



Smiths & Founders (India) Limited

SFIL/COSEC/BSE/Q2/BM3/2026-27
Wednesday, 01st July, 2026

The Department of Corporate Relations
BSE Limited
25th Floor, P.J.Towers
Dalal Street,
Mumbai 400 001

Dear Sir,

Sub: Notice to the 35th Annual General Meeting ("AGM") and Annual Report for the financial year 2025-26

Ref: Scrip Code No. 513418

The 35th Annual General Meeting (AGM) of Smiths & Founders (India) Limited will be held on Friday 24th July, 2026 through Video conference (VC) or other Audio Visual Means (OAVM) at 10.00 A.M., in accordance, with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), please find enclosed the Notice of the 35th AGM along with the Annual Report of the company for the financial year 2025-26, which is being sent by email to those Members whose email addresses are registered with the Company/Integrated Registry Management Services Private Limited / Depository Participant(s).

The Annual Report containing the Notice is also uploaded on the Company's website under the following link:
https://smithsandfoundersindia.com/files/financial/annual_reports/2025-26/Annual_Report_2025-26.pdf

Kindly take the same on your records.

Thank you,
Yours truly,
For Smiths & Founders (India) Limited

Roopashree B Shettigar
Company Secretary & Compliance Officer

35th

ANNUAL REPORT FY 2025 - 2026



SMITHS & FOUNDERS (INDIA) LIMITED

CIN: L85110KA1990PLC011303

**BOARD OF DIRECTORS**

Suresh Shastry	Chairman & Managing Director
Ramesh Rao	Independent Director
Shailaja Suresh	Non-Executive & Non-Independent Director
N Sreeramaiah	Independent Director
Arkalgud Suryanarayana Sundar	Independent Director (w.e.f 31 July 2025)

CHIEF FINANCIAL OFFICER

Supriya Shastry

**COMPANY SECRETARY
& COMPLIANCE OFFICER**

Roopashree B Shettigar

SECRETARIAL AUDITORS

K N Nagesha Rao
Practising Company Secretary
"Sumukha"22, 5th Cross, I Stage, Grihalaxmi
Colony, Basaveshwaranagar, Bangalore 560079

AUDITORS

M/s. SNR & Co
Chartered Accountants
5A, Second Floor, 6th Main,
KHB Colony, Basaveshwaranagar,
Bengaluru - 560079

**REGISTRAR &
TRANSFER AGENTS**

Integrated Registry Management
Services Private Limited
30, Ramana Residency, 4th Cross, Sampige Road
Malleswaram, Bangalore – 560003

SMITHS & FOUNDERS (INDIA) LIMITED**REGISTERED OFFICE**

No.505, 5th Floor, Brigade Rubix,
No.20, H M T Main Road, Bangalore – 560013

WORKS

Plot No N12 and N13, Industrial Estate,
Sagar Road, Shimoga, Karnataka, 577204

E-MAIL

cosec@smithsandfoundersindia.com

WEBSITE

www.smithsandfoundersindia.com



Contents

Notice	4-18
Directors' Report	19-26
Annexure- B- Nomination and Remuneration Policy	27-31
Annexure – C- Form No. AOC-2	32-33
Secretarial Audit Report and Annexure	34-38
Annexure-E- Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo	39
Annexure-F- Details Of Remuneration	40-42
Management Discussion and Analysis	43-45
Annexure to the Director's Report	46-53
CEO Certification	54
Certificate of Non-Disqualification of Directors	55-56
Compliance Certificate on Corporate Governance	57
Independent Auditors' Report and Annexure	58-71
Balance Sheet	72
Statement of Profit & Loss	73
Cash Flow Statement	74
Notes to the Financial Statements	75-106



Notice

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Members of **Smiths & Founders (India) Limited** will be held on **Friday, July, 24, 2026 at IST 10.00 a.m.** through Video Conferencing / Other Audio Visual Means ("VC") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2026 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Shailaja Suresh (DIN: 01326440), who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. APPROVAL FOR ALTERATION OF MEMORANDUM OF ASSOCIATION (MOA) OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), the applicable provisions of the Securities and Exchange Board of India Regulations and subject to such approvals, permissions and sanctions as may be required from statutory, regulatory or governmental authorities, the consent of the Members of the Company be and is hereby accorded to for alteration of Clause 3(B) (Matters which are necessary for furtherance of the objects specified in Clause 3(A)) of the Memorandum of Association of the Company by inserting the following new sub-clause after the existing Clause 3(B)(42), with the subsequent clauses being renumbered accordingly:

Clause 3(B)(43): To enter into, undertake, implement, give effect to and participate in any arrangement, compromise, reconstruction, merger, demerger, amalgamation, absorption, acquisition, takeover, consolidation or any other form of corporate restructuring with any company, body corporate or other entity, whether in India or abroad, in accordance with the applicable laws and regulations.

RESOLVED FURTHER THAT the Managing Director, be and is hereby authorized to do all such acts, deeds, matters and things and to execute all such documents, applications, forms and writings as may be necessary, desirable or expedient to give effect to this Resolution, including filing of necessary forms and documents with the Registrar of Companies, stock exchanges and other authorities."

4. CONTINUATION OF MR. SURESH SHASTRY AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY ON ATTAINING THE AGE OF SEVENTY YEARS.

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



“RESOLVED THAT pursuant to Section 196,196(3) 197, 198 and 203 and other applicable provisions read with Schedule V of Companies Act 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force including SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and as approved by the Board of Directors of the Company at its meeting held on February 06, 2023, the approval of members of the Company be and is hereby accorded, for the continuation of tenure of Mr. Suresh Shastry (DIN: 01099554) as Chairman & Managing Director of the Company, who has attained the age of 70 years.

RESOLVED FURTHER THAT that the Board of Directors (hereinafter referred to as the “Board” which expression shall also include any Committee duly constituted by the Board) of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for the purpose of giving effect to the aforesaid resolution.”

