www.msldriveline.com.

24. SECRETARIAL STANDARDS

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

25. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

26. SIGNIFICANT AND MATERIAL ORDER

There have been no significant material orders passed by courts, tribunals or regulatory authorities that can have an impact on the going concern status of the Company and its operations. Further, there is no application made by or against the Company or any proceedings pending against the Company under the Insolvency & Bankruptcy Code, 2016.

27. PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has in place a policy for the prevention of Sexual Harassment at the workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year, no complaints were filed before the said Committee.

28. THE CODE ON SOCIAL SECURITY, 2020 – MATERNITY BENEFIT

The Company is in compliance with the applicable provisions relating to maternity benefits as prescribed under the Maternity Benefit Act, 1961 / the Code on Social Security, 2020.

29. ACKNOWLEDGMENTS

The Directors wish to convey their appreciation to all the Company's employees for their enormous efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, Government, and all the other business associates for the continuous support given by them to the Company and their confidence in its Management and look forward to their continued support in the future.

For and on behalf of the Board

Gaurav Motwane
Managing Director
DIN : 00746165

Kaval Mirchandani
Independent Director
DIN : 01179978

Mumbai, 04th August, 2026

Annexure 'A' to the Board's Report

PARTICULARS AS PER ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026

(A) CONSERVATION OF ENERGY

The Company has given due importance to the conservation of energy and environmental sustainability. Persistent efforts are made towards achieving this goal by the Company.

(i) The steps taken or impact on conservation of energy:

Energy Conservation Measures taken at the factory at Nashik and Pithampur Plant:

- 1) Usage of LED tubes, panel lights, streetlights and focus lights continued.
- 2) Higher HP motors replaced with Lower HP energy-efficient IE3/IE4 Motors continued.
- 3) Old motors/pumps are being replaced with energy-efficient motors IE3/IE4, continued.
- 4) Modifying Grit blasting machines to reduce air consumption continued.
- 5) Compressor Air Audit conducted for reducing compressed air leakages continued.
- 6) Auto power off during the idle condition of the machines continues.
- 7) Modified testing machines, Electrical controls in R&D for Energy conservation.
- 8) VFDs providing for the Induction motors for energy saving continued.
- 9) Power quality audit conducted, localised power factor correction done, and MD optimised.
- 10) CO2 welding machines upgrading to IGBT control, Welding Power supply for energy conservation continued.
- 11) Balancing Machines: Thyristor-based Spot-Welding controller replaced with a three-phase IGBT controller, continued
- 12) Third-party Wind Energy purchasing.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

Solar Power generated from rooftop Solar from Nashik Plant in F.Y. 2025-2026 is about 13.50 lakh units which is equivalent to the plantation of more than 1.6 lakh tree, helping in the reduction of the carbon footprint.

(iii) The capital investment

During the current financial year, capital investment of Rs.15.00 million was made on energy conservation equipment.

(B) TECHNOLOGY ABSORPTION

During the year the Company has taken the following initiatives:

- Added a robotic welding facility for steering column welding with advanced fixturing.
- Upgraded the rotational durability test rig (3000 Nm) for environmental durability testing, including low and high-temperature conditions along with mud slurry testing, to meet overseas customer requirements.
- Entered into an MOU with an overseas supplier for CVJ and Half-shaft assemblies for FAW vehicles (Cars / MUVs).
- Decided that all new project child-part forgings will be manufactured through the press forging route.
- Developed a propeller shaft with CVJ (Constant Velocity Joint) at both ends.

In-House Technology Developments:

CLUTCH

- Developed a 260 Dia. pre-damper clutch for heavy-duty Bolero Pickup applications without additional investment.
- Developed a 260 Dia. M&M Jayo BS6 clutch set without investment.
- Developed a 240 Dia. AL Bada Dost clutch set with HC8011-AL-Nano friction material in coordination with the AL Advanced Material Department. Validation on 10 vehicles is in process, and a PO for 100 sets has been received. Further projection for 1000 sets is in process.
- Eliminated phosphating and introduced blue tempering with RP oiling instead, without additional investment.
- Modified the 380 Dia. cover window forming tool based on external 3D scanning and CAE analysis results.
- Upgraded the torsional durability testing machine with the latest Windows platform and software program.
- Improved the design of 240 Dia. and 260 Dia. hub flanges using in-house CAE analysis.
- Modified the DP assembly design from asymmetric to symmetric to achieve customer-specified balancing values.

UNIVERSAL JOINTS

- Designed, manufactured, tested, and offered a tilt & telescopic type steering column with aluminum housing and multiplate design for improved reliability and smoother functioning to JSW Greentech, an EV commercial vehicle manufacturer. This is a new product family addition to the existing product range and can be offered to domestic as well as overseas customers. Initial samples are under vehicle validation at the customer end.
- Initiated development of hybrid aluminum-steel propeller shaft assemblies for next-generation vehicles. Design work for aluminum yokes, tubes, and inboard assemblies has been successfully completed. In-house testing has been completed, and technical discussions with the customer are ongoing.
- Developed an LFL lip joint with a rubber boot design.
- Completed raw material saving projects in slip shafts for 1310 and MS20 series.
- Installed a multi-tasking Mazak Integrex machine to achieve critical geometrical accuracies and reduce the number of setups for export parts. This machine will also support the development of new critical parts.
- Developed a 1710 flange and stub yoke cradle-type fixture for VMC operations, including milling, boring, drilling, and tapping, to create contingency support for bottleneck HMC machine operations.

New product development and cost-saving projects, both ongoing and recently completed, have been executed using in-house Engineering and R&D facilities. No external technology has been acquired for these developments.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	Rs. Million	
	Current Year	Previous Year
Inflow	1074.6	1787.6
Outflow	1744.2	1369.7

Annexure 'B' to the Board's Report

DETAILS OF MEETING OF BOARD OF DIRECTORS OF THE COMPANY AND THEIR COMMITTEES AS PER SECTION 134(3)(b) AND SECRETARIAL STANDARD ON MEETINGS OF THE BOARD OF DIRECTORS (SS-1) DURING THE FINANCIAL YEAR ENDING ON 31st MARCH, 2026

A] BOARD MEETING

No.	Name of the Director	Category	No. of Meeting(s) Attended	Attendance at last AGM
1.	Mr. Gaurav Motwane	Chairman, Managing Director & CEO	5 out of 5	Yes
2.	Mr. Satpal Khattar	Non-Executive Director	5 out of 5	Yes
3.	Mrs. Superna Motwane	Non-Executive Director	2 out of 5	No
4.	Mr. Nikhilesh Panchal	Non-Executive Director	4 out of 5	No
5.	Mr. Rajesh Nagpal (Resigned as Non-Independent Director w.e.f. 4th November 2025)	Non-Executive Director	1 out of 3	Yes
6.	Mr. Manish Choksi (Retired as Independent Director w.e.f. 11th February 2026 and reappointed as Non-Executive Non-Independent Director w.e.f. 12th February 2026)	Additional Director (Non-Executive Director)	5 out of 5	Yes
7.	Mr. Kaval Mirchandani	Independent Director	3 out of 5	No
8.	Mr. Bhushan Patwardhan (Resigned as Executive Director w.e.f. 28th January 2026)	Executive Director	5 out of 5	Yes
9.	Mr. Nitin Bhopale (Appointed as Additional Director w.e.f. 29th January 2026)	Additional Director (Executive Director)	-----	No

B] AUDIT COMMITTEE MEETING

No.	Name of the Director	Category	No. of Meeting(s) Attended
1.	Mr. Gaurav Motwane	Chairman, Managing Director & CEO	4 out of 4
2.	Mr. Manish Choksi (Retired as Independent Director w.e.f. 11th February 2026 and reappointed as Non-Executive Non-Independent Director w.e.f. 12th February 2026)	Additional Director (Non-Executive Director)	4 out of 4
3.	Mr. Kaval Mirchandani	Independent Director	4 out of 4

C] CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEETING

No.	Name of the Director	Category	No. of Meeting(s) Attended
1.	Mrs. Superna Motwane	Non-Executive Director	1 out of 1
2.	Mr. Rajesh Nagpal <i>(Resigned as Non-Executive Director w.e.f. 4th November 2025)</i>	Non-Executive Director	0 out of 1
3.	Mr. Manish Choksi <i>(Retired as Independent Director w.e.f. 11th February 2026 and reappointed as Non-Executive Non-Independent Director w.e.f. 12th February 2026)</i>	Additional Director (Non- Executive Director)	1 out of 1

D] NOMINATION & REMUNERATION [NRC] COMMITTEE MEETING

No.	Name of the Director	Category	No. of Meeting(s) Attended
1.	Mrs. Superna Motwane	Non-Executive Director	1 out of 2
2.	Mr. Nikhilesh Panchal	Non-Executive Director	1 out of 2
3.	Mr. Manish Choksi <i>(Retired as Independent Director w.e.f. 11th February 2026 and reappointed as Non-Executive Non-Independent Director w.e.f. 12th February 2026)</i>	Additional Director (Non- Executive Director)	2 out of 2
4.	Mr. Kaval Mirchandani	Independent Director	2 out of 2

Annexure 'C' to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES [FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2025]

- A brief outline of the Company's CSR policy, including an overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

The CSR vision of the Company is to integrate social and environmental concerns in its business operations and interactions with all stakeholders in order to achieve a balance of economic, environmental and social imperatives. CSR will remain a fundamental part of the Company's practices, broad objective and overall culture. The company has constituted a CSR Committee which recommends CSR activities to the Board for their approval. There is a monitoring team to overview the implementation of CSR activities. The Company implemented its CSR Project through implementing agencies by way of contribution. During the year under review, the Company has contributed towards programs encompassing the following areas:

- Education
- Health
- Women Empowerment
- Environmental Sustainability
- Upliftment of poor

- The Composition of the CSR Committee.**

CSR Committee as on 31st March, 2026 consists of:

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.	Mrs. Superna Motwane	Non-Executive Director	1	1
2.	Mr. Rajesh Nagpal *	Non-Executive Director	1	0
3.	Mr. Manish Choksi #	Independent Director	1	1
* Resigned w.e.f. 4th November 2025				
# Ceased to be Independent Director w.e.f. 11th February 2026 & continue as a Non-Executive Director (Non-Independent) w.e.f. 12th February 2026				

- Information about Composition of CSR committee, CSR Policy and CSR projects approved by the board are available at www.msldriveline.com**
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable: Not Applicable**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL**
- Average net profit of the Company for the last three financial years as per Section 135(5): Rs.821.62 million**
- Two percent of average net profit of the Company as per Section 135(5): Rs.16.43 million**
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil**
 - Amount required to be set off for the financial year, if any: NIL**
 - Total CSR obligation for the financial year (7a+7b-7c): Rs.16.43 million**

(a) 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
16.50 million	N.A.	N.A.	–	–	–

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	–	–	–	–	–	–	–	–	–	–	–	–

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Rs. Million)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Capacity Building Programs for Krushi Panchayat Leaders, Training programs for Krushi Leaders on Land and Livelihood, Communal Harmony etc., E-Newsletter, Campaign on Organic farming	Clause (iii) of Schedule VII	Yes	Maharashtra	Mumbai	0.50	No	Dr. Ambedkar Sheti Vikas Va Sanshodhan Sanstha	CSR00002846.
2.	Upgrading Infrastructure of four schools in Mumbai.	Clause (ii) of Schedule VII	Yes	Maharashtra	Mumbai	2.50	No	Hidush Foundation	CSR00001560
3.	Education of under privileged girl children.	Clause (ii) of Schedule VII	Yes	Maharashtra	Mumbai	0.29	No	K C Mahindra Education Trust	CSR00000511
4.	Contribution towards Teaching Expenses	Clause (ii) of Schedule VII	Yes	Maharashtra	Mumbai	0.40	No	Seva Sadan Society	CSR00003387
5.	To support research that focusses on the study of Indian politics, economic reforms and dissemination of research to students and public at large.	Clause (ii) of Schedule VII	Yes	Maharashtra	Mumbai	0.50	No	University of Pennsylvania Institute for the advanced study of India	CSR00013207

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
6.	Women Empowerment Program by offering women financial assistance to complete their education and enhance their livelihood skills.	Clause (iii) of Schedule VII	Yes	Maharashtra	Mumbai	0.20	No	Front For Rapid Economic Advancement of India	CSR00001883
7.	Education Fee and Education material such as School Bag, Books, Shoes, Socks, Belts tiffin & water bottle and one teacher staff salary.	Clause (i) and (ii) of Schedule VII	Yes	Maharashtra	Mumbai	0.52	No	Saptasindhu Mahila Adhar Balsangopan & Shikshan Sanstha	CSR00008059
8.	Capacity Building Programs and leadership development Programs for elected women in gram panchayat.	Clause (iii) of Schedule VII	Yes	Maharashtra	Mumbai	0.40	No	Prakriti	CSR00006363
9	Construction & Establishment of "Staff Dining Room (48 Seating)"	Clause (i) of Schedule VII	Yes	Maharashtra	Nashik	3.00	No	Dr.Babasaheb Ambedkar Vaidyakiya Pratishthan (Guruji Rughalay)	CSR00000181
10	Device Closures and Surgeries' of 30-35 children having hole in their heart. The identified children are usually in the age group of 2 to 18 years. The patients are scanned & selected through Health Camps for children of poor and needy people.	Clause (i) of Schedule VII	Yes	Maharashtra	Nashik	1.50	No	Nashik Rhaday Mitra Sewabhavi Sanstha	CSR00011118
11.	For Tree Plantation Drive at Igatpuri, Sinnar, Trimbakeshwar & Nashik.	Clause (iv) of Schedule VII	Yes	Maharashtra	Nashik	0.50	No	Tainwala Foundation	CSR00019633
12.	Procurement of Electric Two Wheelers for saving current petrol reimbursement cost of doorstep delivery services to patients.	Clause (i) of Schedule VII	Yes	Maharashtra	Nashik	1.08	No	Rashtriya Swayamsevak Sangh Jankalyan Samiti Maharashtra Prant	CSR00000424
13.	Installation of medical instruments in Operation Theatre of Department of Anesthesia.	Clause (i) of Schedule VII	Yes	Maharashtra	Nashik	0.98	No	Nasik Rotary Charitable Trust	CSR00008686
14.	Construction of classroom and Laboratories on first floor at Waghere Ashram School, Trimbak, Nashik.	Clause (ii) of Schedule VII	Yes	Maharashtra	Nashik	1.50	No	Maharashtra Samaj Seva Sangh	CSR00026113

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
15.	Educating masses through lecture series on different subjects to general public at large	Clause (ii) of Schedule VII	Yes	Maharashtra	Nashik	1.23	No	Vasant Vyakhyanmala	CSR00044633.
16.	Payment of education fees career development of underprivileged children.	Clause (ii) of Schedule VII	Yes	Madhya Pradesh	Indore	0.30	No	Bahuudde-shiya Seva Samiti	CSR00011023
17.	Provision of Healthcare services to vulnerable and economically weak community	Clause (i) of Schedule VII	Yes	Madhya Pradesh	Indore	1.10	No	Shri Guruji Sevanyas	CSR00004483
Total						16.50			

(d) Amount spent on administrative overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.16.50 million

(g) Excess amount for set off, if any: No

Sr. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per Section 135(5)	16.43
(ii)	Total amount spent for the Financial Year	16.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.07
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

9. (a) 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.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1	—	—	—	—	—	—	—
	TOTAL	—	—	—	—	—	—

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed/ Ongoing
1	—	—	—	—	—	—	—	—
	TOTAL	—	—	—	—	—	—	—

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not applicable

- (a) Date of creation or acquisition of the capital asset(s). —
- (b) Amount of CSR spent for creation or acquisition of capital asset. —
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. —
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). —

11. In case the Company has failed to spend two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report: Not applicable.

For and on behalf of the Board

Gaurav Motwane
Managing Director

Manish Choksi
Chairman

DIN : 00746165

CSR Committee
DIN : 00026496

Mumbai, 21st May, 2026

Annexure 'D' to the Board's Report

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION AS PER SECTION 178(4) OF THE COMPANIES ACT, 2013 IS AS FOLLOWS

The Nomination and Remuneration Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors, KMP and Senior Management and their remuneration. This policy is accordingly derived from the said Charter.

A] Criteria for Board Membership

Directors

The Company shall take into account following points:

- (a) Director must have relevant experience in Finance / Law / Management / Sales / Marketing / Administration / Research / Corporate Governance / Technical Operations / Human Resource or the other disciplines related to Company's business.
- (b) Director should possess the highest personal and professional ethics, integrity and values.
- (c) Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

Independent Director

Independent Director shall meet all criteria specified in Section 149(7) of the Companies Act, 2013 and the relevant rules made thereunder.

B] Remuneration Policy

Directors

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Whole-time Directors and other Executive Directors.

Remuneration recommended by the Committee shall be subject to approval of the Board and Shareholders.

Prior approval of the Shareholders will be obtained whenever applicable.

Remuneration to Whole-time directors shall be by way of salary, allowances, perquisites and variable pay. Salary is to be paid within the range approved by the Shareholders. Annual increments to be proposed by the Committee should be within the prescribed ceiling approved by the Shareholders. Annual increments as proposed by the Committee shall be subject to approval of the Board.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company Policy.

Non-Executive Directors receive sitting fees for attending meetings of the Board and Board Committees. Sitting fees to be recommended by the Committee and to be approved by the Board.

Key Managerial Personnel/Other Employees

The remuneration to employees largely consists of basic salary, perquisites, allowances and incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to the prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification and experience / merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

Employees shall be eligible for loan from the Company, not exceeding twelve times of their basic salary, and subject to approval by the Management at such terms and conditions (including rate of interest) deemed appropriate by the Management, considering various factors such as number of years of services, past performance etc.

The annual variable pay of employees is linked to the performance of the Company.

Annexure 'E' to the Board's Report

SECRETARIAL AUDIT REPORT PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION TO MANAGERIAL PERSONNEL) RULES, 2014:

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration to Managerial Personnel) Rules, 2014]

The Members,

MSL Driveline Systems Limited

CIN: U30007MH1994PLC081637

Unit No.1506, 15th Floor, ONE BKC,
Bandra-Kurla Complex, Bandra (East),
Mumbai-400051.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MSL Driveline Systems Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iv) The list of other laws applicable to the Company (Under the Major Group and Head) as stated below:
 - (1) The Factories Act, 1960
 - (2) The Industrial (Development & Regulation) Act, 1951
 - (3) Labour Laws and other incidental laws related to labour and employees appointed by the Company as related to wages, gratuity, provident fund, ESIC, compensation etc.
 - (4) Acts prescribed under prevention and control of pollution / New Labour Codes (as may be applicable)
 - (5) Acts prescribed under Environmental Protection
 - (6) Acts as prescribed under Direct Tax and Indirect Tax
 - (7) Land Revenue Laws
 - (8) Local laws applicable to various branch offices

I have also examined compliance with the applicable clauses of Secretarial Standard issued by the Institute of Companies Secretaries of India.

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

The Company has not complied with the provisions of FEMA/RBI pertaining to two overseas joint venture companies, which are liquidated as on the date of this report. We have been informed that the Company is in the process of complying with the pending reporting and relevant documents are submitted with Authorized Dealer Bank.

We further report that:

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 is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 for meaningful participation at the meeting.

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

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.

We further report that during the audit period there were no instances of events or actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

CS Vijay Tiwari
Vijay S. Tiwari & Associates
ACS No. 33084
C.P. No. 12220
UDIN No. A033084H000430492

Mumbai, 21st May 2026

Form AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures

Part A: Subsidiaries [Pursuant to Section 2(87) of the Companies Act, 2013]

Rs. Million

Sl. No.	(1)
Name of the Subsidiary Company	MSL Electric Vehicle Technologies Private Limited
The date since when subsidiary was acquired	14th September, 2021
Financial Year ending on	31st March, 2026
Reporting Currency	INR
Exchange Rate on the last day of the Financial Year (in case of Foreign Company)	–
Share Capital	25.00
Reserves & Surplus	(5.70)
Total Assets	19.43
Total Liabilities (Excluding Equity)	0.13
Investments	–
Turnover	–
Profit/(Loss) before tax	0.67
Provision for Tax	(0.25)
Profit/(Loss) after tax	0.42
Proposed Dividend	–
Extent of Shareholding (in %)	100%

Names of Subsidiaries which are yet to commence operations: MSL Electric Vehicle Technologies Private Limited

Names of Subsidiaries which have been liquidated or sold during the year: N.A.

**Part B: Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies / Joint Ventures**

Rs. Million

Sl. No.	–
Name of the Associates/Joint Ventures	–
Latest Audited Balance Sheet Date	–
Date on which the Associate or Joint Venture was associated or acquired	
Shares of Associates/Joint Ventures held by the company on the year end	
No.	–
Amount of Investment in Associates / Joint Ventures	–
Extend of Holding (in %)	–
Description of how there is Significant Influence	–
Reason why the Associate/Joint Venture is not consolidated	–
Net worth attributable to Shareholding as per the latest Audited Balance Sheet	–
Profit/(Loss) for the year	
i. Considered in Consolidation	–
ii. Not considered in Consolidation	–

Names of Associate Companies/Joint Ventures which are yet to commence operations: N.A.

Names of Associate Companies/Joint Ventures which have been liquidated or sold during the year: N.A.

For and on behalf of the Board

Gaurav Motwane
Managing Director
DIN : 00746165

Kaval Mirchandani
Independent Director
DIN : 01179978

Mumbai, 4th August, 2026

INDEPENDENT AUDITOR'S REPORT

To The Members of MSL Driveline Systems Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of MSL Driveline Systems Limited ("the Company"), which comprise the Balance sheet as at 31st March, 2026, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS 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 Ind AS 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 Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);
 - (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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);
 - (g) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 29 to the standalone Ind AS 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, as disclosed in the note 44(v) to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person 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 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, as disclosed in the note 44(vi) to the standalone Ind AS financial statements, no funds have been received by the Company from any person or entity, 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. The final dividend proposed and paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to declaration and payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.
 - 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 except that, audit trail feature is not enabled for direct changes to underlying database when using certain access rights, as described in note 42 to the standalone Ind AS financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of accounting software(s) where the audit trail has been enabled. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the prior years.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Murtuza Bookwala

Partner

Membership Number: 117633

UDIN: 26117633HLMSCK3643

Place of Signature: Mumbai

Date: May 21, 2026

ANNEXURE 1**INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

Annexure 1 referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

RE: MSL Driveline Systems Limited

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 (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2026.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder;
- (ii) (a) The management has conducted physical verification of inventory including inventory lying with third parties at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification;
- (b) As disclosed in note 11 to the standalone Ind AS 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 audited books of accounts of the Company;
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (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 not 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)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or 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)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (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) The Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Investments in respect of which provisions of section 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 “Other machinery and Mechanical Appliances”, 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 regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees’ state insurance, income-tax, 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.
- (b) The dues of goods and services tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, 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. In 000)	Assessment Year to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	2,178.8	2017-18	Deputy Commissioner- Central GST and CX Nashik
Central Excise Act, 1944	Excise Duty	17,131.1	2001-02 to 2005-06	Appellate Authority up to Commissioner Level
Central Excise Act, 1944	Excise Duty	1.1	2008-09	Additional Commissioner of Central Excise
Central Excise Act, 1944	Excise Duty	12.9	1997-98	Appellate Authority up to Commissioner Level
Central Excise Act, 1944	Excise Duty	55.0	1998-99	Appellate Authority up to Commissioner Level
Central Excise Act, 1944	Excise Duty	2.0	1998-99	Additional Commissioner of Central Excise
Central Excise Act, 1944	Excise Duty	2.4	2000-01	Additional Commissioner of Central Excise
Finance Act, 1994	Service Tax	84.6	2012-13 to 2013-14	Appellate Authority upto Central Excise & Service Tax, Appellate Tribunal
Income Tax Act, 1961*	Income Tax	-	2020-21	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,387.3	2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	4,572.3	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,143.8	2014-15	Commissioner of Income Tax

Name of the statute	Nature of the dues	Amount (Rs. In 000)	Assessment Year to which the amount relates	Forum where the dispute is pending
				(Appeals)
Central Goods and Service Tax Act, 2017	Central GST	4,578.4	2017-18	Commissioner CGST
Central Goods and Service Tax Act, 2017	Central GST	3,537.1	2017-18 to 2019-20	Commissioner CGST
Central Goods and Service Tax Act, 2017	Central GST	5,983.5	2019-20 to 2020-21	Commissioner CGST
Central Goods and Service Tax Act, 2017	Central GST	3,884.2	2020-21	Commissioner CGST

* Pertains to disputed dues amounting to Rs.1,006.8 thousand, which has been adjusted against refund receivable of that year

- (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 subsidiary company. The Company does not have any associate or joint venture company.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary company. The Company does not have any associate or joint venture company. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 43 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (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 34 to the standalone Ind AS 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 34 to the standalone Ind AS financial statements.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Murtuza Bookwala

Partner

Membership Number: 117633

UDIN: 26117633HLMSCCK3643

Place of Signature: Mumbai

Date: May 21, 2026

ANNEXURE 2**TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF MSL DRIVELINE SYSTEMS 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 Ind AS financial statements of MSL Driveline Systems Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS 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 Ind AS financial statements.

Meaning of Internal Financial Controls with Reference to these Standalone Ind AS Financial Statements

A company's internal financial controls with reference to standalone Ind AS 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 Ind AS 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS 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 Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Murtuza Bookwala**

Partner

Membership Number: 117633

UDIN: 26117633HLMSCCK3643

Place of Signature: Mumbai

Date: May 21, 2026



Standalone Balance Sheet as at 31st March, 2026

Rs. Million

Particulars	Note	As at 31st March, 2026	As at 31st March, 2025
(A) ASSETS			
1. Non-current assets :			
(a) Property, plant and equipment	3(a)	885.6	837.2
(b) Capital work-in-progress	3(a)(iii)	29.3	3.3
(c) Other intangible assets	3(b)	4.3	1.5
(d) Intangible assets under development	3(b)(i)	12.0	–
(e) Right of use assets	3(c)	88.5	41.0
(f) Financial assets : (i) Investments	4	17.5	17.5
(ii) Others	6	49.1	36.3
(g) Income tax assets (net)	7(a)	18.7	14.7
(h) Deferred tax assets (net)	14(c)	30.7	–
(i) Other non-current assets	7(b)	28.1	19.1
Total non-current assets		1,163.8	970.6
2. Current assets :			
(a) Inventories	8	1,350.5	1,245.3
(b) Financial assets : (i) Investments	4	70.1	–
(ii) Trade receivables	9	1,795.7	1,936.5
(iii) Cash and cash equivalents	5	116.2	206.8
(iii) Others	6	1.4	1.1
(c) Other current assets	7(b)	173.0	67.4
Total current assets		3,506.9	3,457.1
Total assets		4,670.7	4,427.7
(B) EQUITY AND LIABILITIES			
1. EQUITY :			
(a) Equity share capital	10(a)	69.7	69.7
(b) Other equity (i) Retained Earnings	10(b)	2,259.1	2,198.8
(ii) Other Reserves	10(b)	248.7	280.1
Total equity		2,577.5	2,548.6
2. LIABILITIES :			
Non-current liabilities			
(a) Financial liabilities: (i) Long term borrowings	11	275.0	201.3
(ii) Lease Liabilities	17	46.9	8.5
(b) Long Term Provisions	13	13.1	12.9
(c) Deferred tax liabilities (Net)	14(c)	–	2.6
(d) Other non-current liabilities	18	98.1	53.2
Total non-current liabilities		433.1	278.5
3. Current liabilities			
(a) Financial liabilities: (i) Short Term Borrowings	11	237.0	336.6
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	12	313.6	251.6
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	12	728.3	653.1
(iii) Lease liabilities	17	16.7	4.1
(iv) Others	16	61.0	12.0
(b) Other current liabilities	18	155.3	199.2
(c) Short term Provisions	13	142.4	138.2
(d) Current tax Liabilities (Net)	15	5.8	5.8
Total current liabilities		1,660.1	1,600.6
Total equity and liabilities		4,670.7	4,427.7
Summary of material accounting policies	2		

The accompanying notes are an integral part of the financial statements

1 - 47

As per our report of even date

For S R B C & CO. LLP

Chartered Accountants

ICAI Firm Regn. No.324982E / E300003

Per Murtuza Bookwala

Partner

Membership No.117633

Mumbai, 21st May, 2026

For and on behalf of the Board of Directors

MSL Driveline Systems Limited

Gaurav Motwane

Chairman, Managing Director & CEO

(DIN 00746165)

Kaval Mirchandani

Independent Director

(DIN 01179978)

Pradeep Mestry

Chief Financial Officer

Mahendra Salunke

Company Secretary

Mumbai, 21st May, 2026

Standalone Statement of Profit and Loss for the year ended 31st March, 2026

Rs. Million

Particulars	Note	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Revenue from operations	19	8,466.8	8,468.3
Other income	20	38.7	44.9
Finance income	21	7.8	2.8
Total Income		8,513.3	8,516.0
Expenses			
(a) Cost of raw materials and components consumed	22(a)	5,820.2	5,484.6
(b) (Increase)/Decrease in inventories of finished goods and work-in-progress	22(b)	(9.3)	48.4
(c) Employee benefits expense	23	811.5	787.8
(d) Depreciation & amortisation expense	25	160.3	149.4
(e) Finance costs	24	43.8	39.1
(f) Other expenses	26	1,138.0	1,202.7
Total Expenses		7,964.5	7,712.0
Profit before tax		548.8	804.0
Tax expense :			
(1) Current tax	14(a)	164.1	220.6
(2) Adjustment of tax relating to earlier periods	14(a)	–	(5.9)
(3) Deferred tax	14(a)	(21.5)	(13.3)
Total tax expense		142.6	201.4
Profit for the year		406.2	602.6
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
– Re-measurement gains/(losses) of the defined benefit plans	27	(1.5)	(3.3)
– Net gains/(loss) on cash flow hedges (effective portion)	27	(42.8)	(2.2)
– Income tax effect	14(b)	11.7	1.4
Other Comprehensive Income for the year, net of tax		(32.6)	(4.1)
Total Comprehensive Income for the year		373.6	598.5
Earnings per equity share (in Rs.) – Basic & Diluted	32	58.33	83.64
Summary of material accounting policies	2		

The accompanying notes are an integral part of the financial statements

1 - 47

As per our report of even date

For S R B C & CO. LLP

Chartered Accountants

ICAI Firm Regn. No.324982E / E300003

Per Murtuza Bookwala

Partner

Membership No.117633

Mumbai, 21st May, 2026

**For and on behalf of the Board of Directors
MSL Driveline Systems Limited****Gaurav Motwane**

Chairman, Managing Director & CEO

(DIN 00746165)

Pradeep Mestry

Chief Financial Officer

Kaval Mirchandani

Independent Director

(DIN 01179978)

Mahendra Salunke

Company Secretary

Mumbai, 21st May, 2026

Standalone Cash Flow Statement for the year ended 31st March, 2026

Rs. Million

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A. Cash flow from operating activities:		
Net Profit before tax	548.8	804.0
Adjustment for:		
Depreciation and amortisation expense	160.3	149.4
Excess provisions written back	(3.6)	(6.2)
Provision for slow moving and non moving inventory	(17.9)	(14.8)
Bad debts written off (net of provision written back)	3.1	—
Provision for doubtful debts	4.0	15.4
Capital gain from current investment	(2.7)	(0.8)
Interest income	(5.1)	(2.0)
Net foreign exchange differences	(5.5)	(15.1)
Finance costs paid	43.8	39.1
Loss/(gain) on sale of Property, Plant and equipment (net)	(0.5)	(1.1)
Government grant received	(48.2)	—
	127.7	163.9
Operating Cash flow before Working Capital Changes	676.5	967.9
Movements in Working Capital:		
<u>Adjustments for (increase)/decrease in operating assets</u>		
Inventories	(87.3)	162.1
Trade and Other Receivables	113.3	0.3
Other current assets	(105.4)	(5.6)
Financial assets	(1.3)	(1.2)
<u>Adjustments for increase/(decrease) in operating liabilities</u>		
Trade payables	132.2	5.4
Provision	1.5	10.3
Other liabilities	(53.1)	13.2
Financial liabilities	43.0	1.3
	42.9	185.8
Cash generated from/(used in) operations	719.4	1,153.7
Direct tax paid (net of refunds)	(168.8)	(223.5)
Net Cash flow from/(used in) operating activities (A)	550.6	930.2
B. Cash flow from investing activities:		
Purchase of Property, Plant and equipment (net)	(242.9)	(153.8)
Proceeds from disposal of Property, Plant and equipment (net)	2.9	2.9
Investment in mutual funds	(1,210.0)	(855.0)
Redemption of mutual funds	1,142.6	855.8
Investment in fixed deposit with banks	(661.6)	(154.7)
Redemption of fixed deposit with banks	650.0	141.3
Government grant received	102.0	—
Interest income	5.0	1.6
Net cash flow from/(used in) investing activities (B)	(212.0)	(161.9)

Standalone Cash Flow Statement for the year ended 31st March, 2026 (contd.)

Rs. Million

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
C. Cash flow from financing activities :		
Payment made for buy back of equity shares	—	(375.1)
Final Dividend paid on equity shares [Refer note 10(b)]	(229.1)	—
Interim Dividend paid on equity shares [Refer note 10(b)]	(114.6)	—
Payment of lease liability toward principal obligation	(15.3)	(18.5)
Payment of lease liability toward interest obligation	(6.7)	(2.7)
Finance costs paid	(36.6)	(34.3)
Long term loan taken during the year [Refer note 11]	185.3	214.7
Repayment of long-term loan	(25.0)	(68.0)
Net cash flow from/(used in) financing activities (C)	(242.0)	(283.9)
Net decrease in Cash and cash equivalents (A+B+C)	96.6	484.4
Cash and cash equivalents at the beginning of the year	(116.4)	(600.0)
Less: Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(1.0)	(0.8)
Cash and cash equivalents at the end of the year	(20.8)	(116.4)
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet		
1 Cash in Hand [Refer Note 5(a)]	0.4	0.4
2 Loan repayable on demand [Refer Note 11]	(137.0)	(323.2)
3 Balances with Banks : [Refer Note 5(a)] : i) On current accounts	114.4	199.4
ii) EEFC account	1.4	7.0
	(21.2)	(116.8)
Cash and cash equivalents at the end of the year (Refer note a below)	(20.8)	(116.4)

Note (a): For the purpose of the statement of cash flows, cash and cash equivalents comprise following

Rs. Million

Particulars	For the year ended 31st March, 2026		For the year ended 31st March, 2025	
	Closing balance	Opening balance	Closing balance	Opening balance
Cash & bank (Refer note 5)	116.2	206.8	206.8	71.2
Short term borrowing (Refer note 11)	(137.0)	(323.2)	(323.2)	(671.2)
Total	(20.8)	(116.4)	(116.4)	(600.0)

Cash flow statement has been prepared as per the indirect method set out in Indian Accounting Standard 7 “Statement of Cash Flows”.

Summary of significant material accounting policies (Refer note 2)

The accompanying notes are an integral part of the financial statements –

1 - 47

As per our report of even date

For S R B C & CO. LLP

Chartered Accountants

ICAI Firm Regn. No.324982E / E300003

Per Murtuza Bookwala

Partner

Membership No.117633

Mumbai, 21st May, 2026

For and on behalf of the Board of Directors**MSL Driveline Systems Limited****Gaurav Motwane**Chairman, Managing Director & CEO
(DIN 00746165)**Kaval Mirchandani**Independent Director
(DIN 01179978)**Pradeep Mestry**

Chief Financial Officer

Mahendra Salunke

Company Secretary

Mumbai, 21st May, 2026

Standalone Statement of Changes in Equity for the year ended 31st March, 2026

(A) Equity Share Capital

Particulars	Numbers	Rs. Million
Balance as at 31st March, 2024	73,06,936	73.1
Add : Issued during the financial year 2024-25	—	—
Less : Buy back during the financial year 2024-25	(3,43,140)	(3.4)
Balance as at 31st March, 2025	69,63,796	69.7
Add : Issued during the financial year 2025-26	—	—
Less : Buy back during the financial year 2025-26	—	—
Balance as at 31st March, 2026	69,63,796	69.7

(B) Other equity

Particulars	Capital reserve	Capital Redemption reserve	General reserve	Effective portion of Cash flow Hedges	Retained earnings	Total
Balance as at 1st April, 2025	2.0	40.3	239.6	(1.8)	2,198.8	2,478.9
Profit for the year	—	—	—	—	406.2	406.2
Other comprehensive income (net of deferred income tax)	—	—	—	(31.4)	(1.2)	(32.6)
Total comprehensive income	—	—	—	(31.4)	405.0	373.6
Dividends:						
– Final Dividend (2024-25 - Rs.33.00 per share) [Refer Note 10(b)]	—	—	—	—	(229.8)	(229.8)
– Interim Dividend (2025-26 - Rs.16.50 per share) [Refer Note 10(b)]	—	—	—	—	(114.9)	(114.9)
Balance as at 31st March, 2026	2.0	40.3	239.6	(33.2)	2,259.1	2,507.8
Balance as at 1st April, 2024	2.0	36.9	239.6	(0.2)	1,973.8	2,252.1
Profit for the year	—	—	—	—	602.6	602.6
Other comprehensive income (net of deferred income tax)	—	—	—	(1.6)	(2.5)	(4.1)
Total comprehensive income	—	—	—	(1.6)	600.1	598.5
Buy back Shares	—	—	—	—	(371.7)	(371.7)
Transfer from Retained Earnings	—	3.4	—	—	—	3.4
Transfer to Capital Redemption Reserve	—	—	—	—	(3.4)	(3.4)
Balance as at 31st March, 2025	2.0	40.3	239.6	(1.8)	2,198.8	2,478.9

Summary of material accounting policies (Refer note 2)

The accompanying notes are an integral part of the financial statements (1 – 47)

As per our report of even date

For S R B C & CO. LLP

Chartered Accountants

ICAI Firm Regn. No.324982E / E300003

Per Murtuza Bookwala

Partner

Membership No.117633

Mumbai, 21st May, 2026

For and on behalf of the Board of Directors

MSL Driveline Systems Limited

Gaurav Motwane

Chairman, Managing Director & CEO

(DIN 00746165)

Pradeep Mestry

Chief Financial Officer

Kaval Mirchandani

Independent Director

(DIN 01179978)

Mahendra Salunke

Company Secretary

Mumbai, 21st May, 2026

Notes to the standalone financial statements for the year ended 31st March, 2026

NOTE 1 CORPORATE INFORMATION

MSL Driveline Systems Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is a closely held company. The registered office of the Company is located at Unit 1506, 15th floor, One BKC, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

The Company is engaged in manufacturing and selling of Auto Components including Propeller Shafts, Clutch Set and Universal Joints. The Company caters to both domestic and international markets. The Company also trades in steel and metal.

NOTE 2 MATERIAL ACCOUNTING POLICIES

2.1. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under 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.

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

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value. Refer to the accounting policy on financial instruments in section (p) financial instruments.

The standalone financial statements are presented in Indian Rupee ('INR') which is also the Company's functional currency and all values are rounded to the nearest million, except when otherwise indicated. The Company has prepared financial statements on the basis that it will continue to operate as a going concern.

2.2. Summary of material accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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.

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

Notes to the standalone financial statements for year ended 31st March, 2026

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. Foreign currencies

The Company's standalone financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the company determines the transaction date for each payment or receipt of advance consideration.

c. 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 standalone 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

Notes to the standalone financial statements for year ended 31st March, 2026

For assets and liabilities that are recognised in the standalone 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.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities.

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company's management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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.

- Quantitative disclosures of fair value measurement hierarchy (note 37)
- Financial instruments (including those carried at amortised cost) (note 4, 5, 6, 9, 11, 12 and 16)

d. Revenue from contracts with customer

Revenue from contracts with customers is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.3.

Sale of goods

Revenue from sale of goods are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 - 150 days in respect of export customers and 30 - 90 days from the date of delivery of goods in respect of domestic customers.

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 (e.g., warranties, rebates, etc.). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

*Notes to the standalone financial statements for year ended 31st March, 2026***Rights of return**

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method (OEM, with whom we don't have any contract) and the expected value method for contracts with more than one volume threshold (Dealers). The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

ii) Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good to the customer and when the customer pays for that good will be one year or less.

iii) Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section (n) Provisions.

Contract balances**Contract assets**

A contract asset is initially recognised for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (p) Financial instruments – initial recognition and subsequent measurement.

Trade receivables

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 (p) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Assets and liabilities arising from rights of return**Right of return assets**

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Notes to the standalone financial statements for year ended 31st March, 2026

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Interest income

Interest income is recognised using the effective interest method.

Dividends

Revenue is recognised when the Company's right to receive the payment is established and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

e. Government grants

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

f. Export Benefits

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme, Remission of Duties and Taxes on Export Products and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'.

Export entitlements from government authorities are recognised in the Statement of Profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

g. Taxes

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 in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

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.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the standalone financial statements for year ended 31st March, 2026

Goods and Service tax (GST) / value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of Goods and Service tax (GST) / 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.

h. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date assets are ready for use. 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. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

When an item of property, plant and equipment is scrapped or otherwise disposed of, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013.

Estimated useful life of the assets are as follows:

Nature of Tangible Assets	Useful Life (Years)
Buildings	10 – 30
Plant and equipment	3 – 15
Furniture and fixtures	3 – 10
Vehicles	8
Office equipment	3 – 10
Lease improvement	Over the period of lease

i. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Notes to the standalone financial statements for year ended 31st March, 2026

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Company's intangible assets are, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer Software	3-6 years	Amortised on a straight-line basis over the useful life	Acquired
Development costs	5 years	Amortised on a straight-line basis over the useful life	Internally generated

j. 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 group 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 entity operates, or for the market in which the asset is used.

Notes to the standalone financial statements for year ended 31st March, 2026

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.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k. 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. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold Land	95 years for leasehold land at Nashik
Leasehold Land	30 years for leasehold land at Pithampur
Offices on Lease	More than 3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (j) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings (see Note 17).

Notes to the standalone financial statements for year ended 31st March, 2026
iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 3 years or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices at branches that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m. Inventories

Inventories are valued at the lower of cost and net realizable value.

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

- **Raw materials, Stores and spares, packing materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.
- **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 moving weighted average basis.
- **Traded goods:** 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.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n. Provisions**General**

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.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold, or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

o. 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.

Notes to the standalone financial statements for year ended 31st March, 2026

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the year when an employee renders the related service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. Every employee who has completed five years or more of service get a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is funded with an insurance Company in the form of a qualifying insurance policy.

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

p. 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.

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 (d) 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 marketplace (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)

Notes to the standalone financial statements for year ended 31st March, 2026

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

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

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

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

Debt 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 P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

The Company accounts for its investment in subsidiaries at cost less accumulated impairment, if any.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Notes to the standalone financial statements for year ended 31st March, 2026**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) 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. 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.

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.

Impairment of financial assets

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

- Financial assets that are debt instruments and are measured at amortized cost e.g., deposits and trade receivables.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables and
- Other Receivable

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

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

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

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

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

Notes to the standalone financial statements for year ended 31st March, 2026

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'finance cost' in the P&L. The balance sheet presentation for various financial instruments is described below:

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

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

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

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions; the Company expects to recover the carrying amount of these assets.

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, payables, or as derivatives 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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

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.

This category generally applies to borrowings.

Notes to the standalone financial statements for year ended 31st March, 2026**Bill Discounting**

During any point of time in the accounting year a Company may enter into an arrangement, with the Non-Banking Financial Companies ('NBFC') to avail the bill discounting facility extended by the NBFC's on such terms and conditions as may be mutually decided through a written agreement/contract and discount the bills raised on the customer with NBFC at an agreed discount rate. The liability to pay to the NBFC on due date is of the customer on full recourse basis to the Company (i.e. NBFC will recover the o/s bills amount from the company in case the customer fails to pay on due date).

At the end of the accounting year, any amount payable to NBFC by the Company on account of the discounted bills shall be disclosed under the head 'Borrowing' as this liability is not in the Company's normal business operating cycle and shall be considered as payable towards the money borrowed from the NBFC.

Derecognition

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 or loss.

Reclassification of financial assets

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 consolidated 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.

q. Derivative financial instruments**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts, full currency swaps and interest rate swaps contracts to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Notes to the standalone financial statements for year ended 31st March, 2026

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges:

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedges:

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

r. 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, loan repayable on demand (from bank) and net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s. Cash dividend

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Notes to the standalone financial statements for year ended 31st March, 2026**t. Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the company (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

u. Contingent Liability and Contingent assets

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.3. Significant accounting judgments, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts 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.

(A) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

(i) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint:

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with volume rebates, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Notes to the standalone financial statements for year ended 31st March, 2026
(B) 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 financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) 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 fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset 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 assessment of the time value of money and the risk specific to the asset. In determining fair value less cost 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 price for publicly traded subsidiaries or other available fair value indicators.

(ii) Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made.

The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 30 for details of the key assumptions used in determining the accounting for these plans.

(iii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(iv) Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

(v) Estimating variable consideration for returns and volume rebates

The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates.

Notes to the standalone financial statements for year ended 31st March, 2026

The Company's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date. Right of return are analysed for the Company as a whole due to past experience of the Company having similar range of right to return for each customer.

The Company updates its assessment of expected returns and volume rebates annually and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

(vi) Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

(vii) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(viii) Impairment of investment in subsidiary

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for the statement of profit and loss.

(C) New and Amended Standard

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1st April 2024. The Company applied for the first-time these amendments.

(i) Recent Accounting Pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The MCA vide notification dated 01 May 2025 and 13 August 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Second Amendment Rules, 2025, which amended certain accounting standards effective for annual reporting periods beginning on or after April 1, 2025:

(a) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1

As a result of the adoption of the amendments to Ind AS 1, the Company revised its accounting policy for the classification of borrowings. Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification. This new policy did not result in a change in the classification of the Company's borrowings.

(b) Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107

These amendments require clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. This amendment is not applicable to the Company.

Notes to the standalone financial statements for year ended 31st March, 2026

(c) Lack of Exchangeability – Amendments to Ind AS 21

The amended Ind AS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future period.

NOTE 3 (a) Property, plant and equipment:

Rs. Million

Particulars	Buildings		Plant and equipment		Furniture and fixtures		Vehicles		Office equipment		Leasehold improvement		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
I. Cost														
Balance as at 1st April, 2025/ 2024	320.8	319.3	1,704.7	1,555.6	93.1	92.3	52.5	58.0	7.2	6.2	9.9	9.9	2,188.2	2,041.3
Additions	–	1.5	186.7	171.4	2.4	1.1	–	–	0.6	1.2	–	–	189.7	175.2
Disposals	–	–	(26.8)	(22.3)	(0.5)	(0.3)	(1.0)	(5.5)	–	(0.2)	–	–	(28.3)	(28.3)
Balance as at 31st March,	320.8	320.8	1,864.6	1,704.7	95.0	93.1	51.5	52.5	7.8	7.2	9.9	9.9	2,349.6	2,188.2
II. Accumulated depreciation														
Balance as at 1st April, 2025/ 2024	142.9	131.3	1,124.9	1,043.4	44.7	37.0	23.6	22.00	5.0	4.7	9.9	9.9	1,351.0	1,248.3
Depreciation expense for the year	11.0	11.6	113.2	102.5	7.9	8.0	6.3	6.6	0.6	0.5	–	–	139.0	129.2
Eliminated on disposal of assets	–	–	(25.1)	(21.0)	(0.5)	(0.3)	(0.4)	(5.0)	–	(0.2)	–	–	(26.0)	(26.5)
Balance as at 31st March,	153.9	142.9	1,213.0	1,124.9	52.1	44.7	29.5	23.6	5.6	5.0	9.9	9.9	1,464.0	1,351.0
Carrying amount (I – II)														
Balance as at 31st March,	166.9	177.9	651.6	579.8	42.9	48.4	22.0	28.9	2.2	2.2	–	–	885.6	837.2
Balance as at 31st March, 2024		188.0		512.2		55.3		36.0		1.5		–		793.0

- (i) Term loan is secured by first *pari-passu* charge over movable Property, plant and equipment (present and future) of the Company. Refer note 11 for details of security.
- (ii) The above includes Value of Property, plant and equipment such as tools and equipments lying with sub-contractors are as under:

Rs. Million

Particulars	31st March, 2026	31st March, 2025
Opening Gross Block	61.9	59.5
Transfer from MSL premises to Subcontractor	2.3	1.6
Additions during the year	5.9	0.8
Less : Accumulated Depreciation	(41.5)	(37.4)
Net Block	28.6	24.5

Notes to the standalone financial statements for year ended 31st March, 2026

(iii) Capital work-in-progress:

Rs. Million		
Particulars	31st March, 2026	31st March, 2025
Opening Balance	3.3	9.6
Additions during the year	159.8	104.4
Less : Capitalised during the year	(133.8)	(110.7)
Closing Balance	29.3	3.3

(iv) Capital Work-in-Progress ageing schedule

Rs. Million										
Particulars	As at 31st March 2026					As at 31st March 2025				
	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
Project in Progress	28.3	1.0	–	–	29.3	2.7	–	0.6	–	3.3
Project temporarily suspended	–	–	–	–	–	–	–	–	–	–
Total	28.3	1.0	–	–	29.3	2.7	–	0.6	–	3.3

NOTE 3 (b) Intangible Assets

Rs. Million						
Particulars	Computer software – (acquired)		Internally generated development expenditure		TOTAL	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
I. Cost						
Balance as at 1st April, 2025	43.7	–	12.2	–	55.9	–
Balance as at 1st April, 2024	–	43.7	–	12.2	–	55.9
Additions	5.3	–	–	–	5.3	–
Disposals	–	–	–	–	–	–
Balance as at 31st March, 2026	49.0	–	12.2	–	61.2	–
Balance as at 31st March, 2025	–	43.7	–	12.2	–	55.9
II. Accumulated amortization						
Balance as at 1st April, 2025	42.2	–	12.2	–	54.4	–
Balance as at 1st April, 2024	–	39.8	–	12.2	–	52.0
Amortisation expense for the year	2.5	–	–	–	2.5	–
Eliminated on disposal	–	2.4	–	–	–	2.4
Balance as at 31st March, 2026	44.7	–	12.2	–	56.9	–
Balance as at 31st March, 2025	–	42.2	–	12.2	–	54.4
Carrying amount (I – II) :						
Balance as at 31st March, 2026	4.3	–	–	–	4.3	–
Balance as at 31st March, 2025	–	1.5	–	–	–	1.5
Balance as at 31st March, 2024	–	3.9	–	–	–	3.9

* Represents balance of Re.1

(i) Intangible assets under development:

Rs. Million		
Particulars	31st March, 2026	31st March, 2025
Opening balance	1.1	1.1
Additions during the year	12.0	–
Written off during the year	–	–
Provision for impairment [Refer note (a) blow]	(1.1)	(1.1)
Closing balance	12.0	–

Notes to the standalone financial statements for year ended 31st March, 2026

- (a) During the earlier years, the Company had reviewed the intangible assets under development and based on its own assessment the company made a provision of Rs.1.1 million towards impairment in carrying cost as certain project, although technically feasible and available for use, these were not meeting the condition of generating future economic benefit in a certain period of time. Accordingly, the Company decided to make provision for these projects, it will reassess the status of these projects in future and appropriate action will be taken.

(ii) Intangible assets under development ageing schedule

Particulars	As at 31st March 2026					As at 31st March 2025				
	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
Project in Progress	12.0	–	–	1.1	13.1	–	–	–	1.1	1.1
Project temporarily suspended	–	–	–	–	–	–	–	–	–	–
Less: Provision for impairment	–	–	–	(1.1)	(1.1)	–	–	–	(1.1)	(1.1)
Total	12.0	–	–	–	12.0	–	–	–	–	–

(iii) Completion Schedule for Intangible Assets under development, which are overdue or has exceeded its cost compared to its original plan

Particulars	As at 31st March 2026				As at 31st March 2025			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Tilt & Telescopic Steering Column	–	–	–	0.7	–	–	–	0.7
Interaxle prop shaft 2040 Series with rubber Boot	–	–	–	0.4	–	–	–	0.4
Galaxy ERP solution suite	12.0	–	–	–	–	–	–	–
Less: Provision for impairment	–	–	–	(1.1)	–	–	–	(1.1)
Total	12.0	–	–	–	–	–	–	–

(c) Right of use assets
(i) Company as a Lessee

The Company has lease contracts for various items i.e. land, building premises used in its operations. Leasehold land have lease period between 30 to 95 years, while building premises have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Notes to the standalone financial statements for year ended 31st March, 2026

(ii) Right of use assets

Particulars	Rs. Million					
	Leasehold Land		Rented Premises		TOTAL	
	2026	2025	2026	2025	2026	2025
I. Cost						
Balance as at 1st April, 2025 / 2024	37.4	37.4	82.2	73.1	119.6	110.5
Additions	—	—	66.3	9.1	66.3	9.1
Disposals	—	—	(65.3)	—	(65.3)	—
Balance as at 31st March, 2026 / 2025	37.4	37.4	83.2	82.2	120.6	119.6
II. Accumulated amortization						
Balance as at 1st April, 2025 / 2024	7.8	6.5	70.8	54.3	78.6	60.8
Amortisation expense for the year	1.3	1.3	17.5	16.5	18.8	17.8
Disposals	—	—	(65.3)	—	(65.3)	—
Balance as at 31st March, 2026 / 2025	9.1	7.8	23.0	70.8	32.1	78.6
Net Book Value (I – II) :						
Balance as at 31st March, 2026 / 2025	28.3	29.6	60.2	11.4	88.5	41.0
<i>Balance as at 31st March, 2024</i>	<i>—</i>	<i>30.9</i>	<i>—</i>	<i>18.8</i>	<i>—</i>	<i>49.7</i>

(iii) Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	Rs. Million					
	Leasehold Land		Rented Premises		TOTAL	
	2026	2025	2026	2025	2026	2025
Balance as at 1st April, 2025 / 2024	—	—	12.6	22.0	12.6	22.0
Additions	—	—	66.3	9.1	66.3	9.1
Accretion of Interest	—	—	6.7	2.7	6.7	2.7
Payments	—	—	(22.0)	(21.2)	(22.0)	(21.2)
Deletion	—	—	—	—	—	—
Balance as at 31st March, 2026 / 2025	—	—	63.6	12.6	63.6	12.6
Current	—	—	16.7	4.1	16.7	4.1
Non-current	—	—	46.9	8.5	46.9	8.5

(iv) The effective interest rate for lease liabilities is 8.45%, with maturity between 2025-2046.

(v) The following are the amounts recognised in profit or loss:

Particulars	Rs. Million	
	31st March, 2026	31st March, 2025
Depreciation expense on right of use assets	18.8	17.8
Interest expense on lease liabilities	6.7	2.7
Expense relating to short-term leases (included in other expenses)	2.6	1.8
Expense relating to leases of low-value assets	—	—
Variable lease payments (included in other expenses)	3.0	5.7
Total amount recognised in statement of profit and loss	31.1	28.0

Notes to the standalone financial statements for year ended 31st March, 2026

- (vi) The Company had total cash outflow for leases of **Rs.27.6 million** (31st March 2025: Rs.28.3 million). It comprises of **Rs.22.0 million** towards lease payments (31st March 2025: Rs 21.2 million), **Rs. 3.0 million** of variable lease payments (31st March 2025: Rs 5.7 million), and **Rs. 2.6 million** relating to short-term leases (31st March 2025: Rs.1.8 million), with the latter two recognised directly in the Statement of Profit and Loss in accordance with Ind AS 116.
- (vii) The leases that the company has entered with lessors are generally long-term in nature and no changes in terms of those leases are expected.
- (viii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- (ix) The Company has made pre-payment of Rs.45.6 million for lands taken on lease for 95 years located in Nashik and for 30 years located in Pithampur and hence no lease liability has been created for such assets.

NOTE 4 INVESTMENTS

Particulars	As at 31st March, 2026						As at 31st March, 2025					
	Non-current		Current		Total		Non-current		Current		Total	
	Nos.	Rs. Million	Nos.	Rs. Million	Nos.	Rs. Million	Nos.	Rs. Million	Nos.	Rs. Million	Nos.	Rs. Million
(Valued at cost unless stated otherwise)												
Investments in unquoted equity instruments (fully paid up unless specified)												
– Investment in associates (at cost)												
i) Sona Autocomp Inc. (In USD 1 per share)	24,000	1.4	–	–	24,000	1.4	24,000	1.4	–	–	24,000	1.4
Less: Provision for impairment in value of investment	–	(1.4)	–	–	–	(1.4)	–	(1.4)	–	–	–	(1.4)
Net Value (A)	–	–	–	–	–	–	–	–	–	–	–	–
ii) Sona Autocomp Europe (in EURO 1 per share)	12,000	0.4	–	–	12,000	0.4	12,000	0.4	–	–	12,000	0.4
Less : Provision for impairment in value of investment	–	(0.4)	–	–	–	(0.4)	–	(0.4)	–	–	–	(0.4)
Net Value (B)	–	–	–	–	–	–	–	–	–	–	–	–
Investment in Subsidiary (at cost)												
iii) 25,00,000 (31st March 2025: 25,00,000) equity shares of Rs.10 each of MSL Electric Vehicle Technologies Pvt. Ltd.	25,00,000	25.0	–	–	25,00,000	25.0	25,00,000	25.0	–	–	25,00,000	25.0
Less: Provision for impairment in value of investment	–	(7.5)	–	–	–	(7.5)	–	(7.5)	–	–	–	(7.5)
Net Value (C)	25,00,000	17.5	–	–	25,00,000	17.5	25,00,000	17.5	–	–	25,00,000	17.5

Notes to the standalone financial statements for year ended 31st March, 2026

Particulars	As at 31st March, 2026						As at 31st March, 2025					
	Non-current		Current		Total		Non-current		Current		Total	
	Nos.	Rs. Million	Nos.	Rs. Million	Nos.	Rs. Million	Nos.	Rs. Million	Nos.	Rs. Million	Nos.	Rs. Million
– Investment in Mutual Funds – unquoted (at cost)												
16,238.098 (31st March, 2025: Nil)												
mutual funds of SBI overnight fund	–	–	16,238	70.1	16,238	70.1	–	–	–	–	–	–
Net Value (D)	–	–	16,238	70.1	25,16,238	87.6	–	–	–	–	–	–
Total (A + B + C + D)	25,00,000	17.5	16,238	70.1	25,16,238	87.6	25,00,000	17.5	–	–	25,00,000	17.5
(a) Aggregate amount of unquoted investments		26.8						26.8				
(b) Aggregate amount of impairment in value of investments		(9.3)						(9.3)				

1. Sona Autocomp Inc and Sona Autocomp Europe have been dissolved in FY 2013-14 and FY 2014-15 respectively. The Company is not expecting any recoverability from these investments post dissolution and have been fully provided in the books of account.
2. The Company is in process of completing formalities with Reserve Bank of India in connection with the investments made in the said associate companies, pending which the investments have not been written off.