By the Order of the Board

**Sd/-
Roopashree B Shettigar
Company Secretary & Compliance
Officer**

Registered Office:

No.505, 5th Floor, Brigade Rubix,
No.20, HMT Main Road, Bangalore 560 013
CIN:L85110KA1990PLC011303
E-mail Id: cosec@smithsandfoundersindia.com
Website: www.smithsandfoundersindia.com

Place: Bangalore
Date: 29 June 2026

**NOTES:**

1. The Ministry of Corporate Affairs (“MCA”) vide its General Circular No. 09/2023 dated September 25, 2023 (“the MCA Circular”) permitted convening the Annual General Meeting (“AGM”) through Video Conferencing (VC). Accordingly, in compliance with the provisions of the Companies Act, 2013 (the “Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”) MCA Circular, the 35th AGM of the Company is being held through Video Conferencing (VC) on **Friday, July, 24, 2026 at IST 10.00 a.m. (IST)**.
The Deemed Venue for the 35th AGM shall be the Registered Office of the Company.
2. The explanatory statement pursuant to section 102 of the Act, setting out the material facts concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The relevant details pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) in respect of Directors seeking re-appointments at this meeting are also annexed.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), in respect of Director(s) seeking appointment/re-appointment at this AGM is annexed.
4. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Since the AGM is being held pursuant to the MCA Circulars through VC, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC and participate thereat and cast their votes through e-voting.**
5. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Members desirous of seeking information in respect of Accounts of the Company are requested to send their queries to accounts@smithsandfoundersindia.com on or before July 16, 2026.
8. During the 35th AGM, Members may access the scanned copy of the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and the register of contracts and arrangements in which the Directors are



- interested, maintained under section 109 of the Act, upon logging in to CDSL e-voting system.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM through e-voting.
 10. Register of Members and Share Transfer Books of the Company will remain closed from July 18, 2026, to July 24, 2026 (both days inclusive) for the purpose of 35th AGM.
 11. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting to the Company's email id cosec@smithsandfoundersindia.com
 12. As per the provisions of Section 72 of the Companies Act, 2013 (the "Act") the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.smithsandfoundersindia.com (under 'Investors' section). Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Company's Registrar and Transfer Agent – Integrated Registry Management Services Private Limited, in case the shares are held by them in physical form.
 13. Members are requested to a) intimate to the Company's Registrar and Transfer Agents, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form; b) intimate to the respective Depository Participant, changes, if any, in their registered address at an early date, in case of Shares held in dematerialised form; c) quote their folio number/Client ID/DP ID in all correspondence and d) consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
 14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent – Integrated Registry Management Services Private Limited for assistance in this regard.
 15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participant ("DP") with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent – Integrated Registry Management Services Private Limited.
 16. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the



shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, Integrated Registry Management Services Private Limited for shares held in physical form, with relevant documents that may be required.

17. In Compliance with the SEBI circulars and MCA Circulars, Notice of the AGM along with the Annual Report 2025-26 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2025-26 will also be available on the Company's website www.smithsandfoundersindia.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of CDSL www.evoting.cdsl.com. For any communication, the shareholders may also send requests to the Company's dedicated investor email-id: cosec@smithsandfoundersindia.com.

18. Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The instructions for shareholders voting electronically and joining virtual Meetings are as under:

- Step 1** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- i. The voting period begins on July 21, 2026 (9.00 a.m.) and ends on July 23, 2026 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 17, 2026 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated **09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.



In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

- iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

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



	<p>www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. For OTP based login you can click on https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP.



	Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

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

v.Login method for e-Voting and joining virtual meetings for Members holding shares in physical mode and shareholders other than individual holding in Demat form – is as below:

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on “Shareholders” module.
3. Now enter your User ID



For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4. Next enter the Image Verification as displayed and Click on Login.

5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than Individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the relevant EVSN of "**Smiths and Founders India Limited**" on which you choose to vote.
- x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



- xii. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- xvii. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cosec@smithsandfoundersindia.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.



4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (cosec@smithsandfoundersindia.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (cosec@smithsandfoundersindia.com). These queries will be replied by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

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



SHAREHOLDER INSTRUCTIONS FOR E-VOTING

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.



ANNEXUE TO THE NOTICE OF THIRTY FOURTH ANNUAL GENERAL MEETING

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No.3

APPROVAL FOR ALTERATION OF MEMORANDUM OF ASSOCIATION (MOA) OF THE COMPANY:

The Board of Directors of the Company have taken into consideration the proposal for amalgamation/merger of **SKF Elixer India Private Limited** with and into **Smiths and Founders India Limited** ("Proposed Merger"), subject to receipt of all necessary approvals from shareholders, stock exchanges, the Securities and Exchange Board of India, the National Company Law Tribunal and such other regulatory authorities as may be required.

Upon review of the Memorandum of Association of the Company, it has been noted that the MoA does not contain an express provision authorising the Company to undertake mergers, amalgamations and similar corporate restructuring transactions. Accordingly, it is proposed to amend the Clause 3(B) of MoA by inserting a new sub-clause authorising the Company to enter into and undertake mergers, amalgamations and other forms of corporate restructuring, subject to compliance with applicable laws.

Further, in connection with the proposed merger, the Company shall approach its shareholders and obtain their requisite approval and consent for the merger proposal in accordance with the provisions of the Companies Act, 2013 and other applicable laws, rules, and regulations.

The Board is of the view that the proposed alteration of the MoA is in the best interests of the Company and its stakeholders. The proposed alteration is intended to provide the Company with greater operational and strategic flexibility to pursue future business opportunities and undertake corporate restructuring transactions, including mergers, amalgamations, demergers, acquisitions, consolidations, arrangements and other similar transactions, as may be considered beneficial for the growth and expansion of the Company. The inclusion of the proposed clause would expressly enable the Company to undertake such transactions, if and when required, in accordance with the provisions of the Companies Act, 2013 and other applicable laws.

In terms of Section 13 of the Companies Act, 2013, any alteration of the Objects Clause of the Memorandum of Association requires approval of the members by way of a Special Resolution. Accordingly, the approval of the members is being sought for the proposed alteration of the MoA.

A copy of the existing Memorandum of Association of the Company, together with the proposed alterations, is available for inspection by the Members on the Company's website.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution except to the extent of their shareholding, if any, in the Company.

The Board recommends the **Special Resolution** for approval by the Members.

**Item No.4****CONTINUATION OF MR. SURESH SHASTRY AS THE CHARIMAN AND MANAGING DIRECTOR OF THE COMPANY.**

Mr. Suresh Shastry was appointed as the Chairman and Managing Director of the Company for a term of five (5) years with effect from April 1, 2022, pursuant to the resolution passed by the Board of Directors at its meeting held on February 9, 2022, and subsequently approved by the shareholders at the Annual General Meeting held on September 29, 2022. His office is not liable to retire by rotation.

During the continuation of his present tenure of appointment as Chairman and Managing Director, would be attaining the age of 70 years on November 12, 2026. In terms of provisions of the Companies Act, 2013 and the SEBI (Listing and Obligation Regulations and the Companies Act, 2013 including amendments and the Rules made thereunder, it is necessary to seek Shareholders' approval for continuing services of Sri Suresh Shastry as Chairman and Managing Director.