NOTE 5 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents		Rs. Million	
Particulars	As at 31st March, 2026	As at 31st March, 2025	
(a) Balances with banks: i) On current accounts	114.4	199.4	
ii) On EEFC account	1.4	7.0	
(b) Cash on hand	0.4	0.4	
Total	116.2	206.8	

Notes to the standalone financial statements for year ended 31st March, 2026

For the purpose of statement of cash flows, cash and cash equivalents comprises the following:

Rs. Million		
Particulars	As at 31st March, 2026	As at 31st March, 2025
(a) Balances with banks: i) On current accounts	114.4	199.4
ii) On EEFC account	1.4	7.0
(b) Cash on hand	0.4	0.4
Total	116.2	206.8
Less : Loan repayable on demand and Bank Overdraft (Refer note 11)	(137.0)	(323.2)
Total Cash and Cash equivalents	(20.8)	(116.4)

NOTE 6 OTHER FINANCIAL ASSETS

Rs. Million						
Particulars	As at 31st March, 2026			As at 31st March, 2025		
	Non-current	Current	Total	Non-current	Current	Total
(Unsecured, Considered good unless otherwise stated)						
Interest receivable : Interest accrued on deposits	–	1.4	1.4	–	1.1	1.1
Security deposits	24.1	–	24.1	22.8	–	22.8
Bank deposits with more than 12 months maturity #	25.0	–	25.0	13.5	–	13.5
Total	49.1	1.4	50.5	36.3	1.1	37.4

Rs.25.0 million (31st March 2025: Rs.13.5 million) are maintained as a debt service reserve account as per the facility agreement entered by the Company with it's term loan lender (ICICI Bank)

NOTE 7 (a) Income tax assets (Net)

Rs. Million						
Particulars	As at 31st March, 2026			As at 31st March, 2025		
	Non-current	Current	Total	Non-current	Current	Total
Advance income tax [Net of provision Rs.1,211.6 million (31st March, 2025 : Rs.1,047.4 million)]	18.7	–	18.7	14.7	–	14.7
Total	18.7	–	18.7	14.7	–	14.7

(b) Other non-current and current assets

Rs. Million						
Particulars	As at 31st March, 2026			As at 31st March, 2025		
	Non-current	Current	Total	Non-current	Current	Total
(a) Capital advances [Refer Note 28(ii)]	27.4	–	27.4	18.2	–	18.2
(b) Balances with statutory/government authorities (other than income taxes) : GST credit receivable	–	32.3	32.3	–	–	–
(c) Prepayments	0.7	13.2	13.9	0.9	10.7	11.6
(d) Others : (i) Export benefits	–	6.0	6.0	–	5.6	5.6
(ii) Advance to suppliers	–	85.9	85.9	–	5.0	5.0
(iii) Others	–	35.6	35.6	–	46.1	46.1
Total	28.1	173.0	201.1	19.1	67.4	86.5

Notes to the standalone financial statements for year ended 31st March, 2026

NOTE 8 INVENTORIES

Rs. Million

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Valued at the lower of cost and net realisable value)		
(a) Raw materials [Refer Note (i) below]	515.2	427.9
(b) Work-in-progress	501.1	471.1
(c) Finished goods [Refer Note (i) below]	275.5	296.2
(d) Stores and spares	9.2	7.0
(e) Loose tools	49.5	43.1
Total	1,350.5	1,245.3

Notes: (i) Included in above, goods-in-transit:

Rs. Million

Particulars	As at 31st March, 2026	As at 31st March, 2025
Raw materials	73.2	64.2
Finished Goods	221.0	220.6

- (ii) The cost of raw material recognised as an expense during the year **Rs.5,810.9 million** (31st March, 2025 : Rs.5,533.0 million).
- (iii) The cost of inventories recognised as an (income)/expense during the year ended 31st March, 2026 includes **Rs.-17.9 million** (31st March, 2025 : Rs.-14.8 million) in respect of (reversal)/provision for slow and non moving inventory.
- (iv) The provision made for slow and non moving inventory as at 31st March 2026 **Rs.64.4 million** (31st March, 2025 : Rs.82.3 million)

NOTE 9 TRADE RECEIVABLES

Rs. Million

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade Receivables		
Trade Receivables considered good	1,790.7	1,931.5
Trade Receivables which have significant increase in credit Risk	6.4	7.0
Trade Receivables - Allowance for expected credit loss	0.3	–
Trade Receivables - credit impaired [refer footnote (a) below]	19.5	19.5
	1,816.9	1,958.0
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables which have significant increase in credit Risk	(6.4)	(7.0)
Trade Receivables - Allowance for expected credit loss	(0.3)	–
Trade Receivables - credit impaired [refer footnote (a) below]	(14.5)	(14.5)
Total	1,795.7	1,936.5

- (i) 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.
- (ii) The Company is engaged in manufacturing and selling of Propeller shafts, Components & Clutch sets which are customers specific. Credit period varies from customer to customer. Average credit period in case of export customers is 30 - 150 days and in case of domestic customers 30 - 90 days from the date of receipt of goods.
- (iii) The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk even though it may be very low.

Notes to the standalone financial statements for year ended 31st March, 2026
(a) Movement in the expected credit loss :

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Balance at beginning of the year	21.5	9.6
Expected credit loss allowance on trade receivables	4.0	11.9
Reversal of Expected credit losses on trade receivables	(4.3)	—
Balance at end of the year	21.2	21.5

Trade Receivable	Rs. Million															
	Particulars Outstanding for following periods															
	Not Due		Un-billed Receivable		Less than 6 months		6 months – 1 year		1–2 years		2–3 years		More than 3 years		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Undisputed Trade Receivables																
– considered good	1,432.3	1,470.6	—	—	315.9	438.1	35.9	15.5	4.5	5.3	2.1	2.0	—	—	1,790.7	1,931.5
– which have significant increase in credit risk	—	—	—	—	—	—	—	—	1.5	1.8	2.1	2.0	2.8	3.2	6.4	7.0
– credit impaired	—	—	—	—	—	—	—	—	—	—	—	—	0.3	—	0.3	—
Disputed Trade Receivables																
– considered good	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
– which have significant increase in credit risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
– credit impaired [refer footnote (a) below]	—	—	—	—	—	—	—	19.5	19.5	—	—	—	—	—	19.5	19.5
Gross	1,432.3	1,470.6	—	—	315.9	438.1	35.9	35.0	25.5	7.1	4.2	4.0	3.1	3.2	1,816.9	1,958.0
Less : Allowance for Trade Receivables																
– which have significant increase in credit risk – Undisputed	—	—	—	—	—	—	—	—	1.5	1.8	2.1	2.0	2.8	3.2	6.4	7.0
– which have significant increase in credit risk - disputed	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
– credit impaired - Undisputed	—	—	—	—	—	—	—	—	—	—	—	—	0.3	—	0.3	—
– credit impaired - disputed	—	—	—	—	—	—	—	14.5	14.5	—	—	—	—	—	14.5	14.5
Total	1,432.3	1,470.6	—	—	315.9	438.1	35.9	20.5	9.5	5.3	2.1	2.0	—	—	1,795.7	1,936.5

(a) The Company has initiated proceedings before the Mediation Centre at the City Civil & Sessions Court, Mumbai, dated 21 March 2025, against Prime Movers Auto Associates Private Limited (also known as Jagdamba Motors) due to non-payment of outstanding dues amounting to Rs.19.5 million for goods supplied between February 2024 and May 2024.

Consequently, the Company has created a provision for doubtful debts totaling Rs.14.5 million and the Company expects to settle balance amount of Rs.5.0 million through Target discount provision created (classified under Trade Payable)

Notes to the standalone financial statements for year ended 31st March, 2026

NOTE 10 (a) Equity Share Capital

Particulars	Nos.	Rs. Million
(A) Authorised : Equity shares of Rs.10 each		
As at 1st April, 2024	1,70,00,000	170.0
Increase/(decrease) during the year	—	—
As at 31st March, 2025	1,70,00,000	170.0
Increase/(decrease) during the year	—	—
As at 31st March, 2026	1,70,00,000	170.0
(B) Issued equity capital : Equity Shares of Rs.10 each issued, subscribed & fully paid		
As at 1st April, 2024	73,06,936	73.1
Increase/(decrease) during the year	(3,43,140)	(3.4)
As at 31st March, 2025	69,63,796	69.7
Increase/(decrease) during the year	—	—
As at 31st March, 2026	69,63,796	69.7

Notes: (i) (a) During the year, the Company has not undertaken any buy back of **equity shares** (31st March, 2025 : 343,140 equity shares) in the previous year, the Company had bought back 3,43,140 equity shares at a price of Rs.1093 per share, pursuant to the approval of board of directors dated 30th July,2024 and approval of the shareholders obtained on 30th September,2024. Accordingly, there were no approval obtained from the board of directors or shareholders for buy back during the current year.

(b) The Company has bought back **18,78,184** equity shares (31st March 2025: 18,78,184 equity shares) during immediately preceding five financial years including current year.

(ii) The Company has not allotted any equity shares pursuant to contracts without payment being received in cash.

(iii) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	% Holding	Nos.	% Holding
Gaurav G. Motwane	27,69,623	39.8%	—	—
SKM Family Trust (Through Gaurav G. Motwane, Trustee)	100	—	27,47,159	39.5%
Atera Resources Private Limited	24,59,185	35.3%	24,59,185	35.3%
Khattar Holdings Private Limited	9,97,313	14.3%	9,97,313	14.3%

(v) Shares held by Promoters at the end of the year

Promoter's Name	As at 31st March, 2026			As at 31st March, 2025		
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
Gaurav G. Motwane	27,69,623	39.8%	39.5%	22,564	0.3%	4.8%
SKM Family Trust (Through Gaurav G. Motwane, Trustee)	100	0	(39.5%)	27,47,159	39.5%	1.9%
Atera Resources Private Limited	24,59,185	35.3%	—	24,59,185	35.3%	9.6%

Notes to the standalone financial statements for year ended 31st March, 2026
NOTE 10 (b) Other Equity :

Rs. Million

Particulars	Capital reserve		General reserve		Capital Redemption Reserve		Effective portion of Cash flow Hedges		Subtotal – Other Reserves		Retained earnings		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Balance as at 1st April, 2025 / 2024	2.0	2.0	239.6	239.6	40.3	36.9	(1.8)	(0.2)	280.1	278.3	2,198.8	1,973.8	2,478.9	2,252.1
Profit for the year	–	–	–	–	–	–	–	–	–	–	406.2	602.6	406.2	602.6
Other comprehensive income (net of deferred income tax)	–	–	–	–	–	–	(31.4)	(1.6)	(31.4)	(1.6)	(1.2)	(2.5)	(32.6)	(4.1)
Dividends														
– Final Dividend (2024-25 – Rs.33.00 per share)	–	–	–	–	–	–	–	–	–	–	(229.8)	–	(229.8)	–
– Interim Dividend (2025-26 – Rs.16.50 per share)	–	–	–	–	–	–	–	–	–	–	(114.9)	–	(114.9)	–
Buy back Shares	–	–	–	–	–	–	–	–	–	–	–	(371.7)	–	(371.7)
Transfer from Retained Earnings	–	–	–	–	–	3.4	–	–	–	3.4	–	–	–	3.4
Transfer to Capital Redemption Reserve	–	–	–	–	–	–	–	–	–	–	–	(3.4)	–	(3.4)
Balance as at 31st March	2.0	2.0	239.6	239.6	40.3	40.3	(33.2)	(1.8)	248.7	280.1	2,259.1	2,198.8	2,507.8	2,478.9

Nature and purpose of reserves
i) Capital reserve -

- Amount of Rs.0.9 million represents octroi refund granted for the period 1st April, 1995 to 31st March, 1998 on plant and machinery purchased during the FY 1998-99. This refund was sanctioned in FY 2000-2001 under the State Government's incentive scheme.
- Amount of Rs.1.1 million was created on account of Amalgamation of DRSK Management Services Private Limited (shareholder of the Company, then) into the company during the Financial Year 2011-12.

ii) General reserve -

The erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

iii) Capital redemption reserve -

Capital redemption reserve was created on account of buy back of equity shares amounting to **Rs.Nil** (31st March, 2025 Rs.3.4 million).

iv) Effective portion of cash flow hedges -

This Reserve represents the cumulative effective portion of changes in Fair Value of hedging instrument that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Company's accounting policy. Effective portion of cash flow hedges was created on account of mark-to-market exchange loss on forward contracts amounting to **Rs.31.4 million** (31st March, 2025 Rs.1.6 million).

v) Final Dividend paid for FY 2024-25 on equity shares -

The final dividend for FY 2024-25 on equity shares was declared and paid during the current financial year ended 31st March, 2026 of Rs.229.8 million.

vi) Interim dividend paid for FY 2025-26 on equity shares -

The interim dividend for FY 2025-26 on equity shares was declared and paid during the current financial year ended March 31, 2026 of Rs.114.9 million.

Notes to the standalone financial statements for year ended 31st March, 2026

NOTE 11 BORROWINGS

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Non-Current Borrowings (Secured)		
Term Loan from Bank : (i) Rupee Loan [Refer note (i)(a) below]	–	214.7
(ii) Term Loan in foreign currency[Refer note (i)(b) below]	375.0	–
Less : Current maturities of long-term borrowings	(100.0)	(13.4)
Total Non-Current Borrowings	275.0	201.3
Current Borrowings (Secured)		
Loans repayable on demand from banks: Working capital loan (Refer note (ii) below)	100.0	215.2
Bill discounting [Refer note (iv) below]	37.0	108.0
Sub Total	137.0	323.2
Current maturities of long-term borrowings	100.0	13.4
Sub Total	100.0	13.4
Total current borrowings	237.0	336.6

Note :

- (i) (a) ICICI Bank on 20th September, 2024 sanctioned a term loan amounting to Rs.400 million for the purpose of financing the capital expenditure of the Company and taking over the outstanding term loan of Citibank. The tenure of the loan is 5 years including 12 months moratorium from the date of disbursement for each tranche of disbursement. The loan is repayable in quarterly instalments beginning from the 12th month from the date of each tranche of disbursement. The loan is secured by first charge on all movable fixed assets of the Company at its plant located at Nashik, Maharashtra. The interest shall be payable on the loan at a rate of I-MCLR-1Y+ spread 0.1%. The ICICI Bank shall reset the interest rate at the end of every year from the date of conversion to I-MCLR-1Y as a sum of I-MCLR-1Y+ Spread, prevailing on the reset date.
- (b) During the current financial year 2025-26, the Company converted rupee term loan of Rs.400.0 million into USD term loan through 'Full Currency Swap' on net settlement basis i.e. Net Flows in INR to be exchanged based on USD/INR Spot Exchange Rate prevailing <2> business days prior to every settlement date. The tenure of the loan and repayment schedules are similar to rupee term loan. The exposure in foreign currency will be on mark-to-market hedging conditions at the end of each month and the same is considered at 'cash flow hedge' for revaluing the outstanding loan amount including interest in foreign currency.

Table 1 – Conversion of rupee term loan in foreign currency

Sr. No.	Transaction start Date	Repayment Date	Term Loan Rs. Million	Spot Exchange Rate	Term Loan in USD Million	Upfront Interest rate p.a. in USD	Interest rate p.a. in INR (receivable)
1	22nd August, 2025	04th December, 2029	251.2	87.05	2.9	7.16%	9.20%
2	25th September 2025	04th December, 2029	52.9	88.65	0.6	7.10%	9.20%
3	29th December, 2025	04th December, 2029	31.8	89.75	0.4	6.15%	8.45%
4	18th March, 2026	04th December, 2029	64.1	92.35	0.7	6.15%	8.45%
Total			400.0		4.6		

Table 2 – Repayment Schedule of Term loan

	Rs. Million			
	2027	2028	2029	2030
Q1	25.0	25.0	25.0	25.0
Q2	25.0	25.0	25.0	25.0
Q3	25.0	25.0	25.0	25.0
Q4	25.0	25.0	25.0	–

Notes to the standalone financial statements for year ended 31st March, 2026

- (ii) Loan repayable on demand include pre- shipment credit in Indian rupee (PCRE) and working capital demand loan. All these loans are secured by a first *pari-passu* charge on the Company's present and future stocks and book debts. Below is the schedule of PCRE and WCDL loan taken by the Company:

Rs. Million							
No.	Disbursement date	Repayment date	Bank	Type of loan	As at 31st March, 2026	As at 31st March, 2025	Closing Interest Rate p.a.
1	12th March, 2026	08 September, 2026	Citi Bank	PCRE	100.0	–	7.65%
2	04th December, 2024	2nd June, 2025	Citi Bank	PCFC	–	115.2	6.54%
3	21st March, 2025	19th April, 2025	Citi Bank	WCDL	–	100.0	8.77%
Total					100.0	215.2	

- (iii) Bank overdraft represents Cash Credit facility with ICICI Bank and Citibank. The cash credit limit provided by the ICICI bank is **Rs.650 million** (31st March, 2025 : Rs.650 million) and by the Citibank is **Rs.500 million** (31st March, 2025 : Rs.500 million). The interest is payable at the rate of **8.45%** (31st March, 2025: 10.4%). The Bank Overdraft is secured by first *pari-passu* charge created on Company's current assets. The facility is valid for ICICI Bank upto 17th August, 2026 and for Citibank upto 30th November, 2026 respectively and which can be further extended by the bank as per the request that may be made by the Company. The bank overdraft is repayable on demand. As on 31st March, 2026 the Company has bank overdraft balance outstanding of **Rs.Nil** (31st March, 2025 : Rs.Nil) from ICICI Bank.
- (iv) Bill discounting facility and trade payable financing facility is with ICICI Bank, with the limit bank of **Rs.300 million** (31st March, 2025 : Rs.300 million). The interest is payable at the rate of **8.25%** (31st March, 2025 : 10.4%). The Bank acceptance is secured by first *pari-passu* charge created on Company's current assets. This facility is valid upto 17th August, 2026 which can be further extended by the bank as per the request that may be made by the Company. The bank acceptance is repayable on due date.
- (v) The borrowings including term loan availed by the Company from Banks and Financial institutions has been used for the purpose such loans were taken.
- (vi) The quarterly returns or statements filed by the Company with ICICI and Citi Bank are in agreement with the books of accounts of the Company for the current and previous financial year.
- (vii) There are no non-cash movement in long term and short term borrowings.

NOTE 12 TRADE PAYABLE

Particulars	Rs. Million					
	As at 31st March, 2026			As at 31st March, 2025		
	Non-current	Current	Total	Non-current	Current	Total
Trade payable for goods & services :						
Total outstanding dues of micro enterprises and small enterprises (Refer 3 below)	–	313.6	313.6	–	251.6	251.6
Total outstanding dues of trade payables other than micro enterprises and small enterprises	–	728.3	728.3	–	653.1	653.1
Total	–	1,041.9	1,041.9	–	904.7	904.7

- Trade payables are non-interest bearing and are normally settled on 30 - 60 day terms.
- The Company's exposure to currency and liquidity risk related to trade payable is disclosed in note no. 38

Notes to the standalone financial statements for year ended 31st March, 2026

3. Details of due to micro, small and medium enterprises as defined under the MSMED Act, 2006.

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
(a) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
i) Principal amount due to micro, small and medium enterprises	313.4	248.1
ii) Interest due on above	0.2	3.5
(b) The amount of Interest paid by the buyer in terms of Section 16 of MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year*	0.2	0.2
(c) 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	0.2	0.2
(d) Amount of interest accrued and remaining unpaid as at the year end of each accounting year	0.2	3.5
(e) 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 enterprises for the purpose of disallowance as a deductible expenditure u/s 23 of MSMED Act, 2006.	—	—

* The balance of Rs.0.2 million is arrived after write back of Rs.3.3 million in the current financial year.

Note: The information has been given in respect of such vendors to the extent they could be identified as Micro, Small and Medium enterprises on the basis of information available with the Company.

Particulars	Outstanding for following periods from due date of payment as at 31st March, 2026							Outstanding for following periods from due date of payment as at 31st March, 2025						
	Not Due	Un-billed Payable	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Not Due	Un-billed Payable	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	312.9	—	0.2	—	—	0.2	313.3	236.6	—	14.4	—	—	0.3	251.3
Others	423.0	261.0	43.7	0.5	—	0.1	728.3	382.8	228.3	41.6	—	0.1	0.3	653.1
Disputed Dues – MSME	—	—	—	—	—	0.3	0.3	—	—	—	—	—	0.3	0.3
Disputed Dues – Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL	735.9	261.0	43.9	0.5	—	0.6	1,041.9	619.4	228.3	56.0	—	0.1	0.9	904.7

NOTE 13 PROVISIONS

Particulars	As at 31st March, 2026			As at 31st March, 2025		
	Non-current	Current	Total	Non-current	Current	Total
Provision for employee benefits (Refer note 30)						
(i) Provision for gratuity	—	11.2	11.2	—	9.9	9.9
(ii) Provision for compensated absences	—	104.7	104.7	—	102.0	102.0
Other provisions						
Warranty [Refer note (a) below]	13.1	26.5	39.6	12.9	26.3	39.2
Total	13.1	142.4	155.5	12.9	138.2	151.1

Notes to the standalone financial statements for year ended 31st March, 2026
Note (a) Details of movement in warranty provision

Particulars	As at 31st March, 2026			As at 31st March, 2025		
	Non-current	Current	Total	Non-current	Current	Total
At the beginning of the year	12.9	26.3	39.2	12.6	23.3	35.9
Arising during the year (net)	4.7	5.6	10.3	4.2	5.2	9.4
Utilised (i.e. incurred and charged against the provision) during the year	(4.5)	(6.8)	(11.3)	(3.9)	(4.0)	(7.9)
Ind AS Impact - Unwinding of Warranty Interest	–	1.4	1.4	–	1.8	1.8
Closing Balance at the end of the year	13.1	26.5	39.6	12.9	26.3	39.2

- (i) A provision is recognised for expected warranty claims on manufacturing defects on products sold by the Company, based on past experience of the level of repairs. It is expected that most of these costs will be incurred in the next two financial years. Assumptions used to calculate the provision for warranties are based on the warranty period for the products sold by the Company.

NOTE 14 (a) Income Tax recognised in Profit or Loss Section

The major components of income tax expense for the years ended 31st March, 2026 and 31st March, 2025

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current Income Tax: Charge for the year	164.1	220.6
Adjustments in respect of current income tax of previous year	–	(5.9)
Deferred Tax:		
Relating to origination and reversal of temporary differences	(21.5)	(13.3)
Income tax expense reported in the statement of profit or loss	142.6	201.4

(b) Income Tax recognised in OCI

Deferred tax related to items recognised in OCI during the year

Particulars	As at 31st March, 2026	As at 31st March, 2025
Re-measurement of the defined benefit obligation	11.8	1.4
Income tax charged to OCI	11.8	1.4

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31st March, 2026 and 31st March, 2025

Particulars	As at 31st March, 2026	As at 31st March, 2025
Accounting profit before income tax	548.8	804.0
At India's statutory income tax rate of 25.168% (31st March, 2025: 25.168%)	138.1	202.4
Adjustments in respect of current income tax of previous year	–	(5.9)
Expenses not deductible for tax purposes	26.0	18.2
At the effective income tax rate of 25.168% (31st March, 2025: 25.168%)	164.1	214.7
Deferred tax relating to origination and reversal of temporary differences	(21.5)	(13.3)
Income tax expense reported in the statement of profit and loss	142.6	201.4

Notes to the standalone financial statements for year ended 31st March, 2026

(c) Deferred Tax

Deferred tax relates to the following:

Particulars	Balance Sheet		Profit or loss	
	As at 31st March, 2026	As at 31st March, 2025	As at 31st March, 2026	As at 31st March, 2025
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	43.9	51.0	(7.1)	(8.0)
Right of Use Assets	15.1	2.8	12.3	(1.9)
Warranty	0.3	0.5	(0.2)	(0.2)
Tax effect of items constituting deferred tax assets				
Employee benefits	(37.0)	(36.3)	(0.7)	(3.7)
Lease Liability (Non-Current + Current)	(16.0)	(3.2)	(12.8)	2.3
Provision for doubtful debts	(5.3)	(5.4)	0.1	(3.0)
Provision for Impairment - Investment	(2.3)	(2.3)	–	–
Provision for Impairment – Intangible Assets	(3.5)	(3.5)	–	–
Provision for doubtful supplier advances	(0.2)	(0.2)	–	–
Cashflow hedge reserve	(12.0)	(0.6)	(11.4)	(0.6)
Deferred income	(13.6)	–	(13.6)	–
Other items	(0.1)	(0.2)	0.1	0.4
Deferred tax expense/ (Income)	–	–	(33.3)	(14.7)
Deferred tax liabilities (Net)	(30.7)	2.6		

Reflected in the Balance Sheet as follows

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Deferred tax assets	(90.0)	(51.7)
Deferred tax liabilities	59.3	54.3
Deferred tax liabilities, net	(30.7)	2.6

Reconciliation of Deferred Tax Liabilities (net)

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Opening balance as of 1 April	2.6	17.3
Tax income / (expense) during the period recognised in profit or loss	(21.5)	(13.3)
Tax income / (expense) during the period recognised in OCI	(11.8)	(1.4)
Closing balance as at 31st March	(30.7)	2.6

NOTE 15 CURRENT TAX LIABILITIES (Net)

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Provision for tax (net of advance tax Rs.607.2 million , 31st March, 2025 : Rs.635.0 million)	5.8	5.8
Total	5.8	5.8

Notes to the standalone financial statements for year ended 31st March, 2026

NOTE 16 OTHER FINANCIAL LIABILITIES

Particulars	Rs. Million		
	As at 31st March, 2026		
	Non-current	Current	Total
As at 31st March, 2025			
	Non-current	Current	Total
Derivatives			
Foreign currency forward contracts	–	51.9	51.9
Sub-total (A)	–	51.9	51.9
At amortized cost			
Interest accrued but not due	–	0.4	0.4
Payables for capital purchases	–	5.6	5.6
Trade deposit received	–	1.7	1.7
Unpaid Dividend	–	1.4	1.4
Sub-total (B)	–	9.1	9.1
Total	–	61.0	61.0

NOTE 17 LEASE LIABILITIES

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Lease Liabilities – Current	16.7	4.1
Lease Liabilities – Non Current	46.9	8.5
Total	63.6	12.6

NOTE 18 OTHER CURRENT AND NON-CURRENT LIABILITIES

Particulars	Rs. Million		
	As at 31st March, 2026		
	Non-current	Current	Total
As at 31st March, 2025			
	Non-current	Current	Total
Employee benefits payable	50.8	127.4	178.2
Advances received from customers	–	3.3	3.3
Statutory dues [Refer note (a) below]	–	16.8	16.8
Deferred Government Grant	47.3	6.5	53.8
Employee Recoveries	–	1.2	1.2
Others	–	0.1	0.1
Total	98.1	155.3	253.4

Note (a) Statutory dues payables include contribution to PF, ESIC, withholding taxes, GST liability and professional tax.

Notes to the standalone financial statements for year ended 31st March, 2026

NOTE 19 REVENUES FROM OPERATIONS

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Revenue from contractors with customers	8,330.9	8,365.5
Other operating revenues:		
i) Tool development and testing charges	9.5	8.8
ii) Scrap sales	52.0	48.7
iii) Government incentive	48.2	2.4
iv) Government Grant (Export benefits and subsidy)	26.2	42.9
Total	8,466.8	8,468.3

19.1 Disaggregated revenue information

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

(a) Disaggregation by geography

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
India	7,218.0	6,543.3
Outside India	1,112.9	1,822.2
Total revenue from contracts with customers	8,330.9	8,365.5

- (b) The Company is primarily engaged in manufacturing of automobile components such as propeller shafts, clutch sets and components thereof. The performance of the Company is evaluated as business as a whole. Accordingly, there is no reportable separate segment for the Company.

(c) Timing of revenue recognition

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Goods transferred at a point in time	8,330.9	8,365.5
Total revenue from contracts with customers	8,330.9	8,365.5

19.2 Contract Balances

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Trade Receivables (Contract assets - Refer note 9)	1,795.7	1,936.5
Advance from customer (Contract liability - Refer note 18) *	3.3	0.9

*Represents short term liability which shall be adjusted against subsequent invoices.

- (i) Trade receivables are non-interest bearing and average credit period is 30 - 150 days in respect of export customers and 30 - 90 days in respect of domestic customers generally from the date of receipt of goods.

Notes to the standalone financial statements for year ended 31st March, 2026
19.3 Right of return assets and refund liabilities

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Right of return assets		
Refund liabilities	187.4	170.2
Arising from retrospective volume rebates	165.4	143.7
Arising from rights of return	22.0	26.5

19.4 Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Revenue as per contracted price	8,567.3	8,588.8
Adjustments : Sales return	(34.4)	(39.8)
Discount	(202.0)	(183.5)
Revenue from contract with customers	8,330.9	8,365.5

19.5 Performance obligation

Information about the Company's performance obligations are summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods to customers.

The Company provides normal warranty for general repairs for the period of two years on all the products sold, in line with industry practice.

NOTE 20 OTHER INCOME

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Net foreign exchange gains	32.0	37.3
Excess provisions written back	3.6	6.2
Profit/loss on sale of Property Plant & Equipment	0.5	1.1
Miscellaneous Income	2.6	0.3
Total	38.7	44.9

NOTE 21 FINANCE INCOME

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Capital gain from current investments	2.7	0.8
Interest income on bank deposits	2.9	0.4
Interest income on income tax refund	0.7	0.2
Other interest	1.5	1.4
Total	7.8	2.8

Notes to the standalone financial statements for year ended 31st March, 2026

NOTE 22 (a) Cost of Raw materials and Components consumed

Rs. Million		
Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Inventory at the beginning of the year	427.9	514.6
Add : Purchases	5,907.5	5,397.9
	6,335.4	5,912.5
Less : Inventory at the end of the year	515.2	427.9
Cost of raw materials and components consumed	5,820.2	5,484.6

(b) (Increase) / Decrease in Inventories of Finished Goods and Work-in-progress

Rs. Million		
Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Inventory at the end of the year		
: Work-in-progress	501.1	471.1
: Finished goods	275.5	296.2
	776.6	767.3
Less : inventory at the beginning of the year		
: Work-in-progress	471.1	552.4
: Finished goods	296.2	263.3
	767.3	815.7
(Increase)/Decrease in Inventory	(9.3)	48.4

NOTE 23 EMPLOYEE BENEFITS EXPENSE

Rs. Million		
Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
(a) Salaries, wages and bonus*	716.1	694.7
(b) Contribution to provident and other funds (Refer Note 30)	33.0	36.5
(c) Gratuity Expense (Refer Note 30)	9.7	6.6
(d) Staff Welfare Expenses	52.7	50.0
Total	811.5	787.8

* Including contract labour charges.

NOTE 24 FINANCE COST

Rs. Million		
Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
(a) Interest on debts and borrowings		
– On Short Term Borrowing	13.5	21.4
– On Long Term Borrowing	21.1	8.9
(b) Other Interest		
– Trade payables – MSME (Refer Note 12)	0.2	3.5
– Unwinding interest on lease liabilities	6.7	2.7
– Unwinding interest on provision for warranty expense	1.4	1.8
– Interest on delayed payment of income tax	0.1	0.3
– Other	0.8	0.5
Total	43.8	39.1

Notes to the standalone financial statements for year ended 31st March, 2026
NOTE 25 DEPRECIATION AND AMORTISATION EXPENSES

Rs. Million		
Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
– Depreciation of tangible assets	139.0	129.2
– Amortization of intangible assets	2.5	2.4
– Amortization on Right of used assets	18.8	17.8
Total	160.3	149.4

NOTE 26 OTHER EXPENSES

Rs. Million		
Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Outside Processing Charges	231.3	291.8
Freight and handling charges	139.8	165.3
Packing materials consumed	149.7	154.2
Stores and spares consumed	131.6	125.0
Tools consumed	78.7	81.7
Power & fuel consumed	119.3	114.3
Repairs and maintenance - buildings	6.5	4.3
Repairs and maintenance - machinery	25.9	8.0
Repairs and maintenance - others	15.8	18.9
Rates and taxes	2.9	4.7
Lease rent [Refer note 3(c)]	5.5	7.5
Insurance charges	9.4	8.9
Provision for doubtful debts	3.7	15.4
Bad Debts written off	7.5	3.5
Provision for doubtful debts written back	(4.4)	(3.5)
Payment to Auditors (Refer details below)	4.5	4.7
Expenditure on corporate social responsibility (Refer Note 34)	16.5	16.0
Directors' sitting fees	0.8	0.8
Business promotion expenses	7.0	4.2
Commission on sales	1.1	1.8
Service Charges Paid	82.1	65.4
Travelling Expenses	32.6	28.5
Legal & Professional Charges	29.2	41.7
Warranty Claims	10.4	9.4
Miscellaneous expenses	30.6	30.2
Total	1,138.0	1,202.7

Note : Payment to Auditors

Rs. Million		
Payment to Auditors	For the year ended 31st March, 2026	For the year ended 31st March, 2025
As Auditor : Audit Fee	4.3	3.9
: Other services	–	0.6
: Auditors out-of-pocket expenses	0.2	0.2
	4.5	4.7

Notes to the standalone financial statements for year ended 31st March, 2026

NOTE 27 COMPONENTS OF COMPREHENSIVE INCOME

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Remeasurement gains/(losses) of the defined benefit plans	(1.5)	(3.3)
Net gains/(loss) on cash flow hedges (effective portion)	(42.8)	(2.2)
Income Tax effect	11.7	1.4
Total	(32.6)	(4.1)

NOTE 28 COMMITMENTS

(i) Leases

Operating lease commitment - Company as lessee

The company has paid/payable **Rs.27.3 million** (31st March, 2025: Rs.28.3 million) during the year towards minimum lease payment.

The Company has entered into operating lease arrangements for its office premises, storage locations and residential premises.

Future minimum rental payable under non-cancellable operating leases as at 31st March, 2026 and 31st March, 2025 are, as follows:

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Within one year	22.0	5.2
After one year but not more than five years	53.2	7.8
More than 5 years	3.6	3.9
Total	78.8	16.9

(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advance-Refer Note 7(b)] **Rs.92.4 million** [31st March, 2025: Rs.48.0 million (net)].

(iii) During the current year, the Company has entered into an 'Energy Supply Agreement' and 'Share Subscription and Shareholder's Agreement' with the third party on 12th March, 2026. The agreement shall continue in force and effective for a period of 25 years from the commencement date and have a minimum lock in period of 15 years from the commencement date. As per the Shareholding Agreement, Company as a 'Captive User 3' is required to hold 7.09% shareholding to remain captive user and investment of Rs.7.6 million in equity shares will be carried out.

NOTE 29 CONTINGENT LIABILITIES NOT PROVIDED FOR:

Claims against the Company not acknowledged as debts

(i) Income-tax

Demands in respect of earlier years against which the Company is in appeal and pending with Appellate authorities is **Rs.8.1 million** (31st March, 2025 : Rs.8.1 million).

(ii) **Excise and Service Tax :** Excise **Rs.17.1 million** (31st March, 2025 : Rs.17.1 million)
: Service Tax **Rs.2.3 million** (31st March, 2025 : Rs.2.3 million).

(iii) **Goods and Service Tax :** a) Goods & Service Tax **Rs.18.2 million** (31st March, 2025 : Rs.18.2 million)

(iv) Provident Fund (PF)

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of SC order. The Company will update its provision, on receiving further clarity on the subject.

Notes to the standalone financial statements for year ended 31st March, 2026
(v) Differential premium - Name change at MIDC

The Company had approached Maharashtra Industrial Development Corporation ("MIDC") for updating its name and records pursuant to the change in its name and subsequent changes in shareholding over time. However, pursuant to its order dated 10 June 2025, MIDC treated one of the share transfers as a non-formal transfer and raised a demand towards differential premium amounting to Rs.38.1 million, including interest and Goods and Service Tax on differential demand and interest.

The Company has consistently maintained that there has been no change in the ultimate beneficial ownership or control, and that the restructuring represents an internal family arrangement within the promoter group without any consideration. A detailed legal opinion obtained by the Company supports this position, including on the basis that such transactions should be evaluated considering their substance over form.

Based on the legal opinion and management's assessment, the Company has filed a writ petition before the Bombay High Court under Article 226 of the Constitution of India, seeking appropriate reliefs, including quashing of the aforesaid order and recognition of the transaction as a formal transfer. Accordingly, no provision is made in the financial statement.

NOTE 30 GRATUITY AND OTHER POST EMPLOYMENT PLANS

Particulars	Rs. Million	
	31st March, 2026	31st March, 2025
Gratuity (Asset) / Liability (Net) (Refer 'Defined benefit obligation a(i) to (xi) below)	9.2	9.9
Gratuity (Asset) / Liability (Net) (Refer note (b) below)	2.0	—
Total	11.2	9.9

(a) Defined benefit obligation

- (i) The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Code on Social Security, 2020 or the Company scheme applicable to the employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

(ii) Regulatory framework:

The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Code on Social Security, 2020 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

(iii) Governance of Plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

- (iv) The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Particulars	Rs. Million	
	31st March, 2026	31st March, 2025
Current service cost	7.2	6.2
Interest cost on benefit obligation	0.5	0.5
Others	(0.1)	(0.1)
Net Benefit expenses	7.6	6.6

Notes to the standalone financial statements for year ended 31st March, 2026

(v) Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2026

Rs. Million

RS. Million												
Particulars	1st Apr 2025	Gratuity cost charged to profit or loss					Re-measurement gains/(losses) in other comprehensive income				Contributions by employer	31st March, 2026
		Service Cost (A)	Net interest expense (B)	Sub-total included in profit or loss (C=A+B)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actual Return on plan assets in excess of the expected return	Actuarial changes arising from changes in financial assumptions (D)	Experience adjustments (E)	sub-total included in OCI (F=D+E)		
Defined benefit obligation	115.8	7.2	6.5	13.7	(16.2)	–	–	(2.1)	4.9	2.8	–	116.1
Fair value of plan assets	105.9	–	–	–	(16.2)	6.0	1.2	–	–	–	10.0	106.9
Benefit liability	9.9	–	–	13.7	–	6.0	1.2	–	–	2.8	10.0	9.2

(vi) Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2025

Rs. Million

Rs. million												
Particulars	Gratuity cost charged to profit or loss						Re-measurement gains/(losses) in other comprehensive income				Contributions by employer	31st March, 2025
	1st Apr 2024	Service Cost (A)	Net interest expense (B)	Sub-total included in profit or loss (C=A+B)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actual Return on plan assets in excess of the expected return	Actuarial changes arising from changes in financial assumptions (D)	Experience adjustments (E)	sub-total included in OCI (F=D+E)		
Defined benefit obligation	114.3	6.2	6.9	13.1	(16.9)	–	–	2.2	3.1	5.3	–	115.8
Fair value of plan assets	105.3	–	–	–	(16.9)	6.5	2.0	–	–	–	9.0	105.9
Benefit liability	9.0	–	–	13.1	–	6.5	2.0	–	–	5.3	9.0	9.9

(vii) The major categories of plan assets of the fair value of the total plan assets are as follows:

Rs. Million

Particulars	31st March, 2026	31st March, 2025
Unquoted Investments – with LIC	106.9	105.9

(viii) The principal assumptions used in determining gratuity and post-employment gratuity benefit obligations for the Company's plans are shown below:

Particulars	31st March, 2026	31st March, 2025
Discount rate (per annum)	7.2%	6.8%
Attrition Rate		
a. Between 21-30 years	5%	5%
b. Between 31-40 years	2%	2%
c. Between 41-50 years	3%	3%
d. Between 51-59 years	10%	10%
Rate of escalation in salary (per annum)	7%	7%
Mortality Tables	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table
Expected Employer's contribution next year	5 million	5 million

Notes to the standalone financial statements for year ended 31st March, 2026
(ix) Sensitivity Analysis

Gratuity is a lump-sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Particulars	Discount Rate				Future salary increase			
	31st March, 2026		31st March, 2025		31st March, 2026		31st March, 2025	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	110.5	122.5	110.5	121.9	122.4	110.4	121.8	110.4

Rs. Million

- (x) The table below shows the expected cash flow to be paid to the current membership of the plan based on past service of the employees:

Particulars	Rs. Million	
	31st March, 2026	31st March, 2025
Within the next 12 months (next annual reporting period)	33.1	40.8
2 years and above but less than 5 years	33.7	27.6
5 years and above but less than 10 years	61.3	60.1
10 years and above	61.5	50.9
Total expected payments	189.6	179.4

The weighted average duration to the payment of these cash flows is 4.96 years.

(xi) Asset liability comparisons

Particulars	Rs. Million	
	31st March, 2026	31st March, 2025
PVO at the end of the year	116.1	115.8
Plan Assets	106.9	105.9
Surplus/(Deficit)	9.2	9.9
Experience adjustments on plan assets	—	—

- (b) The Government has notified the Code on Social Security, 2020 ("Social Security Code"); the Occupational Safety, Health and Working conditions code, 2020; The Industrial Relations Code, 2020 and The code on Wages, 2019 (collectively, the "Labour Codes") on 21 November 2025. The Ministry of Labor & Employment notified Central Rules on 8 May 2026 however State Rules are yet to be notified. The Company has evaluated the impact of increased employee benefits obligations arising from the implementation of the Labour Codes based on its best judgment in consultation with external experts. Accordingly the Company has recognized the financial impact of Rs.2.0 million in accordance with Ind AS 19 - 'Employee Benefits' and disclosed it in the financial statement ended 31st March 2026.

Other long term employee benefit plans
Compensated absences:

The obligation for leave encashment is recognized in the same manner as gratuity. The Company's liability on account of compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable. Amount of **Rs.13.9 million** (31st March, 2025 : Rs.21.3 million) towards compensated absences has been recognised as an expense and included in "Employee benefits expense" in the Statement of profit and loss during the year

Notes to the standalone financial statements for year ended 31st March, 2026

Defined Contribution Plan:

The Company's contribution to Provident Fund and Superannuation fund aggregating **Rs.33.1 million** (31st March, 2025 : Rs.36.5 million) has been recognised in Profit or Loss under the head "Employee benefits expense".

NOTE 31 RELATED PARTY TRANSACTIONS

(i) Details of related parties and description of relationship

Sr. No.	Description of relationship	Name of the Party
1. Individual/Entity having significant influence over the company		SKM Family Trust (Through Gaurav G. Motwane, Trustee)
2. Enterprise over which KMP have significant influence		Atera Resources Private Limited Motwane Consultancy Private Limited Khattar Holdings Private Limited MSL North America Inc.
3. Related Party where control exists - subsidiaries		MSL Electric Vehicle Technologies Private Limited
4. Key Managerial Personnel		Mr. Gaurav G. Motwane Mr. Sat pal Khattar Mr. Nikhilesh Panchal Mr. Rajesh Nagpal (Upto 4th November, 2025) Mr. Manish Choksi Mr. Kaval Mirchandani Mrs. Superna Motwane Mr. Bhushan Patwardhan (Upto 28th January, 2026) Mr. Nitin Bhopale (w.e.f. 29th January, 2026)

Details of Related Party transactions during the year ended 31st March, 2026 and outstanding balances as at 31st March, 2026.

		Rs. Million							
Sr. No.	Particulars	2025-26				2024-25			
		Individual having significant influence	Enterprises over which KMP have significant influence	Subsidiaries	Key Managerial Personnel	Individual having significant influence	Enterprises over which KMP have significant influence	Subsidiaries	Key Managerial Personnel
1.	Charges for utilising office facilities	—	17.0	—	—	—	17.0	—	—
2.	Managerial remuneration (including commission)	—	—	—	119.4	—	—	—	128.5
3.	Directors' sitting fees	—	—	—	0.8	—	—	—	0.8
4.	Reimbursement of Business promotion expenses	—	—	—	0.4	—	—	—	0.8
5.	Buy Back of shares	—	—	—	—	—	338.8	—	18.1
6.	Final Dividend paid for FY 2024-25	—	215.0	—	0.7	—	—	—	—
7.	Interim Dividend paid for FY 2025-26	—	62.2	—	45.7	—	—	—	—

Notes to the standalone financial statements for year ended 31st March, 2026

Rs. Million

Sr. No.	Particulars	2025-26				2024-25			
		Individual having significant influence	Enterprises over which KMP have significant influence	Subsidiaries	Key Managerial Personnel	Individual having significant influence	Enterprises over which KMP have significant influence	Subsidiaries	Key Managerial Personnel
8.	Sale of finished goods	–	622.8	–	–	–	1,302.5	–	–
9.	Export freight reimbursement	–	0.2	–	–	–	14.1	–	–
10.	Reimbursement of expenses from related party	–	2.2	–	–	–	–	–	–
11.	Balance payable as on 31st March 2026 & 2025	–	–	–	22.7	–	–	–	41.3
12.	Balance receivable as on 31st March 2026 & 2025	–	468.1	–	–	–	347.5	–	–
13.	Balance of Investment* as on 31st March 2026 & 2025	–	–	17.5	–	–	–	17.5	–

* Net of impairment **Rs.7.5 million as on 31st March 2026** (31st March, 2025 : Rs.7.5 Million).

The significant related party transactions are as under

Sr. No.	Particulars	Name of Related Party	Year 2025-26	Year 2024-25
			Rs. Million	Rs. Million
1.	Charges for utilizing office facilities	Motwane Consultancy Pvt. Ltd.	17.0	17.0
2.	Managerial Remuneration	Mr. Gaurav G. Motwane	108.5	117.7
		Mr. Bhushan S. Patwardhan	9.9	10.8
		Mr. Nitin Bhopale	1.0	–
3.	Director sitting fees	Mr. Sat pal Khattar	0.1	0.1
		Mr. Nikhilesh Panchal	0.1	0.1
		Mr. Rajesh Nagpal	–	0.1
		Mr. Manish Choksi	0.3	0.2
		Mrs. Superna Motwane	0.1	0.1
		Mr. Kaval Mirchandani	0.2	0.2
4.	Reimbursement of business promotion expenses	Mr. Gaurav G. Motwane	0.4	0.8
5	Buy Back of shares	Atera Resources Private Limited	–	284.3
		Khattar Holdings Private Limited	–	54.5
		Mr. Sat pal Khattar	–	16.9
		Mr. Gaurav G. Motwane	–	1.2
6.	Final Dividend paid for FY 2024-25	Atera Resources Private Limited	81.2	–
		Khattar Holdings Private Limited	32.9	–
		Mr. Sat pal Khattar	10.2	–
		SKM Family Trust (Through Gaurav G. Motwane, Trustee)	90.7	–
		Mr. Gaurav G. Motwane	0.7	–
7.	Interim Dividend paid for FY 2025-26	Atera Resources Private Limited	40.6	–
		Khattar Holdings Private Limited	16.5	–
		Mr. Sat pal Khattar	5.1	–
		SKM Family Trust (Through Gaurav G. Motwane, Trustee)	–	–
		Mr. Gaurav G. Motwane	45.7	–

Notes to the standalone financial statements for year ended 31st March, 2026

The significant related party transactions are as under (contd.)

Sr. No.	Particulars	Name of Related Party	Year 2025-25	Year 2023-24
			Rs. Million	Rs. Million
8.	Sale of finished goods	MSL North America Inc	622.8	1,302.5
9.	Export freight reimbursement from related party	MSL North America Inc	0.2	14.1
10.	Reimbursement of expenses to related party	MSL North America Inc	2.2	–
11.	Balance payable as on 31st March, 2026 & 2025	Mr. Gaurav G. Motwane	22.7	41.2
		Mr. Bhushan S. Patwardhan	–	0.1
		Mr. Nitin Bhopale	–	–
12.	Balance receivable as on 31st March, 2026 & 2025	MSL North America Inc	463.9	343.3
13.	Balance receivable (security deposit) as on 31st March, 2026 & 2025	Motwane Consultancy Pvt. Ltd.	4.2	4.2
14.	Balance of Investment	MSL Electric Vehicle Technologies Pvt. Ltd.	17.5	17.5

- a) In respect of the outstanding balance recoverable as at 31st March, 2026, no provision for doubtful debts is required to be made in the financial statement as at 31st March, 2026. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- b) During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
- c) **Terms and conditions of transactions with related parties**
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(ii) Compensation of Key Managerial Personnel

Particulars	Rs. Million	
	31st March, 2026	31st March, 2025
Short-term employee benefits	109.7	119.9
Post-employment benefits [Refer note (b) below]	9.7	8.6
Total compensation paid to key management personnel	119.4	128.5

- Note :** (a) The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.
- (b) The post employment benefits includes Provident Fund, Superannuation and policy expense. Employee benefits in the nature of gratuity and leave encashment are created on actuarial basis for the Company as a whole and not for the individual employee including Key Managerial Personnel.

NOTE 32 COMPUTATIONS OF EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Notes to the standalone financial statements for year ended 31st March, 2026

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

		Rs. Million
Particulars	2025-26	2024-25
a) Net Profit after tax available for Equity Shareholders (Rs. Million)	406.2	602.6
b) Weighted average number of Equity Shares	69,63,796	72,04,994
c) Basic and Diluted Earnings per share (Rs.)	58.33	83.64
d) Face Value per share (Rs.)	10.0	10.0

The weighted average number of shares takes into account the weighted average effect of shares being bought back during the financial year. There have been no other transactions involving Equity shares or potential Equity shares during the financial year.

NOTE 33 RESEARCH & DEVELOPMENT COST

The Company's research and development concentrates on the development of Universal Joints and clutch sets. Research and Development expenditure incurred in recognized Research and Development unit for the year is as below:

		Rs. Million
Particulars	31st March, 2026	31st March, 2025
Research & development cost, as certified by the management		
a) Revenue expenses debited to appropriate heads of account	16.2	15.4
b) Capital Expenditure	7.8	6.7

NOTE 34 CORPORATE SOCIAL RESPONSIBILITY

		Rs. Million	
Sr. No.	Particulars	31st March, 2026	31st March, 2025
(i)	Amount required to be spent by the Company during the year as per Section 135 read with Section 198 of the Companies Act, 2013	16.5	16.0
(ii)	Amount of expenditure incurred*	16.5	16.0
(iii)	Shortfall at the end of the year	—	—
(iv)	Total of previous years shortfall	—	—

* During the financial year 31st March 2026, the Company has contributed Rs.16.5 million (31st March 2025: Rs.16.0 million) towards programs encompassing the areas i.e. education, health, woman empowerment, environment and upliftment of poor.

NOTE 35 DERIVATIVES INSTRUMENT

The Company enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss. The foreign exchange forward contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to twenty-four months (Refer Note 38).

Notes to the standalone financial statements for year ended 31st March, 2026

NOTE 36 FAIR VALUES

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Rs. Million

Particulars	Carrying value		Fair Value	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Financial assets carried at amortised Cost				
– Cash and cash equivalent	116.2	206.8	116.2	206.8
– Trade receivables	1,795.7	1,936.5	1,795.7	1,936.5
– Other Financial Assets	50.5	37.4	50.5	37.4
Total	1,962.4	2,180.7	1,962.4	2,180.7
Financial liabilities held at amortised cost				
– Borrowings	512.0	537.9	512.0	537.9
– Trade and other payables	1,041.9	904.7	1,041.9	904.7
– Forward contracts	51.9	2.5	51.9	2.5
– Other financial liabilities	9.1	9.5	9.1	9.5
Total	1,614.9	1,454.6	1,614.9	1,454.6

The fair values of financial assets and financial liabilities represents the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the reporting date. The Company has assessed that the interest rates applicable to its financial instruments are in line with prevailing market rates at the reporting date. Accordingly, the carrying amounts of financial assets and financial liabilities approximate their fair values.

NOTE 37 FAIR VALUE HIERACHY

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

Notes to the standalone financial statements for year ended 31st March, 2026

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

Particulars	Rs. Million					
	31st March, 2026			31st March, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets carried at amortised Cost						
– Cash and cash equivalents	–	–	116.2	–	–	206.8
– Trade receivables	–	–	1,795.7	–	–	1,936.5
– Other Financial Assets	–	–	50.5	–	–	37.4
Total	–	–	1,962.4	–	–	2,180.7
Financial liabilities held at amortised cost						
– Borrowings	–	–	512.0	–	–	537.9
– Trade and other payables	–	–	1,041.9	–	–	904.7
– Forward Contracts	–	51.9	–	–	2.5	–
– Other financial liabilities	–	–	9.1	–	–	9.5
Total	–	51.9	1,563.0	–	2.5	1,452.1

There have been no transfers between Level 1 and Level 2 during the period.

NOTE 38 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior management monitors financial risks and they design appropriate financial risk governance framework for the Company. All derivative activities and packing credit finances for risk management purposes are carried out by senior management who have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Company management reviews and agrees policies for managing each of these risks, which are summarised below.

[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) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and financial analysis including credit rating issued by credit rating agencies for major customers. At 31st March, 2026, the Company had **3 customers** (31st March, 2025 : 3 customers) that owed the Company more than Rs.100 millions each and accounted for approximately **66.9%** of all the receivables outstanding (31st March, 2025 : 64.8%)

An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Notes to the standalone financial statements for year ended 31st March, 2026

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with approved mutual fund or banks and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company on an annual basis, and may be updated throughout the year subject to approval of the Company's senior management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

[B] LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company also discounts its bills receivable to non-banking financial institution.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	31st March, 2026						31st March, 2025					
	Less than 1 Year	1-3 Years	3-5 Years	5 Years & above	Total	Carrying amount	Less than 1 Year	1-3 Years	3-5 Years	5 Years & above	Total	Carrying amount
Non-interest bearing												
– Trade Payable	1,041.9	–	–	–	1,041.9	1,041.9	904.7	–	–	–	904.7	904.7
– Other financial liabilities	61.0	–	–	–	61.0	61.0	12.0	–	–	–	12.0	12.0
– Lease liabilities	22.0	35.9	17.30	3.6	78.8	78.8	5.2	7.3	0.5	3.9	16.9	16.9
Interest bearing												
– Long term Borrowing (Including current maturities) *	121.8	301.5	–	–	423.3	423.3	33.2	196.2	42.0	–	271.4	271.4
– Short term Borrowing *	137.4	–	–	–	137.4	137.4	326.5	–	–	–	326.5	326.5

* The Company has long term loan and loans repayable on demand (comprising of working capital loan, pre-shipment credit, cash credit and bill discounting) facility available with it for use to the extent of undrawn balances amounting to **Rs.Nil** (31st March 2025: Rs.185.3 millions) and **Rs.1,013.0 million** (31st March 2025: Rs.826.8 million) respectively.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial assets. The amounts disclosed in the table have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	31st March, 2026						31st March, 2025					
	Less than 1 Year	1-3 Years	3-5 Years	5 Years & above	Total	Carrying amount	Less than 1 Year	1-3 Years	3-5 Years	5 Years & above	Total	Carrying amount
Non-interest bearing												
– Cash & cash equivalent	116.2	–	–	–	116.2	116.2	206.8	–	–	–	206.8	206.8
– Trade receivables	1,795.7	–	–	–	1,795.7	1,795.7	1,936.5	–	–	–	1,936.5	1,936.5
– Other Financial Assets	1.4	–	–	24.1	25.5	25.5	1.1	–	–	22.8	23.9	23.9
Interest bearing												
– Bank deposits with more than 12 months maturity *	–	–	25.0	–	25.0	25.0	–	–	13.5	–	13.5	13.5

* **Rs.25.0 million** (31st March 2025: Rs.13.5 million) are maintained as a debt service reserve account as per the facility agreement entered by the Company with its term loan lender (ICICI Bank)

Notes to the standalone financial statements for year ended 31st March, 2026

[C] MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging trade receivables and borrowings.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. The Company hedges its exposure to fluctuations by using foreign currency swaps and forwards.