Considering the significant contributions made by Sri Suresh Shastry to the growth of the Company since its incorporation, the Directors in their meeting held of June 29, 2026 recommended continuation of the term of his office by five years effective from November 12, 2026. Hence, approval of the members is sought for the continuation of Mr. Suresh Shastry as Chairman and Managing Director of the Company on attaining the age of 70 years. All other terms and conditions of his appointment including perquisites and benefits etc. shall remain same to the extent approved by the members of the Company/ subsequently altered by the Board of Directors in their meeting held on 25.05.2026 on the recommendation of Nomination and Remuneration Committee. The information required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards is annexed as Annexure-I.

The Board recommends the passing of the Resolution at Item No. 3 as a Special Resolution.

Except Mr. Suresh Shastry, none of the Directors or Key Managerial Personnel's or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution



Additional information of Director seeking appointment/ re-appointment as required under Regulation 36(3) of the Listing Regulation, 2015 and applicable Secretarial Standards and Schedule V of the Companies Act, 2013:

Name of the Director	Mr. Suresh Shastry	Mrs. Shailaja Suresh
DIN	01099554	01326440
Nationality	Indian	Indian
Date of Birth	12/11/1956	25/06/1959
Date of Appointment	01/04/2022	01/04/2019
Qualifications	ADFGT	Graduate in Science
Expertise in specific functional areas	Forging Technology	Administration
Number of Meetings of the Board attended during the year	6/6	6/6
Other Directorships/ Committee Chairmanships/ Memberships	None	None
Number of Shares held in the Company	2,92,06,953	53,000
Relationship between directors inter-se	Husband of Mrs. Shailaja Suresh	Wife of Mr. Suresh Shastry (Managing Director)
Terms and conditions of appointment	As per the Nomination and Remuneration Policy of the Company, as displayed on the Company's website	As per the Nomination and Remuneration Policy of the Company, as displayed on the Company's website

**By the Order of the Board
Roopashree B. Shettigar
Company Secretary & Compliance
Officer**

Registered Office:

No.505, 5th Floor, Brigade Rubix,
No.20, HMT Main Road, Bangalore 560 013
CIN:L85110KA1990PLC011303
E-mail Id: cosec@smithsandfoundersindia.com
Website: www.smithsandfoundersindia.com
Place: Bangalore
Date: 29 June 2026

**DIRECTORS' REPORT**

Dear Members,

Your Directors present the Thirty Fifth Annual Report, together with the Audited Statements of Account for the financial year ended March 31, 2026.

1. FINANCIAL RESULTS

During the year under review the Company has achieved the following financial results:

(Rs.in lakhs)

Particulars	31.03.2026	31.03.2025
Revenue from operations	1398.01	1321.55
Other Income	4.56	7.43
Profit / (Loss) before Financial Charges, Depreciation, Taxation and Prior Period items	120.04	179.67
Less: Depreciation	26.29	25.27
Less: Finance Costs	1.83	12.88
Profit /(Loss) before Taxation and Prior Period items	91.92	141.52
Profit /(Loss) for the year	91.92	141.52
Add: Exceptional items: Provision for Superannuation write back [☆]	92.62	-
Less: Tax Expenses	48.25	36.83
Other item of other Comprehensive Income (Actuarial Gain/Loss)	5.11	(5.48)
Net Profit/(Loss) for the year	141.41	99.21
Balance of Profit/(Loss) brought forward from last year	(622.49)	(721.70)
Profit/(Loss) Carried forward to Balance sheet	(481.08)	(622.49)

[☆]Note: "Superannuation benefits provided to the Managing Director and Senior Managerial Personnel from 2014 up to March 2026 have been reversed pursuant to the Company's proposal to reverse the accumulated liability. The proposal was accepted by the respective beneficiaries, who agreed to forgo their full entitlements, as evidenced by individual consent letters received from them."

**2. OVERVIEW OF COMPANY PERFORMANCE:**

During the year under review sales has registered an increase of 5.79 % compared to previous year. The overall profit of the company has increased due to write back of Superannuation provision.

3. DIVIDEND & RESERVES:

In view of carried forward losses, your Directors do not recommend any dividend for the financial year ended March 31, 2026.

4. SHARE CAPITAL:

The Paid Up Capital of the Company as at March 31, 2026 stood at Rs. 10,19,96,525/-. There was no public issue, right issue, bonus issue or preferential issue etc. during the year. The Company has not issued any shares with differential voting rights, sweat equity shares nor has it granted any stock options during the year.

5. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014, is hosted on the Company's website and can be accessed at <https://smithsandfoundersindia.com/files/announcement/agm/agm2026/Annexure-a-extract-of-annual-return-mgt-9-2026.pdf> The same report can also be accessed in the Company's website www.smithsandfoundersindia.com and the path for the same is INVESTORS / ANNOUNCEMENTS /AGMs/ 2025:35th AGM/Annexure A -Extract-of-Annual-Return-MGT-9- 2026.

6. DIRECTORS:

Pursuant to Section 149 of the Companies Act, 2013, appointment of Mr. Arkalgud Suryanarayana Sundar as an Independent Director in the Board of the Company, was approved by the members in the previous Annual General Meeting held on 29th September, 2025, for a period of five years with effect from 29.09.2025 to 29.09.2030.

In accordance with Section 152 of the Companies Act, 2013, Mrs. Shailaja Suresh, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment. The Board recommends her re-appointment, for consideration of the members of the Company at the ensuing Annual General Meeting.

The Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



The present composition of the Company's Board of Directors is as below:

Directors	Category
1. Mr. Suresh Shastry	Chairman & Managing Director (Promoter)
2. Mrs. Shailaja Suresh	Non-Executive, Director (Promoter)
3. Mr. R Ramesh Rao	Non-Executive, Independent Director
4. Mr. Sreeramaiah	Non-Executive, Independent Director
5. Mr. Arkalgud Suryanarayana Sundar	Non-Executive, Independent Director

7. NUMBER OF MEETINGS OF THE BOARD:

During the Financial Year 2025-26, 6 (Six) meetings of the Board were held, details of which are given in the Corporate Governance Report.

8. COMMITTEES OF THE BOARD:

The Board of Directors has the following Committees:

- a) Audit Committee
- b) Remuneration and Nomination Committee
- c) Stakeholders' Relationship Committee &

Details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

9. BOARD EVALUATION:

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of structured evaluation parameters such as, a) the board composition and structure, b) contribution of Directors in the development of strategy and risk management, c) timely and unbiased information, of the right length and quality, provided to the Board, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. Performance of Non-Independent Directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

10. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company, www.smithsandfoundersindia.com.