(a) The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

		Rs. Million					
Particulars	Currency Exposure	31st March, 2026			31st March, 2025		
		Total Exposure	Hedged by Forward Contract	Net Foreign Currency Exposure	Total Exposure	Hedged by Forward Contract	Net Foreign Currency Exposure
Financial Assets							
Trade receivable	USD	320.9	93.5	227.4	429.9	—	429.9
	GBP	2.3	—	2.3	5.9	—	5.9
	EURO	2.6	—	2.6	4.9	—	4.9
Financial Liabilities							
Trade payables	USD	261.0	—	261.0	185.8	—	185.8
	EURO	4.0	—	4.0	0.3	—	0.3
Foreign Currency in million							
Particulars	Currency Exposure	31st March, 2026			31st March, 2025		
		Total Exposure	Hedged by Forward Contract	Net Foreign Currency Exposure	Total Exposure	Hedged by Forward Contract	Net Foreign Currency Exposure
Financial Assets							
Trade receivable	USD	3.4	1.1	2.3	5.0	—	5.0
	GBP	#	—	#	#	—	#
	EURO	*	—	*	*	—	*
Financial Liabilities							
Trade payables	USD	2.8	—	2.8	2.2	—	2.2
	EURO	@	—	@	@	—	@
# represents	GBP	18,604			52,951		
* represents	EURO	23,815			53,036		
@ represents	EURO	36,660			3,788		

Notes to the standalone financial statements for year ended 31st March, 2026

(b) The Company has forward contracts equivalent to **Rs.234.8 million** (31st March 2025: Rs.273.0 million), **USD equivalent 2.7 million** (31st March 2025: Rs.3.2 million) outstanding as at 31st March 2026, which are due to mature within the next one year. As per Ind AS 109, in line with the foreign exchange risk management policy of the Company, the Company has designated these contracts as hedging instruments against:

- Highly probable forecasted sales in foreign currency i.e. towards future sales where corresponding exposure is yet to be recorded in the books (for a initial part of the tenure of contract), and
- Pool of trade receivables in foreign currency (for balance part of the tenure of contract).

Further, the Company settles these forward contracts with banks by utilising it against the realisations for trade receivables in foreign currency. As at year end, out of the total forward contracts outstanding.

- contracts amounting to **Rs.141.3 million** (31st March 2025: Rs.273.0 million), **USD equivalent 1.6 million** (31st March 2025: Rs.3.2 million) have been designated as hedging instruments against highly probable forecasted exports in foreign currency.

Hedges of highly probable forecasted transactions

The Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the statement of profit and loss. In respect of the aforesaid hedges of highly probable forecasted transactions, the Company has recorded a net loss of **Rs.31.4 million (net of tax)** for the year ended 31st March, 2026 and recognised in other comprehensive income. Changes in the fair value of forward contracts and option contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the statement of profit and loss. The changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items, are recognised in the statement of profit and loss.

(c) The Company has forward contracts equivalent to **Rs.Nil** (31st March 2025: Rs.176.9 million), **USD equivalent Nil** (31st March 2025: 2.1 million) outstanding as at 31st March 2026, which are due to mature within the next one year. As per Ind AS 109, the Company has designated:

- contracts amounting to **Rs.Nil** (31st March 2025: Rs. Nil), **USD equivalent Nil** (31st March 2025: Nil) as hedging instruments against the outstanding pool of trade payables in foreign currency.
- contracts amounting to **Rs.Nil** (31st March 2025: Rs.176.9 million), **USD equivalent Nil** (31st March 2025: 2.1 million) as hedging instruments against highly probable forecasted imports in foreign currency.

(d) The Company has designated its foreign currency denominated borrowings amounting to **Rs.375.0 million** (31st March 2025 : Rs.Nil) as a natural hedge against its future probable forecasted sale and its foreign currency denominated trade receivables. Accordingly:

The repayment of loan principal amount and interest amount is expected to be sourced from collections of such foreign currency receivables. This results in an economic offset of exchange rate movements, thereby reducing the Company's exposure to foreign currency fluctuations.

Risk Management Strategy

The Company continuously monitors its foreign currency exposures and aligns currency inflows and outflows wherever possible. Natural hedging is preferred over derivative instruments. The effectiveness of such natural hedges is evaluated on a periodic basis.

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

Rs. Million		
Year	Change in USD Rate	Effect on profit before tax and equity
31st March, 2026	5%	-2.4

	-5%	2.4
31st March, 2025	5%	12.0
	-5%	-12.0

Interest Rate Risk

The Company is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Notes to the standalone financial statements for year ended 31st March, 2026

Interest Rate Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedging. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Rs. Million		
Year	Increase/decrease in basis points	Effect on profit before tax
31st March, 2026	+100	5.70
	-100	-5.70
31st March, 2025	+100	3.90
	-100	-3.90

Commodity price risk or other Price risk

The Company does not have significant risk in raw material price variations. In case of any variation in price same is passed on to customers through appropriate adjustment to selling prices.

NOTE 39 CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. 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 between 0% and 30%. The company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

Rs. Million		
Particulars	31st March 2026	31st March 2025
Borrowings	512.0	537.9
Less : Cash and cash equivalent including other bank balances	(116.2)	(206.8)
Net Debt	395.8	331.1
Equity	2,577.5	2,548.6
Total Capital	2,577.5	2,548.6
Total Capital and debt	2,973.3	2,879.7
Gearing ratio	13.3%	11.5%

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 loans and 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 loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2026 and 31st March, 2025.

NOTE 40 SEGMENT INFORMATION

The Company is primarily engaged in manufacturing of automobile components such as propeller shafts, clutch sets and components thereof. Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e. Chairman, Managing Director and CEO for the purpose of resource allocation and assessing performance focuses on the business as a whole. Accordingly, there is no other separate reportable segment as defined by Ind AS 108. "Segment Reporting".

Notes to the standalone financial statements for year ended 31st March, 2026

Information about Geographical area

The revenue of the Company from the external customers are attributed to the Company's country of domicile i.e. India and attributed to all foreign countries in total from which the Company derives revenue.

The Company's revenue from external customers by location of operations and information about its non-current assets by location of assets is detailed below.

Rs. Million					
Particulars	Financial Year	Domestic	U.S.A.	Other countries	Total
Revenue from operation	2025-26	7,353.9	816.4	296.5	8,466.8
	2024-25	6,646.1	1,357.1	465.1	8,468.3
Non-current operating assets	2025-26	1,096.9	—	—	1,096.9
	2024-25	938.4	—	—	938.4

Information about major customers having revenue amounting to 10% or more of the company's revenue.

Particulars	Domestic		U.S.A.		Total	
	No of Customers	Rs. Million	No of Customers	Rs. Million	No of Customers	Rs. Million
2025-26	2	3,834.5	3	875.4	5	4,709.9
2024-25	2	3,235.6	1	1,302.5	3	4,538.1

No other customer individually contributed 10% or more to the Company's revenue for the current year ended 31st March, 2026 and previous ended 31st March, 2025.

NOTE 41 STANDARDS ISSUED BUT NOT EFFECTIVE

Treatment to Lendor Waiver – Amendments to Ind AS 1 — This amendment also includes specific provisions that will take effect for reporting periods beginning on or after 1st April 2026, retrospectively. These provisions relate to the treatment of lender waivers granted after the reporting date but before the financial statements are approved for issue. Under the amended requirements, such waivers will no longer be permitted to be considered for the purpose of classification of loans. The Company does not expect this amendment to have an impact on its financial statements.

NOTE 42 NOTE ON RECORDING AUDIT TRAIL

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 at application level, however, audit trail feature is not enabled for direct changes to underlying database when using certain access rights. Further, audit trail feature has not been tampered with in respect of the accounting software where the audit trail has been enabled.

Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the prior years.

Notes to the standalone financial statements for year ended 31st March, 2026
NOTE 43 RATIOS

Particulars			2026		2025	Variance (%)	Remarks
Current ratio	<i>in times</i>	Current Asset	3,506.9	2.1	<u>3,457.1</u>	2.2	(2.2)
		Current Liabilities	1,660.1		<u>1,600.6</u>		
Debt equity ratio	<i>in times</i>	Borrowings	512.0	0.2	<u>537.9</u>	0.2	(5.9)
		Equity	2,577.5		<u>2,548.6</u>		
Debt Service Coverage Ratio	<i>in times</i>	Earnings for Debt Service	609.5	7.3	<u>799.2</u>	6.5	12.7
		Debt Service	83.6		<u>123.5</u>		
ROE	<i>in %</i>	PAT	406.2	15.8	<u>602.6</u>	24.7	(35.9) The ratio is adverse due to the decline in profit margin compared to the previous year, primarily due to an adverse shift in the sales mix, wherein in the current year sales of low margin product was higher as compared to sales of high margin products vis-à-vis the previous year.
		Avg. Net Worth	2,563.1		<u>2,436.9</u>		
Inventory turnover	<i>in times</i>	Cost of goods sold	5,810.9	4.5	<u>5,533.0</u>	4.2	6.7
		Avg. Inventory	1,297.9		<u>1,319.0</u>		
Trade Receivables turnover	<i>in times</i>	Gross Revenue from sale of products and services	8,330.9	4.5	<u>8,365.5</u>	4.3	3.6
		Avg. Receivables	1,866.1		<u>1,940.5</u>		
Trade payables turnover	<i>in times</i>	Net Purchases	5,907.5	6.1	<u>5,397.9</u>	5.9	2.0
		Avg. Payables	973.3		<u>907.5</u>		
Net capital turnover	<i>in times</i>	Gross Revenue from sale of products and services	8,330.9	4.5	<u>8,365.5</u>	4.5	0.1
		Working Capital (Current Assets - Current Liabilities)	1,846.8		<u>1,856.5</u>		
Net Profit	<i>in %</i>	Profit for the year	406.2	4.9	<u>602.6</u>	7.2	(32.3) The ratio is adverse due to the decline in profit margin compared to the previous year, primarily due to an adverse shift in the sales mix, wherein in the current year sales of low margin product was higher as compared to sales of high margin products vis-à-vis the previous year.
		Gross Revenue from sale of products & services	8,330.9		<u>8,365.5</u>		
Return on Capital employed	<i>in %</i>	PBIT	592.6	19.5	<u>843.1</u>	27.3	(28.7) The ratio is adverse due to the decline in profit margin compared to the previous year, primarily due to an adverse shift in the sales mix, wherein in the current year sales of low margin product was higher as compared to sales of high margin products vis-à-vis the previous year.
		Capital Employed (Tangible net worth + Total debt + Deferred Tax Liabilities)	3,042.5		<u>3,087.6</u>		
Return on investment	<i>in %</i>	Income from Investments *	86.1	4.6	<u>49.6</u>	5.0	(8.0)
		Time weighted average Investments	1,885.0		<u>998.5</u>		

* Income from investment annualized for the year ended 31st March, 2026 and 31st March, 2025.

*Notes to the standalone financial statements for year ended 31st March, 2026***NOTE 44 OTHER STATUTORY INFORMATION**

- i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii. The Company does not have any transactions with companies struck off.
- iii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v. 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) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi. 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) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- vii. The Company does not have 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).

NOTE 45 IMPACT OF RECIPROCAL TARIFF ON EXPORTS TO UNITED STATES OF AMERICA

The products sold by the Company in the United States of America (USA) are subject to additional tariffs imposed in the USA. The Company continues to assess the ongoing situation and shall take necessary adjustments in the financial statement if required.

NOTE 46 APPROVALS OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on 21st May, 2026.

NOTE 47 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

For S R B C & CO. LLP

Chartered Accountants

ICAI Firm Regn. No.324982E / E300003

Per Murtuza Bookwala

Partner

Membership No.117633

Mumbai, 21st May, 2026

For and on behalf of the Board of Directors

MSL Driveline Systems Limited

Gaurav Motwane

Chairman, Managing Director & CEO

(DIN 00746165)

Pradeep Mestry

Chief Financial Officer

Kaval Mirchandani

Independent Director

(DIN 01179978)

Mahendra Salunke

Company Secretary

Mumbai, 21st May, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of MSL Driveline Systems Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED Ind AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated Ind AS financial statements of MSL Driveline Systems Limited (hereinafter referred to as “the Holding Company”), its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”) comprising of the consolidated Balance sheet as at March 31, 2026, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS 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 subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.

Information Other than the Financial Statements and Auditor’s Report Thereon

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS 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.

The 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 and whose financial information we have audited, to express an opinion on the consolidated Ind AS 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 Ind AS financial statements of which we are the independent auditors. For the other entity included in the consolidated Ind AS 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 Ind AS 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.

Other Matters

We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of Rs.19.43 million as at March 31, 2026, and total revenues of Rs Nil and net cash inflows Rs.0.47 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's report 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 this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of such other auditor.

Our opinion above on the consolidated Ind AS 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 company, 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 auditor on separate financial statements and the other financial information of subsidiary, 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 Ind AS financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);
 - 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 Ind AS financial statements;
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ;
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g).

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- g) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- h) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act and based on the consideration of report of other statutory auditor of the subsidiary, incorporated in India, the subsidiary company has not paid remuneration to its directors during the period;
- i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the ‘Other matter’ paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 29 to the consolidated Ind AS financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2026;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary incorporated in India during the year ended March 31, 2026.
 - iv.
 - a) The respective managements of the Holding Company and its subsidiary 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 subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the note 45(v) to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or subsidiary to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or subsidiary (“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 subsidiary 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 subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the note 45(vi) to the consolidated Ind AS financial statements, no funds have been received by the respective Holding Company or subsidiary from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or subsidiary 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 subsidiary 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. The final dividend proposed and paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to declaration and payment of dividend.

The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

No dividend has been declared or paid during the year by the subsidiary company, incorporated in India.

- vi. Based on our examination which included test checks and that performed by the auditor of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, the Holding 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 except that, audit trail feature is not enabled for direct changes to underlying database when using certain access rights and the subsidiary 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 as described in note 42 to the consolidated Ind AS financial statement. Further, during the course of audit, we and respective auditors of the above referred subsidiary did not come across any instance of audit trail feature being tampered with, in respect of accounting software's where the audit trail have been enabled. Additionally, the audit trail of prior years have been preserved by the Holding Company and the above referred subsidiary as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Murtuza Bookwala**

Partner

Membership Number: 117633

UDIN: 26117633MLNRQC4201

Place of Signature: Mumbai

Date: May 21, 2026



ANNEXURE '1'

REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

RE.: MSL DRIVELINE SYSTEMS LIMITED

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:

- (xxi): There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated Ind AS financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Murtuza Bookwala**

Partner

Membership Number: 117633

UDIN: 26117633MLNRQC4201

Place of Signature: Mumbai

Date: May 21, 2026

ANNEXURE '2'**TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF MSL DRIVELINE SYSTEMS LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of MSL Driveline Systems Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary 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 Ind AS 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 Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS 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 Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to consolidated Ind AS 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 Ind AS 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS 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 Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, in so far as it relates to this one subsidiary, which is company incorporated in India, is based on the corresponding report of the auditor of such subsidiary incorporated in India.

For S R B C & CO LLP*Chartered Accountants*

ICAI Firm Registration Number: 324982E/E300003

per Murtuza Bookwala*Partner*

Membership Number: 117633

UDIN: 26117633MLNRQC4201

Place of Signature: Mumbai

Date: May 21, 2026



Consolidated Balance Sheet as at 31st March, 2026

Rs. Million

Particulars	Note	As at 31st March, 2026	As at 31st March, 2025
(A) ASSETS			
1. Non-current assets :			
(a) Property, plant and equipment	3(a)	885.6	837.2
(b) Capital work-in-progress	3(a)(iii)	29.3	3.3
(c) Other intangible assets	3(b)	4.3	1.5
(d) Intangible assets under development	3(b)(i)	12.0	—
(e) Right of use assets	3(c)	88.5	41.0
(f) Financial assets : (i) Investments	4	—	—
(ii) Others	6	49.1	36.3
(g) Income tax assets (net)	7(a)	18.7	14.8
(h) Deferred tax assets (net)	14(c)	30.7	—
(i) Other non-current assets	7(b)	28.1	19.1
Total non-current assets		1,146.3	953.2
2. Current assets :			
(a) Inventories	8	1,350.5	1,245.3
(b) Financial assets : (i) Investments	4	70.1	—
(ii) Trade receivables	9	1,795.7	1,936.5
(iii) Cash and cash equivalents	5	135.5	225.6
(iv) Others	6	1.5	1.2
(c) Other current assets	7(b)	173.0	67.4
Total current assets		3,526.3	3,476.0
Total assets		4,672.6	4,429.2
(B) EQUITY AND LIABILITIES			
1. EQUITY :			
(a) Equity share capital	10(a)	69.7	69.7
(b) Other equity (i) Retained Earnings	10(b)	2,260.9	2,200.2
(ii) Other Reserves	10(b)	248.7	280.1
Total equity		2,579.3	2,550.0
LIABILITIES :			
2. Non-current liabilities			
(a) Financial liabilities: (i) Long term borrowings	11	275.0	201.3
(ii) Lease Liabilities	17	46.9	8.5
(b) Long Term Provisions	13	13.1	12.9
(c) Deferred tax liabilities (Net)	14(c)	—	2.6
(d) Other non-current liabilities	18	98.1	53.2
Total non-current liabilities		433.1	278.5
3. Current liabilities			
(a) Financial liabilities: (i) Short Term Borrowings	11	237.0	336.6
(ii) Trade payables (a) Total outstanding dues of micro enterprises and small enterprises	12	313.7	251.7
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	12	728.3	653.1
(iii) Lease liabilities	17	16.7	4.1
(iv) Others	16	61.0	12.0
(b) Other current liabilities	18	155.3	199.2
(c) Short term Provisions	13	142.4	138.2
(d) Current tax Liabilities (Net)	15	5.8	5.8
Total current liabilities		1,660.2	1,600.7
Total equity and liabilities		4,672.6	4,429.2
Summary of material accounting policies	2		

The accompanying notes are an integral part of the financial statements

1 - 48

As per our report of even date

For S R B C & CO. LLP

Chartered Accountants

ICAI Firm Regn. No.324982E / E300003

Per Murtuza Bookwala

Partner

Membership No.117633

Mumbai, 21st May, 2026

For and on behalf of the Board of Directors
MSL Driveline Systems Limited

Gaurav Motwane

Chairman, Managing Director & CEO
(DIN 00746165)

Kaval Mirchandani

Independent Director
(DIN 01179978)

Pradeep Mestry
Chief Financial Officer

Mahendra Salunke
Company Secretary
Mumbai, 21st May, 2026

Consolidated Statement of Profit and Loss for the year ended 31st March, 2026

Rs. Million

Particulars	Note	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Revenue from operations	19	8,466.8	8,468.3
Other income	20	38.7	44.9
Finance income	21	8.6	3.7
Total Income		8,514.1	8,516.9
Expenses			
(a) Cost of raw materials and components consumed	22(a)	5,820.2	5,484.6
(b) (Increase)/Decrease in inventories of finished goods and work-in-progress	22(b)	(9.3)	48.4
(c) Employee benefits expense	23	811.5	787.8
(d) Depreciation & amortisation expense	25	160.3	149.4
(e) Finance costs	24	43.8	39.1
(f) Other expenses	26	1,138.1	1,202.9
Total Expenses		7,964.6	7,712.2
Profit before tax		549.5	804.7
Tax expense			
(1) Current tax	14(a)	164.3	220.7
(2) Adjustment of tax relating to earlier periods	14(a)	0.1	(5.9)
(3) Deferred tax	14(a)	(21.5)	(13.3)
Total tax expense		142.9	201.5
Profit for the year		406.6	603.2
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
– Re-measurement gains/(losses) of the defined benefit plans	27	(1.5)	(3.3)
– Net gains/(loss) on cash flow hedges (effective portion)	27	(42.8)	(2.2)
– Income tax effect	14(b)	11.7	1.4
Other Comprehensive Income for the year, net of tax		(32.6)	(4.1)
Total Comprehensive Income for the year		374.0	599.1
Earnings per equity share (in Rs.) – Basic & Diluted	32	58.39	83.72
Summary of material accounting policies	2		

The accompanying notes are an integral part of the financial statements

1 - 48

As per our report of even date

For S R B C & CO. LLP

Chartered Accountants

ICAI Firm Regn. No.324982E / E300003

Per Murtuza Bookwala

Partner

Membership No.117633

Mumbai, 21st May, 2026

**For and on behalf of the Board of Directors
MSL Driveline Systems Limited****Gaurav Motwane**Chairman, Managing Director & CEO
(DIN 00746165)**Kaval Mirchandani**Independent Director
(DIN 01179978)**Pradeep Mestry**

Chief Financial Officer

Mahendra Salunke

Company Secretary

Mumbai, 21st May, 2026

Consolidated Cash Flow Statement for the year ended 31st March, 2026

Rs. Million

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A. Cash flow from operating activities:		
Net Profit before tax	549.5	804.7
Adjustment for:		
Depreciation and amortisation expense	160.3	149.4
Excess provision written back	(3.6)	(6.2)
Provision for slow-moving and non-moving inventory	(17.9)	(14.8)
Bad debts written off (net of provision written back)	3.1	–
Provision for doubtful debts	4.0	15.4
Capital gain from current investment	(2.7)	(0.8)
Interest income	(5.9)	(2.9)
Net foreign exchange differences	(5.5)	(15.1)
Finance costs paid	43.8	39.1
Loss/(gain) on sale of Property, Plant and equipment (net)	(0.5)	(1.1)
Government grant received	(48.2)	–
	126.9	163.0
Operating cash flow before working capital changes	676.4	967.7
Movements in Working Capital:		
<u>Adjustments for (increase)/decrease in operating assets</u>		
Inventories	(87.3)	162.1
Trade and Other Receivables	113.3	15.7
Other current assets	(105.4)	(5.6)
Financial assets	(1.3)	(14.7)
<u>Adjustments for increase/(decrease) in operating liabilities</u>		
Trade payables	132.2	5.4
Provision	1.5	10.3
Other liabilities	(53.1)	12.2
Financial liabilities	43.0	0.8
	42.9	186.2
Cash generated from/(used in) operations	719.3	1,153.9
Direct tax paid (net of refunds)	(169.0)	(223.6)
Net Cash flow from/(used in) operating activities (A)	550.3	930.3
B. Cash flow from investing activities:		
Purchase of Property, Plant and equipment (net)	(242.9)	(153.8)
Proceeds from disposal of Property, Plant and equipment (net)	2.9	2.5
Investment in mutual funds	(1,210.0)	(855.0)
Redemption of mutual funds	1,142.6	855.8
Investment in fixed deposit with banks	(661.6)	(154.7)
Redemption of fixed deposit with banks	650.0	141.3
Government grant received	102.0	–
Interest income	5.8	2.5
Net cash flow from/(used in) investing activities (B)	(211.2)	(161.4)

Contd.

Consolidated Cash Flow Statement for the year ended 31st March, 2026 (contd.)

Rs. Million

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
C. Cash flow from financing activities:		
Payment made for buy back of equity shares	—	(375.1)
Final Dividend paid on equity shares [Refer note 10(b)]	(229.1)	—
Interim Dividend paid on equity shares [Refer note 10(b)]	(114.6)	—
Payment of lease liability toward principal obligation	(15.3)	(18.5)
Payment of lease liability toward interest obligation	(6.7)	(2.7)
Finance costs paid	(36.6)	(34.3)
Long term loan taken during the year [Refer note 11]	185.3	214.7
Repayment of long-term loan	(25.0)	(68.0)
Net cash flow from/(used in) financing activities (C)	(242.0)	(283.9)
Net decrease in Cash and cash equivalents (A+B+C)	97.1	485.0
Cash and cash equivalents at the beginning of the year	(97.6)	(581.8)
Less: Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(1.0)	(0.8)
Cash and cash equivalents at the end of the year	(1.5)	(97.6)
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet		
1 Cash in Hand [Refer Note 5(a)]	0.4	0.4
2 Loan repayable on demand [Refer Note 11]	(137.0)	(323.2)
3 Balances with Banks : [Refer Note 5(a)] : i) On current accounts	133.7	218.2
ii) EEFC account	1.4	7.0
	(1.9)	(98.0)
Cash and cash equivalents at the end of the year [Refer note (a) below]	(1.5)	(97.6)

Note (a): For the purpose of the statement of cash flows, cash and cash equivalents comprise following

Rs. Million

Particulars	For the year ended 31st March, 2026		For the year ended 31st March, 2025	
	Closing balance	Opening balance	Closing balance	Opening balance
Cash & bank (Refer note 5)	135.5	225.6	225.6	89.4
Short term borrowing (Refer note 11)	(137.0)	(323.2)	(323.2)	(671.2)
Total	(1.5)	(97.6)	(97.6)	(581.8)

Cash flow statement has been prepared as per the indirect method set out in Indian Accounting Standard 7 “Statement of Cash Flows”.

Summary of material accounting policies (Refer note 2)

The accompanying notes are an integral part of the financial statements

1 - 48

As per our report of even date

For S R B C & CO. LLP

Chartered Accountants

ICAI Firm Regn. No.324982E / E300003

Per Murtuza Bookwala

Partner

Membership No.117633

Mumbai, 21st May, 2026

For and on behalf of the Board of Directors**MSL Driveline Systems Limited****Gaurav Motwane**Chairman, Managing Director & CEO
(DIN 00746165)**Pradeep Mestry**
Chief Financial Officer**Kaval Mirchandani**Independent Director
(DIN 01179978)**Mahendra Salunke**
Company Secretary

Mumbai, 21st May, 2026

Consolidated Statement of Changes in Equity for the year ended 31st March, 2026

(A) Equity Share Capital

Particulars	Numbers	Rs. Million
Balance as at 31st March, 2024	73,06,936	73.1
Add : Issued during the financial year 2024-25	—	—
Less : Buy back during the financial year 2024-25	(3,43,140)	(3.4)
Balance as at 31st March, 2025	69,63,796	69.7
Add : Issued during the financial year 2025-26	—	—
Less : Buy back during the financial year 2025-26	—	—
Balance as at 31st March, 2026	69,63,796	69.7

(B) Other equity

Rs. Million

Particulars	Capital reserve	Capital Redemption reserve	General reserve	Effective portion of Cash flow Hedges	Retained earnings	Total
Balance as at 1st April, 2025	2.0	40.3	239.6	(1.8)	2,200.2	2,480.3
Profit for the year	—	—	—	—	406.6	406.6
Other comprehensive income (net of deferred income tax)	—	—	—	(31.4)	(1.2)	(32.6)
Total comprehensive income	—	—	—	(31.4)	405.4	374.0
Dividends:						
– Final Dividend (2024-25 - Rs.33.00 per share) [Refer Note 10(b)]	—	—	—	—	(229.8)	(229.8)
– Interim Dividend (2025-26 - Rs.16.50 per share) [Refer Note 10(b)]	—	—	—	—	(114.9)	(114.9)
Balance as at 31st March, 2026	2.0	40.3	239.6	(33.2)	2,260.9	2,509.6
Balance as at 1st April, 2024	2.0	36.9	239.6	(0.2)	1,974.6	2,252.9
Profit for the year	—	—	—	—	603.2	603.2
Other comprehensive income (net of deferred income tax)	—	—	—	(1.6)	(2.5)	(4.1)
Total comprehensive income	—	—	—	(1.6)	600.7	599.1
Buy back Shares	—	—	—	—	(371.7)	(371.7)
Transfer from Retained Earnings	—	3.4	—	—	—	3.4
Transfer to Capital Redemption Reserve	—	—	—	—	(3.4)	(3.4)
Balance as at 31st March, 2025	2.0	40.3	239.6	(1.8)	2,200.2	2,480.3

Summary of material accounting policies (Refer note 2)

The accompanying notes are an integral part of the financial statements 1 – 48

As per our report of even date

For S R B C & CO. LLP

Chartered Accountants

ICAI Firm Regn. No.324982E / E300003

Per Murtuza Bookwala

Partner

Membership No.117633

Mumbai, 21st May, 2026

For and on behalf of the Board of Directors
MSL Driveline Systems Limited
Gaurav Motwane

Chairman, Managing Director & CEO
(DIN 00746165)

Pradeep Mestry
Chief Financial Officer

Kaval Mirchandani

Independent Director
(DIN 01179978)

Mahendra Salunke

Company Secretary

Mumbai, 21st May, 2026

Notes to the consolidated financial statements for the year ended 31st March, 2026

NOTE 1 CORPORATE INFORMATION

MSL Driveline Systems Limited ('the Company' or 'the Holding Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is a closely held company. The registered office of the Company is located at Unit 1506, 15th floor, One BKC, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

The Company is engaged in manufacturing and selling of Auto Components including Propeller Shafts, Clutch Set and Universal Joints. The Company caters to both domestic and international markets. The Company also trades in steel and metal.

The Company has the following subsidiary:

Name of the Company	Country of Incorporation	Proportion of equity interest
MSL Electric Vehicle Technologies Private Limited	India	100%

MSL Electric Vehicle Technologies Private Limited ('the subsidiary company') is a private company domiciled in India and was incorporated on 14th September, 2021 under the provisions of the Companies Act, 2013 ('the Act'). The registered office of the Company is located at Unit 1506, 15th Floor, One BKC, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. The subsidiary company has been incorporated with a specific object of catering to electrical vehicle segment by manufacturing products for electric vehicles.

The Company along with its subsidiary (hereafter collectively is referred to as the "Group").