**11. FIXED DEPOSITS:**

The Company has not accepted fixed deposits from the public and shareholders within the meaning of Section 73(1) of the Companies Act, 2013 and Rules made there under, during the year under review.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2026 and its profit for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a 'going concern' basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY:

During the year under review the Company has not given any loan, guarantee or made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

14. REMUNERATION AND NOMINATION POLICY:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy also lays down criteria for selection and appointment of Board Members. The Policy is given in **Annexure-B** and forms an integral part of this report.

15. RELATED PARTY TRANSACTIONS:

During the year under review the Company has not entered into any transaction with



any related party attracting the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder. The disclosure required pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC 2 is given in **Annexure-C** and forms an integral part of this report. Further there are no material related party transactions during the year under review with the Promoter, Directors or Key Managerial Personnel.

All Related Party Transactions are placed before the Audit Committee and also to the Board for approval.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company, www.smithsandfoundersindia.com.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy of the Company can be accessed on the Company's website at www.smithsandfoundersindia.com

17. RISK MANAGEMENT:

The Company has in place Risk Management Policy according to which the Board of Directors of the Company and the Audit Committee periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

18. CORPORATE SOCIAL RESPONSIBILITY:

No disclosures on Corporate Social Responsibility are required as provision under Section 135 of the Companies Act, 2013 and Rules made thereunder are not applicable to the Company.

19. CORPORATE GOVERNANCE:

As per Regulations 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a Certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

20. MANAGEMENT DISCUSSION AND ANALYSIS:

The Report on Management Discussion and Analysis forms part of this Report. Certain statements in this section may be forward looking. Many factors may affect the actual results, which could be different from that the Directors envisage in terms of the future performance and outlook.

**21. COMPLIANCE WITH SECRETARIAL STANDARDS:**

Your Company has complied with Secretarial Standards, SS-1 and SS-2, issued by The Institute of Company Secretaries of India. Secretarial Standard, SS-3 is not applicable to your Company.

22. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed Mr. K N Nagesha Rao, Practicing Company Secretary as the Secretarial Auditor of the Company for a period of five years upto the close of financial year 2029-30. The Secretarial Audit Report is annexed as **Annexure – D** and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

23. STATUTORY AUDITORS:

M/s. SNR & Company, Chartered Accountants (Firm Registration No. 014401N), were appointed as the Statutory Auditors of the Company at the 33rd Annual General Meeting of the Company to hold office for a term of five consecutive years from the conclusion of the 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company.

The Statutory Auditors have confirmed that they continue to satisfy the eligibility criteria and are not disqualified from holding office as Statutory Auditors of the Company under the provisions of Section 141 of the Companies Act, 2013.

The Auditors' Report for the financial year under review does not contain any qualification, reservation, adverse remark or disclaimer.

25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the year 2025-2026 there are no significant and material orders passed by the Regulators/Courts/Tribunals that would impact the going concern status of the Company and its future operations.

26. CONTINGENT LIABILITY:

There are no contingent liabilities for the financial year 2025-2026.

27. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate internal control system commensurate with its size and nature of its business.

28. HEALTH, SAFETY AND ENVIRONMENT:

The health and safety of the workforce is of paramount importance. The Company



aims to provide a workplace that is free from any occupational hazards or illness.

29. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.

During the year under review the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

30. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY.

No material changes and commitment affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

31. STATUTORY INFORMATION

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure-E**, which forms part of this Report.

There were no employees employed throughout the year who were in receipt of remuneration of Rs. 1.02 Crore per annum or more. There were no employees employed for part of the year who were in receipt of remuneration of Rs. 8.50 Lakhs per month or more. During the year under review the Company had 57 employees.

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2026 is given in **Annexure-F** to this Report.

32. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels but for whose hard work and support, your Company's achievements would not have been possible. Your Directors also wish to thank its Members, Government Authorities, Banks, Customers and Vendors for their sustained support to the Company.

By the Order of the Board

**Suresh Shastry
Chairman & Managing Director**

Place: Bangalore
Date: 25.05.2026



**Addendum to the Directors' Report for the
Financial Year ended March 31, 2026**

To the Members of **Smiths & Founders (India) Limited**

This text serves as an Addendum to the Directors' Report dated May 25, 2026. It provides a material update regarding events occurring after the closure of the financial year and in particular, May 25, 2026 being the date of Directors' Meeting when the Board approved the Directors' Report dated May 25, 2026.

Update on Merger Proposal with SKF Elixer India Private Limited :

The Board of Directors, at its meeting held on June 10, 2026, has evaluated and approved a proposal for the merger of SKF Elixer India Private Limited with Smiths & Founders (India) Limited. This decision aligns with the strategic growth objectives of the Company. The Company has formally intimated the Stock Exchanges regarding this development on 10th June 2026 in compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Scheme remains subject to the necessary approvals from shareholders, creditors, the National Company Law Tribunal (NCLT), and other regulatory authorities.

This Addendum shall be read in conjunction with the Directors' Report dated 25th May 2026 previously approved by the Directors.

By the Order of the Board

**Suresh Shastry
Chairman & Managing Director**

Place: Bangalore
Date: 29 June 2026



Annexure-B

NOMINATION AND REMUNERATION POLICY

Introduction:

The Company's policy is to consider human resources as its invaluable assets, pay reasonable and sufficient remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in the industry in which the company is operating.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 30th May, 2014.

Effective Date:

This policy is effective from 1st April, 2014.

Constitution of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of following Directors, effective 30.08.2025.

1. Mr. R. Ramesh Rao, Chairman (Independent & Non – Executive Director)
2. Mr. Arkalgud Suryanarayana Sundar, Member (Independent & Non – Executive Director)
3. Mrs. Shailaja Suresh, Member (Non-Independent & Non – Executive Director)

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions

- Board means Board of Directors of the Company.
- Directors mean Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.



- Company means Smiths & Founders (India) Limited.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) means-
 - I. Executive Chairman and / or Managing Director;
 - II. Whole-time Director;
 - III. Chief Executive Officer;
 - IV. Chief Financial Officer;
 - V. Company Secretary;
 - VI. Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President / General Manager including Vice President / General Manager of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

General

- This Policy is divided in three parts:
 - (i) Part – A covers the matters to be dealt with and recommended by the Committee to the Board,
 - (ii) Part – B covers the appointment and nomination and
 - (iii) Part – C covers remuneration and perquisites etc.
- The key features of the Company's policy shall be included in the Board's Report.

PART – A**MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

**PART – B****POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT****• Appointment, criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

• Term / Tenure:**1. Managing Director/Whole-time Director:-**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:-

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

• Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**• Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

• Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C**POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL****• General:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st April in respect of Whole-time Directors and other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

• Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**1. Fixed pay:**

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the



provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

• Remuneration to Non- Executive / Independent Director:**1. Remuneration / Commission:**

The remuneration / commission to be paid shall be in accordance with the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.