NOTE 2 MATERIAL ACCOUNTING POLICIES

2.1. Basis of preparation

The Consolidated Ind AS financial statements of the Group which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the period ended 31st March, 2026, and a summary of the material accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Ind AS financial statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 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.

These Consolidated Ind AS financial statements are prepared under the historical cost convention except for certain financial assets and liabilities which are measured at fair value as required by relevant Ind AS.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

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 consolidated financial statements are presented in Indian Rupee ('INR') which is also the Company's functional currency and all values are rounded to the nearest million, except when otherwise indicated. The Company has prepared Financial Statements on the basis that it will continue to operate as a going concern.

2.2. Basis of preparation, presentation and consolidation of Ind AS Financial Statements

Principles of consolidation

The Group consolidates all entities which are controlled by it. The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiary. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The entities are consolidated from the date control commences until the date control ceases.

*Notes to the consolidated financial statements for year ended 31st March, 2026***Subsidiaries**

The consolidated Ind AS financial statements of the Group are prepared by consolidating the financial statement of the subsidiary on a line-by-line basis and intra-group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. These consolidated Ind AS financial statements are prepared by applying uniform accounting policies in use at the Group. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. Changes in the Group's holding that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's holding and the non-controlling interests are adjusted to reflect the changes in their relative holding. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.3. Summary of material accounting policies**a. Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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.

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. Foreign currencies

The Company's consolidated financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

Notes to the consolidated financial statements for year ended 31st March, 2026

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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the company determines the transaction date for each payment or receipt of advance consideration.

c. 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 consolidated 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 consolidated 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.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities.

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Notes to the consolidated financial statements for year ended 31st March, 2026

The Company's management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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.

- Quantitative disclosures of fair value measurement hierarchy (note 37)
- Financial instruments (including those carried at amortised cost) [note 4, 5, 6, 9, 11, 12 and 16]

d. Revenue from contracts with customer

Revenue from contracts with customers is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.3.

Sale of goods

Revenue from sale of goods are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 - 150 days in respect of export customers and 30 - 90 days from the date of delivery of goods in respect of domestic customers.

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 (e.g., warranties, rebates, etc.). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method (OEM, with whom we don't have any contract) and the expected value method for contracts with more than one volume threshold (Dealers). The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

*Notes to the consolidated financial statements for year ended 31st March, 2026***ii) Significant financing component**

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good to the customer and when the customer pays for that good will be one year or less.

iii) Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section (n) Provisions.

Contract balances**Contract assets**

A contract asset is initially recognised for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (p) Financial instruments – initial recognition and subsequent measurement.

Trade receivables

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 (p) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Assets and liabilities arising from rights of return**Right of return assets**

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Interest income

Interest income is recognised using the effective interest method.

Dividends

Revenue is recognised when the Company's right to receive the payment is established and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

*Notes to the consolidated financial statements for year ended 31st March, 2026***e. Government grants**

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

f. Export Benefits

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme, Remission of Duties and Taxes on Export Products and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'.

Export entitlements from government authorities are recognised in the Statement of Profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

g. Taxes**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 in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

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.

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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Service tax (GST)/Value Added Taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Goods and Service Tax (GST)/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.

Notes to the consolidated financial statements for year ended 31st March, 2026

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.

h. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date assets are ready for use. 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. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

When an item of property, plant and equipment is scrapped or otherwise disposed of, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013.

Estimated useful life of the assets are as follows:

Nature of Tangible Assets	Useful Life (Years)
Buildings	10 - 30
Plant and equipment	3 -15
Furniture and fixtures	3 - 10
Vehicles	8
Office equipment	3 - 10
Lease improvement	Over the period of lease

i. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Notes to the consolidated financial statements for year ended 31st March, 2026

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

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Company's intangible assets are, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer Software	3 - 6 years	Amortised on a straight-line basis over the useful life	Acquired
Development costs	5 years	Amortised on a straight-line basis over the useful life	Internally generated

j. 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 group 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 entity 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.

Notes to the consolidated financial statements for year ended 31st March, 2026

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k. 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. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold Land 95 years for leasehold land at Nashik
- Leasehold Land 30 years for leasehold land at Pithampur
- Offices on Lease More than 3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (j) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings (see Note 17).

*Notes to the consolidated financial statements for year ended 31st March, 2026***iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 3 years or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices at branches that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m. Inventories

Inventories are valued at the lower of cost and net realisable value.

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

- **Raw materials, Stores and spares, packing materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.
- **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 moving weighted average basis.
- **Traded goods:** 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.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n. Provisions**General**

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.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold, or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

o. 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.

Notes to the consolidated financial statements for year ended 31st March, 2026

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the year when an employee renders the related service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. Every employee who has completed five years or more of service get a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is funded with an insurance Company in the form of a qualifying insurance policy.

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

p. 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.

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 (d) 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 marketplace (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)

Notes to the consolidated financial statements for year ended 31st March, 2026

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

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

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

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

Debt 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 P&L.

Equity investments

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Notes to the consolidated financial statements for year ended 31st March, 2026
Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) 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. 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.

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.

Impairment of financial assets

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

- Financial assets that are debt instruments and are measured at amortized cost e.g., deposits and trade receivables.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables and
- Other Receivable

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

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

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

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

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

Notes to the consolidated financial statements for year ended 31st March, 2026

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'finance cost' in the P&L. The balance sheet presentation for various financial instruments is described below:

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

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

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

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions; the Company expects to recover the carrying amount of these assets.

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, payables, or as derivatives 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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

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 derecognized 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.

This category generally applies to borrowings.

Notes to the consolidated financial statements for year ended 31st March, 2026
Bill Discounting

During any point of time in the accounting year a Company may enter into an arrangement, with the Non-Banking Financial Companies ('NBFC') to avail the bill discounting facility extended by the NBFC's on such terms and conditions as may be mutually decided through a written agreement/contract and discount the bills raised on the customer with NBFC at an agreed discount rate. The liability to pay to the NBFC on due date is of the customer on full recourse basis to the Company (i.e. NBFC will recover the o/s bills amount from the company in case the customer fails to pay on due date).

At the end of the accounting year, any amount payable to NBFC by the Company on account of the discounted bills shall be disclosed under the head 'Borrowing' as this liability is not in the Company's normal business operating cycle and shall be considered as payable towards the money borrowed from the NBFC.

Derecognition

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 or loss.

Reclassification of financial assets

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 consolidated 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.

q. Derivative financial instruments**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts, full currency swaps and interest rate swaps contracts to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

Notes to the consolidated financial statements for year ended 31st March, 2026

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges:

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(i) Cash flow hedges:

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

r. 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, loan repayable on demand (from bank) and net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s. Cash dividend

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized, and the distribution is no longer at the discretion of the Company.

As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

t. Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the company (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

Notes to the consolidated financial statements for year ended 31st March, 2026

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.

u. Contingent Liability and Contingent assets:

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.4. Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts 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.

(A) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers.

Determining method to estimate variable consideration and assessing the constraint:

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with volume rebates, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

(B) 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 financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated 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 consolidated financial statements for year ended 31st March, 2026***(i) 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 fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset 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 assessment of the time value of money and the risk specific to the asset. In determining fair value less cost 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 price for publicly traded subsidiaries or other available fair value indicators.

(ii) Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made.

The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 30 for details of the key assumptions used in determining the accounting for these plans.

(iii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(iv) Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

(v) Estimating variable consideration for returns and volume rebates

The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates.

The Company's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date. Right of return are analysed for the Company as a whole due to past experience of the Company having similar range of right to return for each customer.

Notes to the consolidated financial statements for year ended 31st March, 2026

The Company updates its assessment of expected returns and volume rebates annually and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future

(vi) Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realizable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

(vii) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(C) New and Amended Standard

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31st March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2024. The Group applied for the first-time these amendments.

(i) Recent Accounting Pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The MCA vide notification dated 01 May 2025 and 13 August 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Second Amendment Rules, 2025, which amended certain accounting standards effective for annual reporting periods beginning on or after April 1, 2025:

a) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1

As a result of the adoption of the amendments to Ind AS 1, the Company revised its accounting policy for the classification of borrowings. Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification. This new policy did not result in a change in the classification of the Company's borrowings.

b) Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107

These amendments require clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. This amendment is not applicable to the Company.

c) Lack of Exchangeability – Amendments to Ind AS 21

The amended Ind AS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future period.

Notes to the consolidated financial statements for year ended 31st March, 2026

NOTE 3 (a) Property, plant and equipment:

Rs. Million

Particulars	CURRENT YEAR – AS AT 31st MARCH 2026							PREVIOUS YEAR – AS AT 31st MARCH 2025						
	Build-ings	Plant and equip-ment	Furni-ture and fixtures	Vehicles	Office equip-ment	Lease-hold impro-vement	Total	Build-ings	Plant and equip-ment	Furni-ture and fixtures	Vehicles	Office equip-ment	Lease-hold impro-vement	Total
I. Cost														
Balance as at 1st April, 2025/2024	320.8	1,704.7	93.1	52.5	7.2	9.9	2,188.2	319.3	1,555.6	92.3	58.0	6.2	9.9	2,041.3
Additions	–	186.7	2.4	–	0.6	–	189.7	1.5	171.4	1.1	–	1.2	–	175.2
Disposals	–	(26.8)	(0.5)	(1.0)	–	–	(28.3)	–	(22.3)	(0.3)	(5.5)	(0.2)	–	(28.3)
Balance as at 31st March, 2026 / 2025	320.8	1,864.6	95.0	51.5	7.8	9.9	2,349.6	320.8	1,704.7	93.1	52.5	7.2	9.9	2,188.2
II. Accumulated depreciation														
Balance as at 1st April, 2025 / 2024	142.9	1,124.9	44.7	23.6	5.0	9.9	1,351.0	131.3	1,043.4	37.0	22.0	4.7	9.9	1,248.3
Depreciation expense for the year	11.0	113.2	7.9	6.3	0.6	–	139.0	11.6	102.5	8.0	6.6	0.5	–	129.2
Eliminated on disposal of assets	–	(25.1)	(0.5)	(0.4)	–	–	(26.0)	–	(21.0)	(0.3)	(5.0)	(0.2)	–	(26.5)
Balance as at 31st March, 2026 / 2025	153.9	1,213.0	52.1	29.5	5.6	9.9	1,464.0	142.9	1,124.9	44.7	23.6	5.0	9.9	1,351.0
Carrying amount (I – II)														
Balance as at 31st March, 2026 / 2025	166.9	651.6	42.9	22.0	2.2	–	885.6	177.9	579.8	48.4	28.9	2.2	–	837.2
Balance as at 31st March, 2025 / 2024	177.9	579.8	48.4	28.9	2.2	–	837.2	188.0	512.2	55.3	36.0	1.5	–	793.0

- (i) Term loan is secured by first *pari passu* charge over movable Property, plant and equipment (present and future) of the Company. Refer note 11 for details of security.
- (ii) The above includes value of property, plant and equipment such as tools and equipments lying with sub-contractors are as under:

Rs. Million

Particulars	31st March, 2026	31st March, 2025
Opening Gross Block	61.9	59.5
Transfer from MSL premises to Subcontractor	2.3	1.6
Additions during the year	5.9	0.8
Less : Accumulated Depreciation	(41.5)	(37.4)
Net Block	28.6	24.5

(iii) Capital work-in-progress:

Rs. Million

Particulars	31st March, 2026	31st March, 2025
Opening balance	3.3	9.6
Additions during the year	159.8	104.4
Less : Capitalised during the year	(133.8)	(110.7)
Closing Balance	29.3	3.3

(iv) Capital Work-in-Progress ageing schedule:

Rs. Million

Particulars	As at 31st March 2026					As at 31st March 2025				
	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
Project in Progress	28.3	1.0	–	–	29.3	2.7	–	0.6	–	3.3
Project temporarily suspended	–	–	–	–	–	–	–	–	–	–
Total	28.3	1.0	–	–	29.3	2.7	–	0.6	–	3.3

Notes to the consolidated financial statements for year ended 31st March, 2026

NOTE 3 (b) Intangible Assets

Particulars	CURRENT YEAR			PREVIOUS YEAR		
	Computer software – (acquired)	Internally generated development expenditure	Total	Computer software – (acquired)	Internally generated development expenditure	Total
I. Cost						
Balance as at 1st April, 2025 / 2024	43.7	12.2	55.9	43.7	12.2	55.9
Additions	5.3	–	5.3	–	–	–
Disposals	–	–	–	–	–	–
Balance as at 31st March, 2026 / 2025	49.0	12.2	61.2	43.7	12.2	55.9
II. Accumulated amortisation						
Balance as at 1st April, 2025 / 2024	42.2	12.2	54.4	39.8	12.2	52.0
Amortisation expense for the year	2.5	–	2.5	2.4	–	2.4
Eliminated on disposal	–	–	–	–	–	–
Balance as at 31st March, 2026 / 2025	44.7	12.2	56.9	42.2	12.2	54.4
Carrying amount (I – II) :						
Balance as at 31st March, 2026 / 2025	4.3	–	4.3	1.5	–	1.5
Balance as at 31st March, 2025 / 2024	1.5	–	1.5	3.9	–	3.9

(i) Intangible assets under development:

Particulars	Rs. Million	
	31st March, 2026	31st March, 2025
Opening balance	1.1	1.1
Additions during the year	12.0	–
Write off during the year	–	–
Provision for impairment [Refer note (a) below]	(1.1)	(1.1)
Closing Balance	12.0	–

- (a) During the earlier years, the Company reviewed the intangible assets under development and based on its own assessment the company made a provision of Rs.1.1 million towards impairment in carrying cost as certain projects, although technically feasible and available for use, these were not meeting the condition of generating future economic benefit in a certain period of time.

Accordingly, the Company decided to make provision for these projects, it will reassess the status of these projects in future and appropriate action will be taken.

(ii) Intangible assets under development ageing schedule

Particulars	As at 31st March 2026					As at 31st March 2025				
	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
Project in Progress	12.0	–	–	1.1	13.1	–	–	–	1.1	1.1
Project temporarily suspended	–	–	–	–	–	–	–	–	–	–
Less : Provision for impairment	–	–	–	(1.1)	(1.1)	–	–	–	(1.1)	(1.1)
Total	12.0	–	–	–	12.0	–	–	–	–	–

Notes to the consolidated financial statements for year ended 31st March, 2026

(iii) Completion Schedule for Intangible Assets under development, which are overdue or has exceeded its cost compared to its original plan

Particulars	As at 31st March 2026				As at 31st March 2025			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Tilt & Telescopic Steering Column	–	–	–	0.7	–	–	–	0.7
Inter-axle prop shaft 2040 Series with rubber Boot	–	–	–	0.4	–	–	–	0.4
Galaxy ERP Solution suite	12.0	–	–	–	–	–	–	–
Less: Provision for impairment	–	–	–	(1.1)	–	–	–	(1.1)
Total	12.0	–	–	–	–	–	–	–

(c) Right of use assets

(i) Company as a lessee

The Company has lease contracts for various items i.e. land, building premises used in its operations. Leasehold land have lease period between 30 to 95 years, while building premises have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(ii) Right of use assets

Particulars	CURRENT YEAR			PREVIOUS YEAR		
	Leasehold Land	Rented Premises	Total	Leasehold Land	Rented Premises	Total
I. Cost						
Balance as at 1st April, 2025/2024	37.4	82.2	119.6	37.4	73.1	110.5
Additions	–	66.3	66.3	–	9.1	9.1
Disposals	–	(65.3)	(65.3)	–	–	–
Balance as at 31st March, 2026/2025	37.4	83.2	120.6	37.4	82.2	119.6
II. Accumulated amortisation						
Balance as at 1st April, 2025/2024	7.8	70.8	78.6	6.5	54.3	60.8
Amortisation expense for the year	1.3	17.5	18.8	1.3	16.5	17.8
Disposals	–	(65.3)	(65.3)	–	–	–
Balance as at 31st March, 2026/2025	9.1	23.0	32.1	7.8	70.8	78.6
Net Book Value (I – II) :						
Balance as at 31st March, 2026/2025	28.3	60.2	88.5	29.6	11.4	41.0
Balance as at 31st March, 2025/2024	29.6	11.4	41.0	30.9	18.8	49.7

Notes to the consolidated financial statements for year ended 31st March, 2026

(iii) Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	CURRENT YEAR			PREVIOUS YEAR		
	Leasehold Land	Rented Premises	Total	Leasehold Land	Rented Premises	Total
Balance as at 1st April, 2025/ 2024	—	12.6	12.6	—	22.0	22.0
Additions	—	66.3	66.3	—	9.1	9.1
Accretion of Interest	—	6.7	6.7	—	2.7	2.7
Payments	—	(22.0)	(22.0)	—	(21.2)	(21.2)
Deletion	—	—	—	—	—	—
Balance as at 31st March, 2026/2025	—	63.6	63.6	—	12.6	12.6
Current	—	16.7	16.7	—	4.1	4.1
Non-current	—	46.9	46.9	—	8.5	8.5

(iv) The effective interest rate for lease liabilities is 8.45%, with maturity between 2024-2045.

(v) The following are the amounts recognised in profit or loss:

Particulars	Rs. Million	
	31st March, 2026	31st March, 2025
Depreciation expense on right of use assets	18.8	17.8
Interest expense on lease liabilities	6.7	2.7
Expense relating to short-term leases (included in other expenses)	2.6	1.8
Expense relating to leases of low-value assets	—	—
Variable lease payments (included in other expenses)	3.0	5.7
Total amount recognised in statement of profit and loss	31.1	28.0

(vi) The Company had total cash outflows for leases of **Rs.27.6 million** (31st March 2025 : Rs.28.3 million). It comprises of **Rs.22.0 million** towards lease payment (31st March 2025: Rs.21.2 million), **Rs.3.0 million** of variable lease payments (31st March 2025: Rs.5.7 million), and **Rs.2.6 million** relating to short-term leases (31st March 2025: Rs.1.8 million), with the latter two recognised directly in the Statement of Profit and Loss in accordance with Ind AS 116.

(vii) The leases that the Company has entered with lessors are generally long-term in nature and no changes in terms of those leases are expected.

(viii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(ix) The Company has made pre-payment of Rs.45.6 million for lands taken on lease for 95 years located in Nashik and for 30 years located in Pithampur and hence no lease liability has been created for such assets.

Notes to the consolidated financial statements for year ended 31st March, 2026

NOTE 4 INVESTMENTS

Particulars	As at 31st March, 2026						As at 31st March, 2025					
	Non-current		Current		Total		Non-current		Current		Total	
	Nos.	Rs. Million	Nos.	Rs. Million	Nos.	Rs. Million	Nos.	Rs. Million	Nos.	Rs. Million	Nos.	Rs. Million
(Valued at cost unless stated otherwise)												
Investments in unquoted equity instruments (fully paid up unless specified)												
– Investment in associates (at cost)												
i) Sona Autocomp Inc. (In USD 1 per share)	24,000	1.4	–	–	24,000	1.4	24,000	1.4	–	–	24,000	1.4
Less: Provision for impairment in value of investment	–	(1.4)	–	–	–	(1.4)	–	(1.4)	–	–	–	(1.4)
Net Value (A)	–	–	–	–	–	–	–	–	–	–	–	–
ii) Sona Autocomp Europe (in EURO 1 per share)	12,000	0.4	–	–	12,000	0.4	12,000	0.4	–	–	12,000	0.4
Less : Provision for impairment in value of investment	–	(0.4)	–	–	–	(0.4)	–	(0.4)	–	–	–	(0.4)
Net Value (B)	–	–	–	–	–	–	–	–	–	–	–	–
– Investment in Mutual Funds – unquoted (at cost)												
16,238.098 (31st March, 2025: Nil) mutual funds of SBI overnight fund	–	–	16,238	70.1	16,238	70.1	–	–	–	–	–	–
Total (A + B)	–	–	16,238	70.1	16,238	70.1	–	–	–	–	–	–
(a) Aggregate amount of unquoted investments		1.8						1.8				
(b) Aggregate amount of impairment in value of investments		(1.8)						(1.8)				

Note: 1. Sona Autocomp Inc and Sona Autocomp Europe have been dissolved in FY 2013-14 and FY 2014-15 respectively. The Company is not expecting any recoverability from these investments post dissolution and have been fully provided in the books of account.

The Company is in process of completing formalities with Reserve Bank of India in connection with the investments made in the said associate companies, pending which the investments have not been written off.

NOTE 5 CASH AND CASH EQUIVALENTS

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
(a) Balances with banks:		
i) On current accounts	115.7	200.2
ii) On EEFC account	1.4	7.0
iii) Deposits with original maturity of less than three months	18.0	18.0
(b) Cash on hand	0.4	0.4
Total Cash and Cash equivalents	135.5	225.6

Notes to the consolidated financial statements for year ended 31st March, 2026

Notes to the consolidated financial statements for year ended 31st March, 2026

(b) Other non-current and current assets

Particulars	Rs. Million					
	As at 31st March, 2026			As at 31st March, 2025		
	Non-current	Current	Total	Non-current	Current	Total
(a) Capital advances [Refer Note 28(ii)]	27.4	–	27.4	18.2	–	18.2
(b) Balances with statutory/government authorities (other than income taxes):						
GST credit receivable	–	33.6	33.6	–	1.2	1.2
Less : Provision for Impairment	–	(1.3)	(1.3)	–	(1.2)	(1.2)
(c) Prepayments	0.7	13.2	13.9	0.9	10.7	11.6
(d) Others: (i) Export benefits	–	6.0	6.0	–	5.6	5.6
(ii) Advance to suppliers	–	85.9	85.9	–	5.0	5.0
(iii) Others	–	35.6	35.6	–	46.1	46.1
Total	28.1	173.0	201.1	19.1	67.4	86.5

NOTE 8 INVENTORIES

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
(Valued at the lower of cost and net realisable value)		
(a) Raw materials [Refer Note (i) below]	515.2	427.9
(b) Work-in-progress	501.1	471.1
(c) Finished goods [Refer Note (i) below]	275.5	296.2
(d) Stores and spares	9.2	7.0
(e) Loose tools	49.5	43.1
Total	1,350.5	1,245.3
Notes : Included above, goods-in-transit:		
Raw materials	73.2	64.2
Finished goods	221.0	220.6

(i) The cost of raw material recognised as an expense during the year **Rs.5,815.9 million** (31st March, 2025 : Rs.5,533.0 million).

(ii) The cost of inventories recognised as an (income)/expense during the year ended 31st March, 2026 includes **Rs.17.9 million** [31st March, 2025 : (Rs.14.8 million)] in respect of (reversal)/provision for slow and non-moving inventory.

(iii) The provision made for slow and non-moving inventory as at 31st March, 2026 **Rs.64.4 million** (31st March, 2025 : Rs.82.3 million)

Notes to the consolidated financial statements for year ended 31st March, 2026
NOTE 9 TRADE RECEIVABLES

Rs. Million

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade Receivables		
Trade Receivables - considered good	1,790.7	1,931.5
Trade Receivables which have significant increase in credit Risk	6.4	7.0
Trade Receivables – Allowance for expected credit loss	0.3	–
Trade Receivables - credit impaired [Refer footnote (a) below]	19.5	19.5
	1,816.9	1,958.0
Impairment Allowance (allowance for bad & doubtful debts)		
Trade Receivables which have significant increase in credit Risk	(6.4)	(7.0)
Trade Receivables – Allowance for expected credit loss	(0.3)	–
Trade Receivables - credit impaired [Refer footnote (a) below]	(14.5)	(14.5)
Total	1,795.7	1,936.5

- (i) 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.
- (ii) The Company is engaged in manufacturing and selling of Propeller shafts, Components & Clutch sets which are customers specific. Credit period varies from customer to customer. Average credit period in case of export customers is 30 - 150 days and in case of domestic customers 30 - 90 days from the date of receipt of goods.
- (iii) The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk even though it may be very low.

(a) Movement in the expected credit loss:

Rs. Million

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balance at beginning of the year	21.5	9.6
Expected credit loss allowance on trade receivables	4.0	11.9
Reversal of expected credit loss allowance on trade receivables	(4.3)	–
Balance at end of the year	21.2	21.5

Notes to the consolidated financial statements for year ended 31st March, 2026

Rs. Million

	Particulars outstanding for following periods							
Trade Receivable as on 31st March 2026	Not Due	Unbilled Receivable	Less than 6 months	6 months – 1 year	1–2 years	2–3 years	More than 3 years	Total
Trade Receivable as on 31st March 2025								
Undisputed Trade Receivables								
– considered good	1,432.3	–	315.9	35.9	4.5	2.1	–	1,790.7
	1,470.6	–	438.1	15.5	5.3	2.0	–	1,931.5
– which have significant increase in credit risk	–	–	–	–	1.5	2.1	2.8	6.4
	–	–	–	–	1.8	2.0	3.2	7.0
– credit impaired	–	–	–	–	–	–	0.3	0.3
	–	–	–	–	–	–	–	–
Disputed Trade Receivables								
– considered good	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–
– which have significant increase in credit risk	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–
– credit impaired [Refer note (a) below]	–	–	–	–	19.5	–	–	19.5
	–	–	–	19.5	–	–	–	19.5
Gross	1,432.3	–	315.9	35.9	25.5	4.2	3.1	1,816.9
	1,470.6	–	438.1	35.0	7.1	4.0	3.2	1,958.0
Less : Allowance for Trade Receivables								
– which have significant increase in credit risk - Undisputed	–	–	–	–	1.5	2.1	2.8	6.4
	–	–	–	–	1.8	2.0	3.2	7.0
– which have significant increase in credit risk - disputed	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–
– credit impaired - Undisputed	–	–	–	–	–	–	0.3	0.3
	–	–	–	–	–	–	–	–
– credit impaired - disputed	–	–	–	–	14.5	–	–	14.5
	–	–	–	14.5	–	–	–	14.5
TOTAL	1,432.3	–	315.9	35.9	9.5	2.1	–	1,795.7
	1,470.6	–	438.1	20.5	5.3	2.0	–	1,936.5

- (a) The Company has initiated proceedings before the Mediation Centre at the City Civil & Sessions Court, Mumbai, dated 21 March 2025, against Prime Movers Auto Associates Private Limited (also known as Jagdamba Motors) due to non-payment of outstanding dues amounting to Rs.19.5 million for goods supplied between February 2024 and May 2024.

Consequently, the Company has created a provision for doubtful debts totaling Rs.14.5 million and the Company expects to settle balance amount of Rs.5.0 million through Target discount provision created (classified under Trade Payable).

Notes to the consolidated financial statements for year ended 31st March, 2026

NOTE 10 (a) Equity Share Capital

Particulars	Nos.	Rs. Million
(A) Authorised:		
Equity shares of Rs.10 each		
As at 1st April, 2024	1,70,00,000	170.0
Increase/(decrease) during the year	—	—
As at 31st March, 2025	1,70,00,000	170.0
Increase/(decrease) during the year	—	—
As at 31st March, 2026	1,70,00,000	170.0
(B) Issued equity capital:		
Equity Shares of Rs.10 each issued, subscribed and fully paid		
As at 1st April, 2024	73,06,936	73.1
Increase/(decrease) during the year	(3,43,140)	(3.4)
As at 31st March, 2025	69,63,796	69.7
Increase/(decrease) during the year	—	—
As at 31st March, 2026	69,63,796	69.7

Notes:

- (i) (a) During the year, the Company has not undertaken any buy back of equity shares (31st March, 2025 : 343,140 equity shares). In the previous year, the Company had bought back 3,43,140 equity shares at a price of Rs.1093 per share, pursuant to the approval of board of directors dated 30th July,2024 and approval of the shareholders obtained on 30th September, 2024. Accordingly, there were no approval obtained from the board of directors or shareholders for buy back during the current year.
- (b) The Company has bought back **18,78,184 equity shares** (31st March 2025: 18,78,184 equity shares) during immediately preceding five financial years including current year.
- (ii) The Company has not allotted any equity shares pursuant to contracts without payment being received in cash.
- (iii) **Terms/rights attached to equity shares**
- The Company has only one class of equity shares having par value of Rs.10 each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	Rs. Million			
	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	% of holding	Nos.	% of holding
Gaurav Motwane	27,69,623	39.8%	—	—
SKM Family Trust (Through Gaurav G. Motwane, Trustee)	100	—	27,47,159	39.5%
Atera Resources Private Limited	24,59,185	35.3%	24,59,185	35.3%
Khattar Holdings Private Limited	9,97,313	14.3%	9,97,313	14.3%

Notes to the consolidated financial statements for year ended 31st March, 2026

Shares held by Promoters at the end of the year

Promoters Name	As at 31st March, 2026			As at 31st March, 2025		
	Number of Shares	% of total shares	% change during the year	Number of Shares	% of total shares	% change during the year
Gaurav Motwane	27,69,623	39.8%	39.5%	22,564	0.3%	4.8%
SKM Family Trust (Through Gaurav G. Motwane, Trustee)	100	—	(39.5%)	27,47,159	39.5%	1.9%
Atera Resources Private Limited	24,59,185	35.3%	—	24,59,185	35.3%	9.6%

NOTE 10 (b) Other Equity:

Particulars	Capital Reserve		General Reserve		Capital Redemption Reserve		Effective portion of Cash flow Hedges		Subtotal – Other Reserves		Retained Earnings		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Balance as at 1st April, 2025 / 2024	2.0	2.0	239.6	239.6	40.3	36.9	(1.8)	(0.2)	280.1	278.3	2,200.2	1,974.6	2,480.3	2,252.9
Profit for the year	—	—	—	—	—	—	—	—	—	—	406.6	603.2	406.6	603.2
Other comprehensive income (net of deferred income tax)	—	—	—	—	—	—	(31.4)	(1.6)	(31.4)	(1.6)	(1.2)	(2.5)	(32.6)	(4.1)
Dividends :														
- Final Dividend (2024-25 - Rs.33.00 per share) [Refer Note 10(b)]	—	—	—	—	—	—	—	—	—	—	(229.8)	—	(229.8)	—
- Interim Dividend (2025-26 - Rs.16.50 per share) [Refer Note 10(b)]	—	—	—	—	—	—	—	—	—	—	(114.9)	—	(114.9)	—
Buy back Shares	—	—	—	—	—	—	—	—	—	—	—	(371.7)	—	(371.7)
Transfer from Retained Earnings	—	—	—	—	—	3.4	—	—	—	3.4	—	—	—	3.4
Transfer to Capital Redemption Reserve	—	—	—	—	—	—	—	—	—	—	—	(3.4)	—	(3.4)
Balance as at 31st March	2.0	2.0	239.6	239.6	40.3	40.3	(33.2)	(1.8)	248.7	280.1	2,260.9	2,200.2	2,509.6	2,480.3

Nature and purpose of reserves

i) Capital reserve -

- Amount of Rs.0.9 million represents octroi refund granted for the period 1st April, 1995 to 31st March, 1998 on plant and machinery purchased during the FY 1998-99. This refund was sanctioned in FY 2000-2001 under the State Government's incentive scheme.
- Amount of Rs.1.1 million was created on account of Amalgamation of DRSK Management Services Private Limited (shareholder of the Company, then) into the company during the Financial Year 2011-12.

ii) General reserve -

The erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

iii) Capital redemption reserve -

Capital redemption reserve was created on account of buy back of equity shares amounting to **Rs.Nil** (31st March, 2025 Rs.3.4 million).

Notes to the consolidated financial statements for year ended 31st March, 2026
iv) Effective portion of cash flow hedges -

This Reserve represents the cumulative effective portion of changes in Fair Value of hedging instrument that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Company's accounting policy. Effective portion of cash flow hedges was created on account of mark-to-market exchange loss on forward contracts amounting to **Rs.31.4 million** (31st March, 2025 Rs.1.6 million).

v) Final Dividend paid for FY 2024-25 on equity shares -

The final dividend for FY 2024-25 on equity shares was declared and paid during the current financial year ended March 31, 2026 of Rs.229.8 million.

vi) Interim dividend paid for FY 2025-26 on equity shares -

The interim dividend for FY 2025-26 on equity shares was declared and paid during the current financial year ended March 31, 2026 of Rs.114.9 million.

NOTE 11 BORROWINGS

		Rs. Million	
Particulars		As at 31st March, 2026	As at 31st March, 2025
Non-Current Borrowings (Secured)			
Term Loan from Bank :			
i) Rupee Loan [Refer note (i)(a) below]		–	214.7
ii) Term loan in foreign currency [Refer note (i) (b) below]		375.0	–
Less: Current maturities of long-term borrowings		(100.0)	(13.4)
Total Non-Current Borrowings		275.0	201.3
Current Borrowings (Secured)			
Loans repayable on demand from banks:			
Working capital loan [Refer note (ii) below]		100.0	215.2
Bill discounting [Refer note (iv) below]		37.0	108.0
Sub Total		137.0	323.2
Current maturities of long-term borrowings		100.0	13.4
Sub Total		100.0	13.4
Total current borrowings		237.0	336.6

Notes :

- (i) (a) ICICI Bank on 20th September, 2024 sanctioned a term loan amounting to Rs.400 million for the purpose of financing the capital expenditure of the Company and taking over the outstanding term loan of Citibank. The tenure of the loan is 5 years including 12 months moratorium from the date of disbursement for each tranche of disbursement. The loan is repayable in quarterly instalments beginning from the 12th month from the date of each tranche of disbursement. The loan is secured by first charge on all movable fixed assets of the Company at its plant located at Nashik, Maharashtra. The interest shall be payable on the loan at a rate of I-MCLR-1Y+ spread 0.1%. The ICICI Bank shall reset the interest rate at the end of every year from the date of conversion to I-MCLR-1Y as a sum of I-MCLR-1Y+ Spread, prevailing on the reset date.
- (b) During the current financial year 2025-26, the Company converted rupee term loan of Rs.400.0 million into USD term loan through 'Full Currency Swap' on net settlement basis i.e. Net Flows in INR to be exchanged based on USD/INR Spot Exchange Rate prevailing <2> business days prior to every settlement date. The tenure of the loan and repayment schedules are similar to rupee term loan. The exposure in foreign currency will be on mark-to-market hedging conditions at the end of each month and the same is considered at 'cash flow hedge' for revaluing the outstanding loan amount including interest in foreign currency.

Notes to the consolidated financial statements for year ended 31st March, 2026

Table 1 – Conversion of rupee terms loan in foreign currency

Sr. No.	Transaction start date	Repayment date	Term Loan in Rs. Million	Spot Exchange Rate	Term Loan in USD	Upfront Interest rate p.a. in USD	Interest rate p.a. in INR (receivable)
1	22nd August, 2025	04th December, 2029	251.2	87.05	2.9	7.16%	9.20%
2	25th September, 2025	04th December, 2029	52.9	88.65	0.6	7.10%	9.20%
3	29th December, 2025	04th December, 2029	31.8	89.75	0.4	6.15%	8.45%
4	18th March, 2026	04th December, 2029	64.1	92.35	0.7	6.15%	8.45%
Total			400.0		4.6		

Table 2 - Repayment Schedule of Term loan

Rs. Million				
Particulars	2027	2028	2029	2030
Q1	25.0	25.0	25.0	25.0
Q2	25.0	25.0	25.0	25.0
Q3	25.0	25.0	25.0	25.0
Q4	25.0	25.0	25.0	–

- (ii) Loan repayable on demand include pre-shipment credit in Indian Rupee (PCRE) and working capital demand loan. All these loans are secured by a first *pari-passu* charge on the Company's present and future stock and book debts. Below is the schedule of PCRE and WCDL loan taken by the Company:

Rs. Million							
No.	Disbursement date	Repayment date	Bank	Type of loan	As at 31st March 2026	As at 31st March 2025	Closing interest p.a.
1	12th March, 2026	08th September, 2026	Citi Bank	PCRE	100.0	–	7.65%
2	04th December, 2024	02nd June, 2025	Citi Bank	PCFC	–	115.2	6.54%
3	21st March, 2025	19th April, 2025	Citi Bank	WCDL	–	100.00	8.77%
Total					100.0	215.2	

- (iii) Bank overdraft represents Cash Credit facility with ICICI Bank and Citibank. The cash credit limit provided by the ICICI bank is **Rs.650 million** (31st March, 2025 : Rs.650 million) and by the Citibank is **Rs.500 million** (31st March, 2025 : Rs.500 million). The interest is payable at the rate of **8.45%** (31st March, 2025 : 10.4%). The Bank Overdraft is secured by first *pari-passu* charge created on Company's current assets. The facility is valid for ICICI Bank upto 17th August, 2026 and for Citibank upto 30th November, 2026 respectively and which can be further extended by the bank as per the request that may be made by the Company. The bank overdraft is repayable on demand. As on 31st March, 2026 the Company has bank overdraft balance outstanding of **Rs.Nil** (31st March, 2025 : Rs.Nil) from ICICI Bank.
- (iv) Bill discounting facility and trade payable financing facility is with ICICI Bank with the limit of **Rs.300 million** (31st March, 2025 : Rs.300 million). The interest is payable at the rate of **8.25%** (31st March, 2025 : 10.4%). The Bank acceptance is secured by first *pari-passu* charge created on Company's current assets. This facility is valid upto 17th August, 2026 which can be further extended by the bank as per the request that may be made by the Company. The bank acceptance is repayable on due date.
- (v) The borrowings including term loan availed by the Company from Banks and Financial institutions has been used for the purpose such loans were taken.
- (vi) The quarterly returns or statements filed by the Company with ICICI Bank and Citi Bank are in agreement with the books of accounts of the Company for the current and previous financial year.
- (vii) There are no non-cash movement in long-term and short-term borrowings.

Notes to the consolidated financial statements for year ended 31st March, 2026
NOTE 12 TRADE PAYABLE

Particulars	Rs. Million					
	As at 31st March, 2026			As at 31st March, 2025		
	Non-current	Current	Total	Non-current	Current	Total
Trade payable for goods & services :						
Total outstanding dues of micro enterprises and small enterprises (Refer 3 below)	–	313.7	313.7	–	251.7	251.7
Total outstanding dues of trade payables other than micro enterprises and small enterprises	–	728.3	728.3	–	653.1	653.1
Total	–	1,042.0	1,042.0	–	904.8	904.8

1. Trade payables are non-interest bearing and are normally settled on 30 – 60 days terms.
2. The Company's exposure to currency and liquidity risk related to trade payable is disclosed in note no. 38
3. Details of due to micro, small and medium enterprises as defined under the MSMED Act, 2006

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
(a) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
i) Principal amount due to micro, small and medium enterprises	313.5	248.2
ii) Interest due on above	0.2	3.5
(b) The amount of Interest paid by the buyer in terms of Section 16 of MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year*	0.2	0.2
(c) 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	0.2	0.2
(d) Amount of interest accrued and remaining unpaid as at the year end of each accounting year	0.2	3.5
(e) 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 enterprises for the purpose of disallowance as a deductible expenditure u/s 23 of MSMED Act, 2006.	–	–

* The balance of Rs.0.2 million is arrived after write back of Rs.3.3 million in the current financial year.

Note: The information has been given in respect of such vendors to the extent they could be identified as Micro, Small and Medium enterprises on the basis of information available with the Company.

Rs. Million														
Particulars	Outstanding for following periods from due date of payment as at													
	31st March, 2026							31st March, 2025						
	Not Due	Un-billed Pay-able	Less than 1 year	1–2 years	2–3 years	More than 3 years	Total	Not Due	Un-billed Pay-able	Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
MSME	312.9	–	0.2	0.1	–	0.2	313.4	236.6	–	14.4	–	–	0.3	251.3
Others	423.0	261.0	43.7	0.5	–	0.1	728.3	382.8	228.3	41.6	–	0.1	0.3	653.1
Disputed Dues – MSME	–	–	–	–	–	0.3	0.3	–	–	–	–	–	0.3	0.3
Disputed Dues – Others	–	–	–	–	–	–	–	–	–	–	–	–	–	–
TOTAL	735.9	261.0	43.9	0.6	–	0.6	1,042.0	619.4	228.3	56.0	–	0.1	0.9	904.7

Notes to the consolidated financial statements for year ended 31st March, 2026

NOTE 13 PROVISIONS

Particulars	Rs. Million					
	As at 31st March, 2026			As at 31st March, 2025		
	Non-current	Current	Total	Non-current	Current	Total
Provision for employee benefits (Refer note 30)						
(i) Provision for gratuity	–	11.2	11.2	–	9.9	9.9
(ii) Provision for compensated absences	–	104.7	104.7	–	102.0	102.0
Other provisions						
Warranty [Refer note (a) below]	13.1	26.5	39.6	12.9	26.3	39.2
Total	13.1	142.4	155.5	12.9	138.2	151.1

Note (a) Details of movement in warranty provision

Particulars	Rs. Million					
	As at 31st March, 2026			As at 31st March, 2025		
	Non-current	Current	Total	Non-current	Current	Total
At the beginning of the year	12.9	26.3	39.2	12.6	23.3	35.9
Arising during the year (net)	4.7	5.6	10.3	4.2	5.2	9.4
Utilised (i.e. incurred and charged against the provision) during the year	(4.5)	(6.8)	(11.3)	(3.9)	(4.0)	(7.9)
Ind AS Impact - unwinding of Warranty interest	–	1.4	1.4	–	1.8	1.8
Closing Balance at the end of the year	13.1	26.5	39.6	12.9	26.3	39.2

- (i) A provision is recognised for expected warranty claims on manufacturing defects on products sold by the Company, based on past experience of the level of repairs. It is expected that most of these costs will be incurred in the next two financial years. Assumptions used to calculate the provision for warranties are based on the warranty period for the products sold by the Company.

NOTE 14 (a) Income Tax recognised in profit or loss section

The major components of income tax expense for the years ended 31st March, 2026 & 31st March, 2025

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Current Income Tax: Charge for the year	164.3	220.7
Adjustments in respect of current income tax of previous year	0.1	(5.9)
Deferred Tax: Relating to origination and reversal of temporary differences	(21.5)	(13.3)
Income tax expense reported in the statement of profit or loss	142.9	201.5

(b) Income Tax recognised in OCI

Deferred tax related to items recognised in OCI during the year

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Remeasurement of the defined benefit obligation	11.8	1.4
Income tax charged to OCI	11.8	1.4

Notes to the consolidated financial statements for year ended 31st March, 2026

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31st March, 2026 and 31st March, 2025

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Accounting profit before income tax	549.5	804.7
At India's statutory income tax rate of 25.168% (31st March, 2025 : 25.168%)	138.3	202.5
Adjustments in respect of current income tax of previous year	0.1	(5.9)
Expenses not deductible for tax purposes	26.0	18.2
At the effective income tax rate of 25.168% (31st March, 2025 : 25.168%)	164.4	214.8
Deferred tax relating to origination and reversal of temporary differences	(21.5)	(13.3)
Income tax expense reported in the statement of profit or loss	142.9	201.5

(c) Deferred Tax : Deferred tax relates to the following:

Particulars	Rs. Million			
	Balance Sheet		Profit or Loss	
	As at 31st March, 2026	As at 31st March, 2025	As at 31st March, 2026	As at 31st March, 2025
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	43.9	51.0	(7.1)	(8.0)
Right of Use Assets	15.1	2.8	12.3	(1.9)
Warranty	0.3	0.5	(0.2)	(0.2)
Tax effect of items constituting deferred tax assets				
Employee benefits	(37.0)	(36.3)	(0.7)	(3.7)
Lease Liability (Non-Current + Current)	(16.0)	(3.2)	(12.8)	2.3
Provision for doubtful debts	(5.3)	(5.4)	0.1	(3.0)
Provision for Impairment - Investment	(2.3)	(2.3)	—	—
Provision for Impairment – Intangible Assets	(3.5)	(3.5)	—	—
Provision for doubtful supplier advances	(0.2)	(0.2)	—	—
Cashflow hedge reserves	(12.0)	(0.6)	(11.4)	(0.6)
Deferred Income	(13.6)	—	(13.6)	—
Other items	(0.1)	(0.2)	0.1	0.4
Deferred tax expense/(Income)	—	—	(33.3)	(14.7)
Deferred tax liabilities (Net)	(30.7)	2.6	—	—

Reflected in the Balance Sheet as follows

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Deferred tax assets	(90.0)	(51.7)
Deferred tax liabilities	59.3	54.3
Deferred tax liabilities, net	(30.7)	2.6

Notes to the consolidated financial statements for year ended 31st March, 2026

Reconciliation of deferred tax liabilities (net):

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Opening balance as of 1st April 2025 / 2024	2.6	17.3
Tax income / (expense) during the period recognised in profit or loss	(21.5)	(13.3)
Tax income / (expense) during the period recognised in OCI	(11.8)	(1.4)
Closing balance as at 31st March 2026 / 2025	(30.7)	2.6

NOTE 15 CURRENT TAX LIABILITIES (Net)

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Provision for tax (net of advance tax Rs.607.2 million , 31st March, 2025 : Rs.635.0 million)	5.8	5.8
Total	5.8	5.8

NOTE 16 OTHER FINANCIAL LIABILITIES

Particulars	Rs. Million					
	As at 31st March, 2026			As at 31st March, 2025		
	Non-current	Current	Total	Non-current	Current	Total
Derivatives : Foreign currency forward contracts	–	51.9	51.9	–	2.5	2.5
Sub-Total (A)	–	51.9	51.9	–	2.5	2.5
At amortized cost : Interest accrued but not due	–	0.4	0.4	–	1.4	1.4
: Payables for capital purchases	–	5.6	5.6	–	6.2	6.2
: Trade deposit received	–	1.7	1.7	–	1.5	1.5
: Unpaid Dividend	–	1.4	1.4	–	0.4	0.4
Sub-Total (B)	–	9.1	9.1	–	9.5	9.5
TOTAL [(A) + (B)]	–	61.0	61.0	–	12.0	12.0

NOTE 17 LEASE LIABILITIES

Particulars	Rs. Million	
	As at 31st March, 2026	As at 31st March, 2025
Lease Liabilities – Current	16.7	4.1
Lease Liabilities – Non-Current	46.9	8.5
Total	63.6	12.6

Notes to the consolidated financial statements for year ended 31st March, 2026

NOTE 18 OTHER CURRENT AND NON-CURRENT LIABILITIES

Particulars	Rs. Million					
	As at 31st March, 2026			As at 31st March, 2025		
	Non-current	Current	Total	Non-current	Current	Total
Employee benefits payable	50.8	127.4	178.2	53.2	143.0	196.2
Advances received from customers	–	3.3	3.3	–	0.9	0.9
Statutory dues (Refer note a below)	–	16.8	16.8	–	53.9	53.9
Deferred Government Grant	47.3	6.5	53.8	–	–	–
Employee Recoveries	–	1.2	1.2	–	1.3	1.3
Others	–	0.1	0.1	–	0.1	0.1
Total	98.1	155.3	253.4	53.2	199.2	252.4

Note (a) : Statutory dues payables includes contribution to PF, ESIC, withholding taxes, GST liability and professional tax.

NOTE 19 REVENUE FROM OPERATIONS

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Revenue from contracts with customers	8,330.9	8,365.5
Other operating revenues:		
i) Tool development and testing charges	9.5	8.8
ii) Scrap sales	52.0	48.7
iii) Government incentive	48.2	2.4
iv) Government Grant (Export benefits and subsidy)	26.2	42.9
Total	8,466.8	8,468.3

19.1 Disaggregated revenue information

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

(a) Disaggregation by geography

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
India	7,218.0	6,543.3
Outside India	1,112.9	1,822.2
Total revenue from contracts with customers	8,330.9	8,365.5

- (b)** The Company is primarily engaged in manufacturing of automobile components such as propeller shafts, clutch sets and components thereof. The performance of the Company is evaluated as business as a whole. Accordingly, there is no reportable separate segment for the Company.

(c) Timing of revenue recognition

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Goods transferred at a point in time	8,330.9	8,365.5
Total revenue from contracts with customers	8,330.9	8,365.5

Notes to the consolidated financial statements for year ended 31st March, 2026

19.2 Contract Balances

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Trade Receivable (Contract assets – Refer note 9)	1,795.7	1,936.5
Advance from customer (Contract liability - Refer note 18) *	3.3	0.9

*Represents short term liability which shall be adjusted against subsequent invoices.

- (i) Trade receivables are non-interest bearing and average credit period is 30 - 150 days in respect of export customers and 30 - 90 days in respect of domestic customers generally from the date of receipt of goods.

19.3 Right of return assets and refund liabilities

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Right of return assets		
Refund liabilities	187.4	170.2
Arising from retrospective volume rebates	165.4	143.7
Arising from rights of return	22.0	26.5

19.4 Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Revenue as per contracted price	8,567.3	8,588.8
Adjustments : Sales return	(34.4)	(39.8)
Discount	(202.0)	(183.5)
Revenue from contract with customers	8,330.9	8,365.5

19.5 Performance obligation

Information about the Company's performance obligations are summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods to customers.

The Company provides normal warranty for general repairs for the period of two years on all the products sold, in line with industry practice.

NOTE 20 OTHER INCOME

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Net foreign exchange gains	32.0	37.3
Excess provisions written back	3.6	6.2
Profit/loss on sale of Property, Plant & Equipment	0.5	1.1
Miscellaneous Income	2.6	0.3
Total	38.7	44.9

Notes to the consolidated financial statements for year ended 31st March, 2026

NOTE 21 FINANCE INCOME

Rs. Million		
Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Capital gain from current investments	2.7	0.8
Interest income on bank deposits	3.7	1.3
Interest income on income tax refund	0.7	0.2
Other interest	1.5	1.4
Total	8.6	3.7

NOTE 22 (a) Cost of raw material and components consumed

Rs. Million		
Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Inventory at the beginning of the year	427.9	514.6
Add : Purchases	5,907.5	5,397.9
	6,335.4	5,912.5
Less : Inventory at the end of the year	515.2	427.9
Cost of raw material and components consumed	5,820.2	5,484.6

(b) (Increase) / decrease in Inventories of Finished Goods and Work-in-progress

Rs. Million		
Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Inventory at the end of the year :		
Work-in-progress	501.1	471.1
Finished goods	275.5	296.2
	776.6	767.3
Less : inventory at the beginning of the year :		
Work-in-progress	471.1	552.4
Finished goods	296.2	263.3
	767.3	815.7
(Increase) / Decrease in Inventory	(9.3)	48.4

NOTE 23 EMPLOYEE BENEFITS EXPENSE

Rs. Million		
Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
(a) Salaries, wages and bonus*	716.1	694.7
(b) Contribution to provident and other funds (Refer Note 30)	33.0	36.5
(c) Gratuity Expense (Refer Note 30)	9.7	6.6
(d) Staff Welfare Expenses	52.7	50.0
Total	811.5	787.8

* Including contract labour charges

Notes to the consolidated financial statements for year ended 31st March, 2026

NOTE 24 FINANCE COST

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
(a) Interest on debts and borrowings – On Short Term Borrowing	13.5	21.4
– On Long Term Borrowing	21.1	8.9
(b) Other Interest – Trade payables – MSME (Refer Note 12)	0.2	3.5
– Unwinding interest on lease liabilities	6.7	2.7
– Unwinding interest on provision for warranty expense	1.4	1.8
– Interest on delayed payment of income tax	0.1	0.3
– Others	0.8	0.5
Total	43.8	39.1

NOTE 25 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
– Depreciation of tangible assets	139.0	129.2
– Amortization of intangible assets	2.5	2.4
– Amortization on Right of use assets	18.8	17.8
Total	160.3	149.4

NOTE 26 OTHER EXPENSES

Particulars	Rs. Million	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Outside Processing Charges	231.3	291.8
Freight and handling charges	139.8	165.3
Packing materials consumed	149.7	154.2
Stores and spares consumed	131.6	125.0
Tools consumed	78.7	81.7
Power & fuel consumed	119.3	114.3
Repairs and maintenance - buildings	6.5	4.3
Repairs and maintenance - machinery	25.9	8.0
Repairs and maintenance - others	15.8	18.9
Rates and taxes	2.9	4.8
Lease rent [Refer note 3(c)]	5.5	7.5
Insurance charges	9.4	8.9
Provision for doubtful debts	3.7	15.4
Bad Debts written off	7.5	3.5
Provision for doubtful debts written back	(4.4)	(3.5)
Payment to Auditors (Refer details below)	4.6	4.8
Expenditure on corporate social responsibility (Refer Note 34)	16.5	16.0
Directors' sitting fees	0.8	0.8
Business promotion expenses	7.0	4.2
Commission on sales	1.1	1.8
Service Charges Paid	82.1	65.4
Travelling Expenses	32.6	28.5
Legal & Professional Charges	29.2	41.7
Warranty Claims	10.4	9.4
Miscellaneous expenses	30.6	30.2
Total	1,138.1	1,202.9

Notes to the consolidated financial statements for year ended 31st March, 2026
Note : Payment to Auditors

		Rs. Million
Payment to Auditors	For the year ended 31st March, 2026	For the year ended 31st March, 2025
As Auditor : Audit Fee	4.4	4.0
: Other services	—	0.6
: Auditors' out-of-pocket expenses	0.2	0.2
Total	4.6	4.8

NOTE 27 COMPONENTS OF COMPREHENSIVE INCOME

		Rs. Million
Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Remeasurement gains/(losses) of the defined benefit plans	(1.5)	(3.3)
Net gains/(loss) on cash flow hedges (effective portion)	(42.8)	(2.2)
Income Tax effect	11.7	1.4
Total	(32.6)	(4.1)

NOTE 28 COMMITMENTS
(i) Leases

Operating lease commitment - Company as lessee

The company has paid/payable **Rs.27.3 million** (31st March, 2025: Rs.28.3 million) during the year towards minimum lease payment.

The Company has entered into operating lease arrangements for its office premises, storage locations and residential premises.

Future minimum rental payable under non-cancellable operating leases as at 31st March, 2026 and 31st March, 2025 are, as follows:

		Rs. Million
Particulars	As at 31st March, 2026	As at 31st March, 2025
Within one year	22.0	5.2
After one year but not more than five years	53.2	7.8
More than 5 years	3.6	3.9
Total	78.8	16.9

(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for [(net of advance) – Refer Note 7(b)] **Rs.92.4 million** [31st March, 2025 : Rs.48.0 million (net)].

(iii) During the current year, the Company has entered into an 'Energy Supply Agreement' and 'Share Subscription and Shareholder's Agreement' with the third party on 12th March, 2026. The agreement shall continue in force and effective for a period of 25 years from the commencement date and have a minimum lock in period of 15 years from the commencement date. As per the Shareholding Agreement, Company as a 'Captive User 3' is required to hold 7.09% shareholding to remain captive user and investment of Rs.7.6 million in equity shares will be carried out.

NOTE 29 CONTINGENT LIABILITIES NOT PROVIDED FOR:

Claims against the Company not acknowledged as debts

(i) Income-tax

Demands in respect of earlier years against which the Company is in appeal and pending with Appellate authorities is **Rs.8.1 million** (31st March, 2025 : Rs.8.1 million).

(ii) Excise and Service Tax

Excise **Rs.17.1 million** (31st March, 2025 : Rs.17.1 million)

Service Tax **Rs.2.3 million** (31st March, 2025 : Rs.2.3 million).

Notes to the consolidated financial statements for year ended 31st March, 2026

(iii) Good and Service Tax

Good and Service Tax **Rs.18.2 million** (31st March, 2025 : Rs.18.2 million)

(iv) Provident Fund (PF)

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of SC order. The Company will update its provision, on receiving further clarity on the subject.

(v) Differential premium - Name change at MIDC

The Company had approached Maharashtra Industrial Development Corporation ("MIDC") for updating its name and records pursuant to the change in its name and subsequent changes in shareholding over time. However, pursuant to its order dated 10 June 2025, MIDC treated one of the share transfers as a non-formal transfer and raised a demand towards differential premium amounting to Rs.38.1 million, including interest and Goods and Service Tax on differential demand and interest.

The Company has consistently maintained that there has been no change in the ultimate beneficial ownership or control, and that the restructuring represents an internal family arrangement within the promoter group without any consideration. A detailed legal opinion obtained by the Company supports this position, including on the basis that such transactions should be evaluated considering their substance over form.

Based on the legal opinion and management's assessment, the Company has filed a writ petition before the Bombay High Court under Article 226 of the Constitution of India, seeking appropriate reliefs, including quashing of the aforesaid order and recognition of the transaction as a formal transfer. Accordingly, no provision is made in the financial statement.