Annexure – C

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Justification for entering into such contracts or arrangements or transactions:
- (f) Date(s) of approval by the Board:
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions:	Salient terms of the contracts or arrangements or transactions Including the value, if any:	Date(s) of approval by the Board	Amount paid as advances
Suresh Shastry Chairman & Managing Director	Employment	5 years	21,62,095	09/02/2022	NIL
Supriya Shastry Chief Financial Officer	Employment	12 months	26,00,542	29/09/2025	NIL
Mrs. Roopashree Shettigar Company Secretary	Employment	12 months	5,13,509	31/08/2019	NIL
Mr. Umesh Shastry Vice-President Commercial	Employment	12 months	26,46,256	29/09/2025	NIL
Mr. Satish Shastry Vice – President Technical	Employment	12 months	25,72,183	29/09/2025	NIL

(Suresh Shastry)
Chairman & Managing Director



K N Nagesha Rao BCom, DSP, DEE, DBA, LLB, FCS, FCMA
Practising Company Secretary

“Sumukha”
22, 5th Cross, I Stage, Grihalaxmi
Colony, Basaveshwaranagar,
Bangalore 560079

☎ 9845050333; 08023234353

✉ nageshknn@gmail.com

**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 of Managerial
Personnel) Rules, 2014]**

To the Members of **Smiths & Founders (India) Limited**

1. I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Smiths & Founders (India) Limited with CIN L85110KA1990PLC011303 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

3. 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:

- (a) The Companies Act, 2013 (the Act) and the Rules made there under;
- (b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (d) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. [There were no Foreign Direct



Investment, Overseas Direct Investment and External Commercial Borrowings during the financial year under Report.]

(e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; [There were no instances of Substantial Acquisitions of Shares and takeovers during the financial year under report.]

ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; [Not applicable during the above audit period];

iv. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. [Not applicable during the above audit period];

v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. [Not applicable during the above audit period]

vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013 and dealing with client; [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the above audit period]

vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - [No delisting of shares was done during the year];

viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - [No buy - back was done during the year]

ix. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993. [Not applicable during the above audit period]

x. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and

xi. Structured Digital Database: As required under Regulations 3(5) and 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company is maintaining the structured digital database (SDD) containing the nature of unpublished price sensitive information, the names of such persons who have shared the information and the names of such persons with whom information are shared under this Regulation, along with the Permanent Account Number or any other identifier authorized person. Such database maintenance is not outsourced and the same is being maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.



The structured digital database is being preserved for the prescribed time period of eight years.

(f) Indian Copyright Act, 1957
(g) The Patents Act, 1970
(h) The Trade Marks Act, 1999

. I have also examined compliance with the Listing Agreements entered into by the Company with BSE Limited as well as compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

6. I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

7. I further report that based on the review of the compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion that Management has adequate systems and processes placed in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

8. I further report as below:

8.1 that, -

(a) 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;

(b) the Company followed proper Board processes in convening and conduct of Meetings Members and Directors; the Company has maintained proper Books to record Proceedings of General Meetings of Members, Minutes of Meetings of Board and Committee of Directors; resolutions passed by e-voting, if any, are recorded in the Minutes Book of General Meetings.

(c) adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, the Company adopts a system to enable Directors to seek and obtain required 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.



(d) 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.

9.2 during the year there were no instances of:

- (i) Public, Preferential Issue of Shares or Debentures or Sweat Equity
- (ii) redemption or buy-back of securities;
- (iii) major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013;
- (iv) merger, amalgamation, reconstruction etc.;
- (v) foreign technical collaborations.

Place: Bengaluru

Date: 16th May, 2026

UDIN No. F003000H000383270

Peer Review Unique ID No.I2014KR1122000

K N Nagesha Rao
Practising Company Secretary
FCS 3000 CP12861

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



K N Nagesha Rao BCom, DSP, DEE, DBA, LLB, FCS, FCMA
Practising Company Secretary

“Sumukha”
22, 5th Cross, I Stage, Grihalaxmi
Colony, Basaveshwaranagar,
Bangalore 560079

☎ 9845050333; 08023234353

✉ nageshknn@gmail.com

The Annexure-D to the Secretarial Audit Report for the
Financial Year 2025-26

To the Members of **Smiths & Founders (India) Limited**

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records and compliance based on my audit.

2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I obtained the management representation on the compliances of laws, rules and regulations as well on happening of events.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is not an assurance of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru

Date: 16th May, 2026

UDIN No. F003000H000383270

Peer Review Unique ID No.I2014KR1122000

K N Nagesha Rao
Practising Company Secretary
FCS 3000 CP12861

**Annexure-E****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2025 is given here below and forms part of the Director's Report.

A. CONSERVATION OF ENERGY

The Company continued to maintain the power factor to unity throughout the year. This has helped in availing maximum rebate in electricity bills. Replacement of LED/lamps tubes all over the factory has also contributed to saving in electricity.

B. TECHNOLOGY ABSORPTION

The Company develops its own technology in house for new products, process development and cost reduction and it has systems to absorb the technology developed.

C. EXPENDITURE ON RESEARCH & DEVELOPMENT

No expenditure was incurred by the Company attributable to research and development during the year

D. FOREIGN EXCHANGE EARNING AND OUTGO

During the year under review Foreign Exchange earnings were Rs. 24.72 Lakhs (Previous Year Rs. 102.25 Lakhs) and Foreign Exchange outgo was Nil (Previous Year Nil).



Annexure-F

DETAILS OF REMUNERATION

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The percentage increase in remuneration of each Director and Company Secretary during the Financial Year 2025-26, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2025-26 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/ KMP	Designation	Remuneration of Director /KMP for the Financial Year 2025-26 (Rs. in Lakhs)	% increase in Remuneration in the Financial Year 2025-26	Ratio of Remuneration of each Director to median remuneration of employees for the Financial Year	Comparison of the Remuneration of the KMP against the performance of the Company
1	Suresh Shastry	Chairman & Managing Director	21.62	There was no increase in remuneration during the Financial Year	6.93	Remuneration received during the Financial year – Rs. 23.20 Lakhs as against Net profit of Rs. 99.21 Lakhs.
2	Shailaja Suresh	Non-Executive Director	0.00	0.00	0.00	-
3	R Ramesh Rao	Independent Director	0.00	0.00	0.00	-
4	Naraseeyappa Sreeramaiah	Independent Director	0.00	0.00	0.00	-
5	Arkalgud Suryanarayana Sundar	Independent Director	0.00	0.00	0.00	-
6	Supriya Shastry	Chief Financial Officer	25.01	There was an increase of 20% in remuneration during the - Financial Year	8.04	-
7	Roopashree B	Company	5.14	There was no	1.65	-



	Shettigar	Secretary		increase in remuneration during the Financial Year		
--	-----------	-----------	--	--	--	--

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:

The median remuneration of employees of the Company during the Financial Year was **Rs.3,11,783/-** and the ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

(ii) The percentage increase in remuneration of each director and Company Secretary in the Financial Year :

There was no increase in remuneration of the Directors and Company Secretary in the Financial Year 2025-26.