NOTE 30 GRATUITY AND OTHER POST-EMPLOYMENT PLANS

		Rs. Million
Particulars	31st March, 2026	31st March, 2025
Gratuity (Asset)/Liability (Net) [Refer Defined benefit obligation a(i) to (xi) below]	9.2	9.9
Gratuity (Asset) / Liability (Net) [Refer note (b) below]	2.0	—
Total	11.2	9.9

(a) Defined benefit obligation:

- (i) The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the code on Social Security, 2020 or the Company scheme applicable to the employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

(ii) Regulatory framework:

The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the code on Social Security, 2020 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

(iii) Governance of Plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

- (iv) The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

		Rs. Million
Particulars	31st March, 2026	31st March, 2025
Current service cost	7.2	6.2
Interest cost on benefit obligation	0.5	0.5
Others	(0.1)	(0.1)
Net Benefit expenses	7.6	6.6

Notes to the consolidated financial statements for year ended 31st March, 2026

- (v) Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2026 & 2025

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2026 & 2025												Rs. Million	
Particulars	Gratuity cost charged to profit or loss						Re-measurement gains/(losses) in other comprehensive income					Contributions by employer	31st March, 2026/ 2025
	1st Apr 2025/ 2024	Service Cost (A)	Net interest expense (B)	Sub-total included in profit or loss (C=A+B)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actual Return on plan assets in excess of the expected return	Actuarial changes arising from changes in financial assumptions (D)	Experience adjustments (E)	sub-total included in OCI (F=D+E)			
Defined benefit obligation	115.8	7.2	6.5	13.7	(16.2)	—	—	(2.1)	4.9	2.8	—	—	116.1
	114.3	6.2	6.9	13.1	(16.9)	—	—	2.2	3.1	5.3	—	—	115.8
Fair value of plan assets	105.9	—	—	—	(16.2)	6.0	1.2	—	—	—	10.0	—	106.9
	105.3	—	—	—	(16.9)	6.5	2.0	—	—	—	9.0	—	105.9
Benefit liability	9.9	—	—	13.7	—	6.0	1.2	—	—	2.8	10.0	—	9.2
	9.0	—	—	13.1	—	6.5	2.0	—	—	5.3	9.0	—	9.9

Note : Previous year's figures are mentioned below the **current year's figures**

- (vi) The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	Rs. Million	
	31st March, 2026	31st March, 2025
Unquoted Investments – with LIC	106.9	105.9

- (vii) The principal assumptions used in determining gratuity and post-employment gratuity benefit obligations for the Company's plans are shown below:

Particulars		31st March, 2026	31st March, 2025
Discount rate (per annum)		7.2%	6.8%
Attrition Rate :	a. Between 21-30 years	5%	5%
	b. Between 31-40 years	2%	2%
	c. Between 41-50 years	3%	3%
	d. Between 51-59 years	10%	10%
Rate of escalation in salary (per annum)		7%	7%
Mortality Tables		Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table
Expected Employer's contribution next year		5 million	5 million

- (viii) Sensitivity Analysis

Gratuity is a lump-sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Particulars	Rs. Million							
	31st March, 2026		31st March, 2025		31st March, 2026		31st March, 2025	
	Discount Rate		Discount Rate		Future salary increase		Future salary increase	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	110.5	122.5	110.5	121.9	122.4	110.4	121.8	110.4

Notes to the consolidated financial statements for year ended 31st March, 2026

- (ix) The table below shows the expected cash flow to be paid to the current membership of the plan based on past service of the employees:

Particulars	Rs. Million	
	31st March, 2026	31st March, 2025
Within the next 12 months (next annual reporting period)	33.1	40.8
2 years and above but less than 5 years	33.7	27.6
5 years and above but less than 10 years	61.3	60.1
10 years and above	61.5	50.9
Total expected payments	189.6	179.4

The weighted average duration to the payment of these cash flows is 4.96 years.

- (x) Asset liability comparisons

Particulars	Rs. Million	
	31st March, 2026	31st March, 2025
PVO at the end of the year	116.1	115.8
Plan Assets	106.9	105.9
(Surplus)/Deficit	9.2	9.9
Experience adjustments on plan assets	—	—

- (b) The Government has notified the Code on Social Security, 2020 ("Social Security Code"); the Occupational Safety, Health and Working conditions code, 2020; The Industrial Relations Code, 2020 and The code on Wages, 2019 (collectively, the "Labour Codes") on 21 November 2025. The Ministry of Labor & Employment notified Central Rules on 8 May 2026 however State Rules are yet to be notified. The Company has evaluated the impact of increased employee benefits obligations arising from the implementation of the Labour Codes based on its best judgment in consultation with external experts. Accordingly, the Company has recognized the financial impact of Rs.2.0 million in accordance with Ind AS 19 - 'Employee Benefits' and disclosed it in the financial statement ended 31st March 2026.

Other long-term employee benefit plans

Compensated absences:

The obligation for leave encashment is recognized in the same manner as gratuity. The Company's liability on account of compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable. Amount of **Rs.13.9 million** (31st March, 2025: Rs.21.3 million) towards compensated absences has been recognised as an expense and included in "Employee benefits expense" in the Statement of profit and loss during the year

Defined Contribution Plan:

The Company's contribution to Provident Fund and Superannuation fund aggregating **Rs.33.1 million** (31st March, 2025: Rs.36.5 million) has been recognised in Profit or Loss under the head "Employee benefits expense".

Notes to the consolidated financial statements for year ended 31st March, 2026

NOTE 31 RELATED PARTY TRANSACTIONS

(i) Details of related parties and description of relationship

Sr. No.	Description of relationship	Name of the Party
1.	Individual/Entity having significant influence over the company	SKM Family Trust (Through Gaurav G. Motwane, Trustee)
2.	Enterprise over which KMP have significant influence	Atera Resources Private Limited Motwane Consultancy Private Limited Khattar Holdings Private Limited MSL North America Inc.
3.	Related Party where control exists – subsidiaries	MSL Electric Vehicle Technologies Private Limited
4.	Key Managerial Personnel	Mr. Gaurav G. Motwane Mr. Sat pal Khattar Mr. Nikhilesh Panchal Mr. Rajesh Nagpal (Upto 4th November, 2025) Mr. Manish Choksi Mr. Kaval Mirchandani Mrs. Superna Motwane Mr. Bhushan S. Patwardhan (Upto 28th January, 2026) Mr. Nitin Bhopale (w.e.f. 29th January, 2026)

Details of Related Party transactions during the year ended 31st March, 2026 and outstanding balances as at 31st March, 2026.

Rs. Million

Sr. No.	Particulars	Individual having significant influence		Enterprises over which KMP have significant influence		Key Managerial Personnel	
		2026	2025	2026	2025	2026	2025
1.	Charges for utilising office facilities	—	—	17.0	17.0	—	—
2.	Managerial remuneration (including commission)	—	—	—	—	119.4	128.5
3.	Directors' sitting fees	—	—	—	—	0.8	0.8
4.	Reimbursement of business promotion expenses	—	—	—	—	0.4	0.8
5.	Buy Back of shares	—	—	—	338.8	—	18.1
6.	Final Dividend paid for FY 2024-25	—	—	215.0	—	0.7	—
7.	Interim dividend paid for FY 2025-26	—	—	62.2	—	45.7	—
8.	Sale of finished goods	—	—	622.8	1,302.5	—	—
9.	Export freight reimbursement	—	—	0.2	14.1	—	—
10.	Reimbursement of expenses from related party	—	—	2.2	—	—	—
11.	Balance payable as on 31st March	—	—	—	—	22.7	41.3
12.	Balance receivable as on 31st March	—	—	468.1	347.5	—	—

*Net of impairment Rs.7.5 million as on 31st March,2026 (31st March,2025 -Rs.7.5 million)

Notes to the consolidated financial statements for year ended 31st March, 2026

The significant related party transactions are as under

Sr. No.	Particulars	Name of Related Party	Rs. Million	
			2025-26	2024-25
1.	Charges for utilizing office facilities	Motwane Consultancy Private Limited	17.0	17.0
2.	Managerial Remuneration	Mr. Gaurav G. Motwane	108.5	117.7
		Mr. Bhushan S. Patwardhan	9.9	10.8
		Mr. Nitin Bhopale	1.0	–
3.	Director sitting fees	Mr. Sat pal Khattar	0.1	0.1
		Mr. Nikhilesh Panchal	0.1	0.1
		Mr. Rajesh Nagpal	–	0.1
		Mr. Manish Choksi	0.3	0.2
		Ms. Superna Motwane	0.1	0.1
		Mr. Kaval Mirchandani	0.2	0.2
4.	Reimbursement of Business promotion expenses	Mr. Gaurav G. Motwane	0.4	0.8
5.	Buy Back of shares	Atera Resources Private Limited	–	284.3
		Khattar Holdings Private Limited	–	54.5
		Mr. Sat pal Khattar	–	16.9
		Mr. Gaurav G. Motwane	–	1.2
6.	Final Dividend paid for FY 2024-25	Atera Resources Private Limited	81.2	–
		Khattar Holdings Private Limited	32.9	–
		Mr. Sat pal Khattar	10.2	–
		SKM Family Trust (Through Gaurav G. Motwane, Trustee)	90.7	–
		Mr. Gaurav G. Motwane	0.7	–
7.	Interim Dividend paid for FY 2025-26	Atera Resources Private Limited	40.6	–
		Khattar Holdings Private Limited	16.5	–
		Mr. Sat pal Khattar	5.1	–
		SKM Family Trust (Through Gaurav G. Motwane, Trustee)	–	–
		Mr. Gaurav G. Motwane	45.7	–
8.	Sale of finished goods	MSL North America Inc	622.8	1,302.5
9.	Export freight reimbursement from related party	MSL North America Inc	0.2	14.1
10.	Reimbursement of expenses from related party	MSL North America Inc	2.2	–
11.	Balance payable as on 31st March 2026/2025	Mr. Gaurav G. Motwane	22.7	41.2
		Mr. Bhushan S. Patwardhan	–	0.1
		Mr. Nitin Bhopale	–	–
12.	Balance receivable as on 31st March 2026/2025	MSL North America Inc	463.9	343.3
13.	Balance receivable (security deposit) as on 31st March 2026/2025	Motwane Consultancy Private Limited	4.2	4.2

Notes to the consolidated financial statements for year ended 31st March, 2026
Related Party Transactions:

- a) In respect of the outstanding balance recoverable as at 31st March, 2026, no provision for doubtful debts is required to be made in the financial statement as at 31st March, 2026. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- b) During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
- c) **Terms and conditions of transactions with related parties**
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(ii) Compensation of Key Managerial Personnel

Rs. Million		
Particulars	31st March, 2026	31st March, 2025
Short-term employee benefits	109.7	119.9
Post-employment benefits [Refer note (b) below]	9.7	8.6
Total compensation paid to key management personnel	119.4	128.5

Note : (a) The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

- (b) The post employment benefits includes Provident Fund, Superannuation and policy expense. Employee benefits in the nature of gratuity and leave encashment are created on actuarial basis for the Company as a whole and not for the individual employee including Key Managerial Personnel.

NOTE 32 COMPUTATIONS OF EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

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

Rs. Million		
Particulars	2025-26	2024-25
a) Net Profit after tax available for Equity Shareholders (Rs. Million)	406.6	603.2
b) Weighted average number of Equity Shares	69,63,796	72,04,994
c) Basic and Diluted Earnings per share (Rs.)	58.39	83.72
d) Face Value per share (Rs.)	10.0	10.0

The weighted average number of shares takes into account the weighted average effect of shares being bought back during the financial year. There have been no other transactions involving Equity shares or potential Equity shares during the financial year.

NOTE 33 RESEARCH & DEVELOPMENT COST

The Company's research and development concentrates on the development of Universal Joints and clutch sets. Research and Development expenditure incurred in recognized Research and Development unit for the year is as below:

Rs. Million		
Particulars	31st March, 2026	31st March, 2025
Research & development cost, as certified by the management		
a) Revenue expenses debited to appropriate heads of account	16.2	15.4
b) Capital Expenditure	7.8	6.7

Notes to the consolidated financial statements for year ended 31st March, 2026

NOTE 34 CORPORATE SOCIAL RESPONSIBILITY

		Rs. Million	
Sr.No	Particulars	31st March, 2026	31st March, 2025
(i)	Amount required to be spent by the Company during the year as per Section 135 read with Section 198 of the Companies Act, 2013	16.5	16.0
(ii)	Amount of expenditure incurred*	16.5	16.0
(iii)	Shortfall at the end of the year	—	—
(iv)	Total of previous years shortfall	—	—

* During the financial year 31st March 2026, the Company has contributed **Rs.16.5 million** (31st March, 2025 : Rs.16.0 million towards programs encompassing the areas i.e. education, health, woman empowerment, environment and upliftment of poor.

NOTE 35 DERIVATIVES INSTRUMENT

The Company enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss. The foreign exchange forward contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to twenty-four months (Refer Note 38).

NOTE 36 FAIR VALUES

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

are required)

				Rs. Million
Particulars	Carrying value		Fair Value	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Financial assets carried at amortised Cost				
– Cash and cash equivalent	135.5	225.6	135.5	225.6
– Trade receivables	1,795.7	1,936.5	1,795.7	1,936.5
– Other Financial Assets	50.6	37.5	50.6	37.5
Total	1,981.8	2,199.6	1,981.8	2,199.6
Financial liabilities held at amortised cost				
– Borrowings	512.0	537.9	512.0	537.9
– Trade and other payables	1,042.0	904.8	1,042.0	904.8
– Forward contracts	51.9	2.5	51.9	2.5
– Other financial liabilities	9.1	9.5	9.1	9.5
Total	1,615.0	1,454.7	1,615.0	1,454.7

The fair value of financial assets and financial liabilities represents the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the reporting date. The Company has assessed that the interest rates applicable to its financial instruments are in line with prevailing market rates at the reporting date. Accordingly, the carrying amounts of financial assets and financial liabilities approximate their fair values.

NOTE 37 FAIR VALUE HIERACHY

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

Notes to the consolidated financial statements for year ended 31st March, 2026

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

Particulars	Rs. Million					
	31st March, 2026			31st March, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets carried at amortised Cost						
– Cash and cash equivalents	–	–	135.5	–	–	225.6
– Trade receivables	–	–	1,795.7	–	–	1,936.5
– Other Financial Assets	–	–	50.6	–	–	37.5
Total	–	–	1,981.8	–	–	2,199.6
Financial liabilities held at amortised cost						
– Borrowings	–	–	512.0	–	–	537.9
– Trade and other payables	–	–	1,042.0	–	–	904.8
– Forward contracts	–	51.9	–	–	2.5	–
– Other financial liabilities	–	–	9.1	–	–	9.5
Total	–	51.9	1,563.1	–	2.5	1,452.2

There have been no transfers between Level 1 and Level 2 during the period.

NOTE 38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior management monitors financial risks and they design appropriate financial risk governance framework for the Company. All derivative activities and packing credit finances for risk management purposes are carried out by senior management who have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Company management reviews and agrees policies for managing each of these risks, which are summarised below.

[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) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and financial analysis including credit rating issued by credit rating agencies for major customers. At 31st March, 2026, the Company had **3 customers** (31st March, 2025 : 3 customers) that owed the Company more than Rs.100 millions each and accounted for approximately **66.9%** of all the receivables outstanding (31st March, 2025 : 64.8%)

An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with approved mutual fund or banks and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company on an annual basis, and may be updated throughout the year subject to approval of the Company's senior management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Notes to the consolidated financial statements for year ended 31st March, 2026

[B] LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company also discounts its bills receivable to non-banking financial institution.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Rs. Million												
Particulars	Less than 1 Year		1-3 Years		3-5 Years		5 Years & above		Total		Carrying amount	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Non-interest bearing												
– Trade Payable	1,042.0	904.8	–	–	–	–	–	–	1,042.0	904.8	1,042.0	904.8
– Other financial liabilities	61.0	12.0	–	–	–	–	–	–	61.0	12.0	61.0	12.0
– Lease liabilities	22.0	5.2	35.9	7.3	17.3	0.5	3.6	3.9	78.8	16.9	78.8	16.9
Interest bearing												
– Long term Borrowing (Including current maturities) *	121.8	33.2	301.5	196.2	–	42.0	–	–	423.3	271.4	423.3	271.4
– Short term Borrowings *	137.4	326.5	–	–	–	–	–	–	137.4	326.5	137.4	326.5

* The Company has long term loan and loans repayable on demand (comprising of working capital loan, pre-shipment credit, cash credit and bill discounting) facility available with it for use to the extent of undrawn balances amounting to **Rs.Nil** (31st March 2025: Rs.185.3 million) and **Rs.1,013.0 million** (31st March 2025: Rs.826.8 million) respectively.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial assets. The amounts disclosed in the table have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

											Rs. Million	
Particulars	Less than 1 Year		1-3 Years		3-5 Years		5 Years & above		Total		Carrying amount	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Non-interest bearing												
– Cash & cash equivalent	135.5	225.6	–	–	–	–	–	–	135.5	225.6	135.5	225.6
– Trade receivables	1,795.7	1,936.5	–	–	–	–	–	–	1,795.7	1,936.5	1,795.7	1,936.5
– Other Financial Assets	1.5	1.1	–	–	–	–	24.1	22.8	25.6	23.9	25.6	23.9
Interest bearing												
– Bank deposits with more than 12 months maturity *	–	–	–	–	25.0	13.5	–	–	25.0	13.5	25.0	13.5

* **Rs.25.0 million** (31st March 2025: Rs.13.5 million) are maintained as a debt service reserve account as per the facility agreement entered by the Company with its term loan lender (ICICI Bank).

Notes to the consolidated financial statements for year ended 31st March, 2026
[C] MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging trade receivables and borrowings.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. The Company hedges its exposure to fluctuations by using foreign currency swaps and forwards.

- (a) The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

liabilities at the end of the reporting period are as follows:

Rs. Million							
Particulars	Currency Exposure	31st March, 2026			31st March, 2025		
		Total Exposure	Hedged by Forward Contracts	Net Foreign Currency Exposure	Total Exposure	Hedged by Forward Contracts	Net Foreign Currency Exposure
Financial Assets							
Trade Receivables	USD	320.9	93.5	227.4	429.9	—	429.9
	GBP	2.3	—	2.3	5.9	—	5.9
	EURO	2.6	—	2.6	4.9	—	4.9
Financial Liabilities							
Trade Payables	USD	261.0	—	261.0	185.8	—	185.8
	EURO	4.0	—	4.0	0.3	—	0.3
Foreign Currency in Million							
Financial Assets							
Trade Receivables	USD	3.4	1.1	2.3	5.0	—	5.0
	GBP	*	—	*	*	—	*
	EURO	#	—	#	#	—	#
Financial Liabilities							
Trade Payables	USD	2.8	—	2.8	2.2	—	2.2
	EURO	**	—	**	**	—	**
* Represents	GBP	18,604			52,951		
# Represents	EURO	23,815			53,036		
** Represents	EURO	36,660			3,788		

Notes to the consolidated financial statements for year ended 31st March, 2026

- (b) The Company has forward contracts equivalent to **Rs.234.8 million** (31st March 2025: Rs.273.0 million), **USD equivalent 2.7 million** (31st March 2025: Rs.3.2 million) outstanding as at 31st March 2026, which are due to mature within the next one year. As per Ind AS 109, in line with the foreign exchange risk management policy of the Company, the Company has designated these contracts as hedging instruments against:
- Highly probable forecasted sales in foreign currency i.e. towards future sales where corresponding exposure is yet to be recorded in the books (for a initial part of the tenure of contract), and
 - Pool of trade receivables in foreign currency (for balance part of the tenure of contract).

Further, the Company settles these forward contracts with banks by utilising it against the realisations for trade receivables in foreign currency. As at year end, out of the total forward contracts outstanding,

- contracts amounting to **Rs.141.3 million** (31st March 2025: Rs.273.0 million), **USD equivalent 1.6 million** (31st March 2025: Rs.3.2 million) have been designated as hedging instruments against highly probable forecasted exports in foreign currency.

Hedges of highly probable forecasted transaction

The Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cashflow hedges is immediately recorded in the statement of profit and loss. In respect of the aforesaid hedges of highly probable forecasted transactions, the Company has recorded a net loss of Rs.31.4 million (net of tax) for the - year ended 31st March, 2026 and recognised in other comprehensive income. Changes in the fair value of forward contracts and option contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the statement of profit and loss. The changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items, are recognised in the statement of profit and loss.

- (c) That Company has forward contracts equivalent to **Rs.Nil** (31st March 2025: Rs.176.9 million), **USD equivalent Nil** (31st March 2025: 2.1 million) outstanding as at 31st March 2026, which are due to mature within the next one year. As per Ind AS 109, the Company has designated:
- contracts amounting to **Rs.Nil** (31st March 2025: Rs.Nil), **USD equivalent Nil** (31st March 2025: Nil) as hedging instruments against the outstanding pool of trade payables in foreign currency.
 - contracts amounting to **Rs.Nil** (31st March 2025: Rs.176.9 million), **USD equivalent Nil** (31st March 2025: 2.1 million) as hedging instruments against highly probable forecasted imports in foreign currency.
- (d) The Company has designated its foreign currency denominated borrowings amounting to **Rs.375.0 million** (31st March 2025 : Rs.Nil) as a natural hedge against its future probable forecasted sale and its foreign currency denominated trade receivables. Accordingly:

The repayment of loan principal amount and interest amount is expected to be sourced from collection of such foreign currency receivable. The results in an economic offset of exchange rate movements, thereby reducing the Company's exposure to foreign currency fluctuations.

Risk Management Strategy

The Company continuously monitors its foreign currency exposures and aligns currency inflows and outflows wherever possible. Natural hedging is preferred over derivatives instruments. The effectiveness of such natural hedges is evaluated on a periodic basis.

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

USD Million		
Year	Change in USD Rate	Effect on profit before tax and equity
31st March, 2026	5%	-2.4
	-5%	2.4
31st March, 2025	5%	12.0

-5%

-12.0

Notes to the consolidated financial statements for year ended 31st March, 2026**Interest Rate Risk**

The Company is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest Rate Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedging. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Rs. Million		
Year	Increase/decrease in basis points	Effect on profit before tax
31st March, 2026	+100	5.70
	-100	-5.70
31st March, 2025	+100	3.90
	-100	-3.90

Commodity price risk or other Price risk

The Company does not have significant risk in raw material price variations. In case of any variation in price same is passed on to customers through appropriate adjustment to selling prices.

NOTE 39 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. 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 between 0% and 30%. The company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

Rs. Million		
Particulars	31st March, 2026	31st March, 2025
Borrowings	512.0	537.9
Less : Cash and cash equivalent including other bank balances	(135.5)	(225.6)
Net Debt	376.5	312.3
Equity	2,579.3	2,550.0
Total Capital	2,579.3	2,550.0
Total Capital and debt	2,955.8	2,862.3
Gearing ratio	12.7%	10.9%

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 loans and 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 loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2026 and 31st March, 2025.

Notes to the consolidated financial statements for year ended 31st March, 2026

NOTE 40 SEGMENT INFORMATION

The Company is primarily engaged in manufacturing of automobile components such as propeller shafts, clutch sets and components thereof. Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e. Chairman, Managing Director and CEO for the purpose of resource allocation and assessing performance focuses on the business as a whole. Accordingly, there is no other separate reportable segment as defined by Ind AS 108. "Segment Reporting".

Information about Geographical area

The revenue of the Company from the external customers are attributed to the Company's country of domicile i.e. India and attributed to all foreign countries in total from which the Company derives revenue.

The Company's revenue from external customers by location of operations and information about its non-current assets by location of assets is detailed below.

Rs. Million					
Particulars	Financial Year	Domestic	U.S.A.	Other countries	Total
Revenue from operations	2025-26	7,353.9	816.4	296.5	8,466.8
	2024-25	6,646.1	1,357.1	465.1	8,468.3
Non-current operating assets	2025-26	1,096.9	–	–	1,096.9
	2024-25	938.4	–	–	938.4

Information about major customers having revenue amounting to 10% or more of the company's revenue.

Particulars	Domestic		Exports		Total	
	No of Customers	Rs. Million	No of Customers	Rs. Million	No of Customers	Rs. Million
2025-26	2	3,834.5	3	875.4	5	4,709.9
2024-25	2	3,235.6	1	1,302.5	3	4,538.1

No other customer individually contributed 10% or more to the Company's revenue for the current year ended 31st March, 2026 and previous ended 31st March, 2025.

NOTE 41 STANDARDS ISSUED BUT NOT EFFECTIVE

Treatment to Lender Waiver – Amendments to Ind AS 1 – This amendment also includes specific provision that will take effect for reporting periods beginning on or after 1st April 2026, retrospectively. These provision relate to the treatment of lender waivers granted after the reporting date but before the financial statements are approved for issue. Under the amended requirements, such waivers will no longer be permitted to be considered for the purpose of classification of loans. The Company does not expect this amendment to have an impact on its financial statements.

NOTE 42 NOTE ON RECORDING AUDIT TRAIL

The Holding 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 at application level, however, audit trail feature is not enabled for direct changes to underlying database when using certain access rights. The subsidiary 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, audit trail feature has not been tampered with in respect of the accounting software's where the audit trail has been enabled.

Additionally, the audit trail of prior years have been preserved by the Holding Company and the above referred subsidiary as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

NOTE 43 RATIOS

Rs. Million

Particulars		2026		2025	Variance (%)	Remarks
Current ratio	<i>in times</i>					
	Current Asset	3,526.3	2.1	3,476.0	2.2	(2.2)
	Current Liabilities	1,660.2		1,600.7		
Debt equity ratio	<i>in times</i>					
	Borrowings	512.0	0.2	537.9	0.2	(5.9)
	Equity	2,579.3		2,550.0		
Debt Service Coverage Ratio	<i>in times</i>					
	Earnings for Debt Service	609.9	7.3	799.8	6.5	12.7
	Debt Service	83.6		123.5		
ROE	<i>in %</i>					
	PAT	406.6	15.9	603.2	24.7	(35.9)
	Avg. Net Worth	2,564.7		2,438.0		

The ratio is adverse due to the decline in profit margin compared to the previous year, primarily due to an adverse shift in the sales mix, wherein in the current year sales of low margin product was higher as compared to sales of high margin products vis-à-vis the previous year.

Contd.

Notes to the consolidated financial statements for year ended 31st March, 2026

Rs. Million

Particulars			2026		2025	Variance (%)	Remarks
Inventory turnover	in times	Cost of goods sold	5,810.9	4.5	5,533.0	4.2	6.7
		Avg. Inventory	1,297.9		1,319.0		
Trade Receivables turnover	in times	Gross Revenue from sale of products and services	8,330.9	4.5	8,365.5	4.3	3.6
		Avg. Receivables	1,866.1		1,940.5		
Trade payables turnover	in times	Net Purchases	5,907.5	6.1	5,382.5	5.9	2.3
		Avg. Payables	973.4		907.6		
Net capital turnover	in times	Gross Revenue from sale of products and services	8,330.9	4.5	8,365.5	4.5	0.1
		Working Capital (Current Assets - Current Liabilities)	1,866.1		1,875.3		
Net Profit	in %	Profit for the year	406.6	4.9	603.2	7.2	(32.3)
		Gross Revenue from sale of products & services	8,330.9		8,365.5		
Return on Capital employed	in %	PBIT	593.3	19.5	843.8	27.3	(28.7)
		Capital Employed (Tangible net worth + Total debt + Deferred Tax Liabilities)	3,044.3		3,089.0		
Return on investment	in %	Income from Investments *	87.0	4.6	50.5	5.0	(8.0)
		Time weighted average Investments	1,903.0		1,016.5		

* Income from investment annualized for the year ended 31st March, 2026 and 31st March, 2025.

Notes to the consolidated financial statements for year ended 31st March, 2026

NOTE 44 INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENT PURSUANT TO SCHEDULE III (DIVISION II) OF THE COMPANIES ACT, 2013

Name of entity	31st March, 2026				31st March, 2025			
	Share in Net assets Operation		Share in Profit/Loss		Share in Net assets Operation		Share in Profit/Loss	
	As % of consolidated net assets	Rs. million	As % of consolidated Profit or Loss	Rs. million	As % of consolidated net assets	Rs. million	As % of consolidated Profit or Loss	Rs. million
MSL Driveline Systems Limited	100.0%	2,577.5	99.9%	373.6	99.9%	2,548.6	99.9%	598.5
MSL Electric Vehicle Technologies Private Limited, (W.E.F. 14th September 2021)	0.7%	19.3	0.1%	0.4	0.7%	18.9	0.1%	0.6
Adjustment on Consolidation	-0.7%	(17.5)	0.0%	—	-0.7%	(17.5)	0.0%	—
Consolidated Net assets/Profit after tax before other comprehensive income	100.0%	2,579.3	100.0%	374.0	100.0%	2,550.0	100.0%	599.1

NOTE 45 Other Statutory Information

- i. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii. The Group does not have any transactions with companies struck off.
- iii. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v. 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) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi. 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) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- vii. The Group does not have 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)

*Notes to the consolidated financial statements for year ended 31st March, 2026***NOTE 46 IMPACT OF RECIPROCAL TARIFF ON EXPORTS TO UNITED STATES OF AMERICA**

The products sold by the Company in the United States of America (USA) are subject to additional tariffs imposed in the USA. The Company continues to assess the ongoing situation and shall take necessary adjustments in the financial statement if required.

NOTE 47 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on 21st May, 2026.

NOTE 48 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

For S R B C & CO. LLP

Chartered Accountants

ICAI Firm Regn. No.324982E / E300003

Per Murtuza Bookwala

Partner

Membership No.117633

Mumbai, May 21, 2026

For and on behalf of the Board of Directors

MSL Driveline Systems Limited

Gaurav Motwane

Chairman, Managing Director & CEO

(DIN 00746165)

Kaval Mirchandani

Independent Director

(DIN 01179978)

Pradeep Mestry

Chief Financial Officer

Mahendra Salunke

Company Secretary

Mumbai, May 21, 2026



MSL DRIVELINE SYSTEMS LIMITED
(U30007MH1994PLC081637)

Registered & Corporate Office

Unit No. 1506, 15th Floor, ONE BKC, 'B' Wing, Bandra-Kurla Complex,
Bandra (East), Mumbai-400051

 022-67411604

 secretary@msl driveline.com

 www.msl driveline.com