(iii) The percentage increase in the median remuneration of employees in the Financial Year:

In the Financial Year, there was a increase of **10.06%** in the median remuneration of employees.

(iv) The number of permanent employees on the rolls of the Company:

There were 57 permanent employees on the rolls of the Company as on March 31, 2026.

(v) The explanation on the relationship between average increase in remuneration and Company performance:

The increase in the median remuneration of employees was 10.06%. As regards Company's performance, its net profit for the Financial Year 2025-26 was Rs.141.41 Lakhs as against net profit of Rs. 99.21 Lakhs in the Financial Year 2024-25.

Remuneration to Employees is as per the HR Policy of the Company in force from time to time and in compliance with applicable regulatory requirements

(vi) Comparison of the remuneration of the Key Managerial Personnel against performance of the Company:

The Total remuneration of Key Managerial Personnel has remained the same compared to previous year; the Company had posted a net profit of Rs.141.41 Lakhs & Rs. 99.21 Lakhs, during the financial years 2025-26 & 2024-25, respectively.

(vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of current financial year and previous financial year and the percentage increase or decrease in market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed Companies:

The market capitalization as on 31st March 2026 was Rs 51.2 Crores (Rs. 64.67 Crores as on 31st March, 2025). The price of the share during March, 2026 was Rs. 5.02 and as on 31st March, 2025 was Rs. 6.34. The Earnings Per Share was Rs. 0.13 for the Financial Year ended 31st March, 2026 and Rs. 0.10 for the financial year ended 31st March, 2025. The Initial Public offer was made



by the Company in the year 1993 and the issue was for 31,00,000 equity shares of Rs. 10/- each at par. In the year 2006, the Company split the shares by reducing the face value to Re. 1/-. In the year 2014 the Company reduced the Share Capital by 90% and allotted 97676525 new equity shares to the shareholders of the amalgamating Company, as per the Scheme of Rehabilitation sanctioned by the Hon. BIFR in February, 2014. As against issue of equity shares of Rs.10/- at par in 1993 and post share capital reduction by 90% and issue of new equity shares, the average share price of the Company at BSE Limited, during March 2026 was Rs.4.94, per equity share, of the face value of Re.1/- per share.

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration:

During the financial year 2025-26, there was no increase in the remuneration of employees other than the managerial personnel. There was a 20% increase in the managerial remuneration during the year.

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

Details are provided in the above table.

(x) The key parameters for any variable component of remuneration availed by the Directors

During the Financial Year 2025-26 the remuneration paid to Directors does not include any variable component.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but remuneration in excess of the highest paid director during the year:

Not applicable.

(xii) Affirmation that the remuneration is as per the remuneration policy of the Company.

It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.



MANAGEMENT DISCUSSION AND ANALYSIS

FORMING PART OF DIRECTORS' REPORT FOR 2025-26

During the year under review, the Indian automobile sector drove through a steady lane. The forging industry too opened the year 2025-26 on a positive note. The Association of Indian Forging Industry (AIFI) projected higher demand for forgings during the year. Accordingly growth in the automobile / auto components sector remained steady.

Industry Structure and Developments:

The turnaround for the Indian auto industry, which began in the Financial Year 2022-23 and stabilised during the Financial Year 2023-24, continued its momentum in the Financial Year 2024-25 and further strengthened during Financial Year 2025-26. As a result, your Company achieved a growth of 5.79 % during the financial year.

The industry's focus on quality, productivity, technology adoption and cost competitiveness has enabled Indian manufacturers to strengthen their position in global supply chains.

Opportunities and Threats:

There are a few concerns which seem to hamper the overall growth in the long run, including the rising steel prices, demand supply gap, high electricity tariff, rising fuel prices, government's thrust on electric vehicles and technology upgradation and modernization.

Given the importance of the automobile industry to the economy, its potential for generating employment opportunities and its backward and forward linkages with several sectors, the Government is committed to support its development.

Going forward, the Auto Industry is expected to show good growth across all segments on the back of healthy economic outlook, infrastructure investments and new launches by OEMs.

Growing concerns over air pollution, road safety and urban congestion, are driving the policy and regulations for electric motor vehicles and urban development. In the long run, these will impact ownership patterns and in turn will have a significant effect on the future of the automotive industry.

Segment-wise or product wise performance:

Your Company is primarily engaged in the business of ferrous forgings and hence there are no separate reportable segments.

Outlook:

The forging industry is expected to benefit from continued growth in the automotive and engineering sectors, increasing infrastructure investments and expanding manufacturing activities. The growing emphasis on localization, supply chain diversification and export opportunities is expected to create additional avenues for growth.

The transition towards electric and technologically advanced vehicles is expected to reshape the automotive ecosystem over the coming years. The Company remains focused on strengthening its manufacturing capabilities, improving operational efficiencies and meeting evolving customer requirements through continuous improvement and technological upgradation.



The Indian auto-component industry is expected to maintain a positive growth trajectory supported by increasing domestic demand, higher localization levels, export opportunities and policy support for manufacturing and industrial development.

Risks and Concerns:

The Company’s business is exposed to many internal and external risks. Your Company with its lean, nimble and customer-oriented approach is confident of improving its performance and augmenting its resources.

Internal Control Systems and their adequacy:

The Company has an adequate system of internal control commensurate with the size and nature of its business, which ensures that transactions are recorded, authorised and reported correctly apart from safeguarding its assets against loss from wastage, unauthorised use and removal.

Discussion on Financial performance with respect to operational performance:

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and comply with the Accounting Standard specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Results of Operations:

Sales turnover and Other Income

(Rs.in Lakhs)

Particulars	Financial Year 2025-26		Financial Year 2024-25		YOY +/-	YOY +/-
	Amount		Amount		Amount	%
Revenue from Operations	1398.01		1321.55		+76.46	+5.79%
Other Income	4.56		7.43		-2.87	-0.25%
Total	1402.57		1328.98		73.59	+5.54%

Revenue from Operations:

Revenue from Operations has increased by 5.79% during the year, primarily due to higher sales volumes and improved business performance.

Expenses

(Rs.in Lakhs)

Particulars	Financial Year 2025-26		Financial Year 2024-25		YOY +/-	YOY +/-
	Amount	% of Revenue	Amount	% of Revenue	Amount	%
Material Costs & Changes Inventory	643.57	45.89%	629.47	47.36%	+14.1	-1.47%
Employee Benefits Expense	384.58	27.42%	288.15	21.68%	+96.43	+5.74%
Finance Costs	1.83	0.13%	12.88	0.97%	-11.05	-0.84%
Depreciation & Amortisation	26.29	1.87%	25.27	1.9%	+0.91	-0.03%



Expense						
Direct Expenses	173.42	12.36%	162.60	12.24%	+10.82	+0.12%
Administration Expenses	69.89	4.98%	59.44	4.47%	+10.45	+0.51%
Selling & Distribution Expenses	11.07	0.79%	9.64	0.73%	+1.43	+0.06%
Total Expenses	1310.64	93.45%	1187.46	89.35%	123.18	+4.1%

Employee Benefits Expense and Direct Expenses increased due to increments.

Selling and distribution expenses, as well as administrative expenses, also recorded a marginal increase.

Material cost decreased due to close monitoring, and finance cost decreased due to a reduction in borrowings

Material developments in Human Resources/Industrial Relations front, including number of people employed:

The Company firmly believes that its employees are its most valuable asset and key contributors to its sustained growth and success. The Company remains committed to fostering a positive work environment that promotes employee engagement, safety, skill enhancement and professional development.

During the year under review, industrial relations across all levels of the organization remained cordial and harmonious. The Company continued to focus on employee welfare, workplace safety, training and development initiatives aimed at enhancing productivity, operational efficiency and employee competencies.

The Company also emphasizes adherence to health, safety and environmental standards and continues to strengthen its human resource practices to support its business objectives and long-term growth.

As on March 31, 2026, the total number of employees on the rolls of the Company was 57.

Cautionary Statement:

Certain statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and other incidental factors, over which the Company does not have any direct control.



ANNEXURE TO THE DIRECTOR’S REPORT

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company’s Report on Corporate Governance for the year ended March 31, 2026, in terms of Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”).

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes in good corporate governance and continuously endeavors to improve focus on it by increasing transparency and accountability to all the stakeholders. The Company undertakes to behave responsibly towards its shareholders, business partners, employees, society and the environment. The Company is committed to business integrity, high ethical values and professionalism in all its activities.

2. BOARD OF DIRECTORS:

a) Composition and Size of the Board.

The Board of Directors comprised of Five Directors. Composition of the Board, as at 31.03.2026 was as follows:

Directors	Category	Directorships in other Indian Public Limited Companies*	No. of Board Committees in which Chairman/ Member
Promoter & Executive			
Mr. Suresh Shastry	Chairman & Managing Director	Nil	Nil
Promoter & Non Executive Director			
Mrs. Shailaja Suresh	Non-Executive Director	Nil	Nil
Non Executive and Independent			
Mr. R. Ramesh Rao	Independent Director	Nil	Nil
#Mr. C.S. Hemachandra	Independent Director	Nil	Nil
Mr. Sreeramaiah	Independent Director	Nil	Nil
#Mr. Arkalgud Suryanarayana Sundar	Independent Director	Nil	Nil

#Mr. C.S. Hemachandra has retired w.e.f from 30th August, 2025

Mr. Arkalgud Suryanarayana Sundar has been appointed w.e.f from 31st July, 2025

* Excludes private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.

Mr. Suresh Shastry and Mrs. Shailaja Suresh are relatives.

b) Attendance of Directors at the Board Meetings and at the last Annual General Meeting.

Name of the Director	Number of Board Meetings held during the year 2025-26		Attendance at the Last AGM held on 29.09.2025
	Held	Attended	
Mr. Suresh Shastry	6	6	Yes
Mrs. Shailaja Suresh	6	6	Yes
Mr. R. Ramesh Rao	6	6	Yes
#Mr. C.S. Hemachandra	3	2	No
Mr. Sreeramaih	6	6	Yes
#Mr. Arkalgud	5	5	Yes



Suryanarayana Sundar			
----------------------	--	--	--

#Mr. C.S. Hemachandra has retired w.e.f from 30th August, 2025

Mr. Arkalgud Suryanarayana Sundar has been appointed w.e.f from 31st July, 2025

c) Number of Board Meetings:

Six Board Meetings were held during the year 2025-26 and the gap between two consecutive meetings did not exceed one hundred twenty days. The dates on which the Board meetings were held were 07.05.2025, 31.07.2025, 30.08.2025, 29.09.2025, 03.11.2025 and 30.01.2025.

3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the Listing Regulation read with Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee cover all areas prescribed by Regulation 18 of the Listing Regulation and include the following:

The Audit Committee comprises of a) Mr. R. Ramesh Rao, Non-Executive Independent Director b) Mr. Suresh Shastry, Chairman & Managing Director c) Mr. C.S. Hemachandra, Non Executive Independent Director (till 30.08.2025) d) Mr. Sreeramaiah Non Executive Independent Director e) Mr. Arkalgud Suryanarayana Sundar Non Executive Independent Director (w.e.f 31.07.2025). All members of the Audit Committee are financially literates. The Chairman of the Committee Mr. R. Ramesh Rao is a retired senior management person having more than 45 years of experience. The Company Secretary is the Secretary to the Committee. The Audit Committee has been granted powers as prescribed under Regulation 18 of the Listing Regulation.

The Audit Committee met Five times during the year 2025-26 and the gap between two consecutive meetings did not exceed one hundred twenty days. The dates on which the Audit Committee Meetings were held on: 07.05.2025, 31.07.2025, 30.08.2025, 03.11.2025 and 30.01.2025.

The attendance at the Meetings was as under:

Members	No. of Meetings held during the year 2025-26	No. of Meetings Attended
Mr. Suresh Shastry	5	5
Mr. R. Ramesh Rao	5	5
#Mr. C.S. Hemachandra	3	2
Mr. Sreeramaiah	5	5
#Mr. Arkalgud Suryanarayana Sundar	4	4

#Mr. C.S. Hemachandra has retired w.e.f from 30th August, 2025

Mr. Arkalgud Suryanarayana Sundar has been appointed w.e.f from 31st July, 2025

The terms of reference of the Audit Committee include the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required replacement or removal of statutory auditors and fixation of audit fees. Approval of payment to statutory auditors for any other services.
3. Reviewing with management, the quarterly and annual financial statements before submission to the Board for approval.



4. To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors.
5. Reviewing with management, performance of statutory and internal auditors and adequacy of internal control systems.
6. Discussion with statutory auditors before the audit commences, nature and scope of audit as well as to have post audit discussion to ascertain any area of concern.
7. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

4. NOMINATION AND REMUNERATION COMMITTEE:

Directors	Category
1.Mrs. Shailaja Suresh – Promoter, Non-Executive Director	Member
2. Mr. R. Ramesh Rao - Non-Executive, Independent Director	Chairman
3. #Mr. C.S. Hemachandra - Non-Executive, Independent Director	Member
4. #Mr. Arkalgud Suryanarayana Sundar	Member

#Mr. C.S. Hemachandra has retired w.e.f from 30th August, 2025

Mr. Arkalgud Suryanarayana Sundar has been appointed w.e.f from 31st July, 2025

The Committee has formulated a Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013. The policy, inter alia, states its objective and purpose, applicability, remuneration for the Whole-time Directors, Key Managerial and Senior Management Personnel. The Policy is furnished in **Annexure –B** to the Directors' Report. The Committee Meetings was held on 31.07.2025 and 29.09.2025.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company's Stakeholders Relationship Committee functions under the Chairmanship of Mr. R. Ramesh Rao, Independent Director, Mr. Suresh Shastry, Mr C.S. Hemachandra (till 30.08.2025) and Mr. Sreeramaiah are the members of the Committee. The Company Secretary is the Compliance Officer of the Company for the purpose of Listing Regulation. This Committee monitors and redresses investors' complaints, transfer/ transmission of shares, etc. The Committee Meetings were held on 07.05.2025, 31.07.2025, 03.11.2025 and 30.01.2025.

The attendance at the meetings was as under:

Members	No. of Meetings held during the year 2025-26	No. of Meetings Attended
Mr. R.Ramesh Rao	4	4
Mr. Suresh Shastry	4	4
#Mr. C.S. Hemachandra	2	2
Mr. Sreeramaiah	4	4

#Mr. C.S. Hemachandra has retired w.e.f from 30th August, 2025

During the year, no complaints were received from the shareholders. As on date, there are no pending share transfers pertaining to the year under review.

6. REMUNERATION OF DIRECTORS:

In line with the principles of transparency and consistency, the Company has adopted a Policy of Remuneration of Directors, Key Managerial Personnel and other employee, which has been



approved by the Board of the Company at its meeting held on May 30, 2014, based on the recommendations of the Nomination and Remuneration Committee.

Remuneration paid to Managing Director and Executive Directors (Whole-time Directors) for the year ended March 31, 2026 is given below:

(Rs. in Lakhs)

Directors	Salary	Company's Contributions to funds*	Perquisites & Allowances	Total	Contract Period
Suresh Shastry (Managing Director)	19.20	1.44	0.98	21.62	1.4.2022 to 31.3.2027

* Aggregate of Company's contributions to Superannuation Fund and Provident Fund.
No remuneration has been paid to Non-Executive Directors during the year under review.

7. CEO CERTIFICATION

The Managing Director has certified to the Board that all the requirements of the Listing Regulation have been complied with.

8. ANNUAL GENERAL MEETINGS:

Details of Annual General Meeting held during the preceding 3 years and Special Resolutions passed there at are given below

Year	AGM	Location	Date & Time	Special Resolution passed
2022-23	AGM*	Registered Office No. 505, 5 th Floor, Brigade Rubix, No.20, H M T Main Road, Bangalore - 560013	27.09.2023 11.00 a.m.	1.Continuation of Directorship of Mr. Sudhindra Narayan Kalghatgi (DIN: 06994850), as independent Director in terms of Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 2.Related Party Transactions/Arrangements 3.Approval of Mr. C.S. Hemachandra as an independent Director. Continuation of Directorship of Mr. C.S. Hemachandra (DIN:10303392),as independent Director in terms of Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2023-24	AGM*	Registered Office No. 505, 5 th Floor, Brigade Rubix, No.20, H M T Main	30.09.2024 11.00 a.m.	1.Related Party Transactions/Arrangements



		Road, Bangalore – 560013		2. Approval of Mr. Sreeramaiah as an independent Director.
2024-25	AGM*	Registered Office No. 505, 5 th Floor, Brigade Rubix, No.20, H M T Main Road, Bangalore - 560013	29.09.2025 11.00 a.m.	1. Appointment of Mr. Arkalgud Suryanarayana Sundar as Independent Director. 2. To consider and approve the appointment of Secretarial Auditor of the Company.

* Through video conferencing/other Audio video means

No special resolutions were passed through Postal Ballot during the year 2025-26.

10. a. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large:

The Company has formulated a policy on Materiality and dealing with Related Party transactions which specify the manner of entering into related party transactions. This Policy has been posted on the website of the Company, www.smithsandfoundersindia.com.

During the year 2025-26, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or the Management or Relatives, etc., that may have potential conflict with the interests of the Company. Further, details of transactions with related parties are disclosed in Note 31 of Notes on accounts to Annual Accounts in the Annual Report.

b. Details of non-compliance by the Company, penalties, strictures, imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital matters, during the last three years.

For the financial year 2025-2026, your Company had fully complied with the corporate governance requirements, as mandated by SEBI.

c. Whistle Blower Policy

Pursuant to Section 177(9) and(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company, www.smithsandfoundersindia.com. During the year, under Whistle Blower Policy, no complaints were reported to Audit Committee.

d. Non-mandatory requirements

Adoption of non-mandatory requirements of the Listing Regulation is being reviewed by the Board from time to time.

11. MEANS OF COMMUNICATION:

A. Quarterly Results:

The approved financial results are forthwith sent to the Stock Exchange where the shares are listed and are published in the newspapers as required by the Listing Agreement. The Quarterly, Half-yearly and Yearly Results are published in Business Standard and Kannada Prabha, which are national and local dailies respectively.

**B. Website:**

The Company maintains a functional website www.smithsandfoundersindia.com, which is updated on regular basis. Quarterly, Half-yearly and Yearly results, Annual Reports, Code of Conduct and Ethics and Shareholding Pattern are available on the website in a user friendly and downloadable form.

C. Annual Report:

The Annual Report containing inter alia the Audited Annual Accounts, Directors' Report, Auditors' Report, Report on Corporate Governance and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis forms part of the Annual Report.

12. GENERAL SHAREHOLDER INFORMATION:**12.1 AGM:**

Date and Time: 24th July, 2026 at 10.00 a.m.

Venue: Regd. Office (No. 505, 5th Floor, Brigade Rubix, No. 20,
HMT Main Road, Bangalore-560013)

12.2 Financial Year of the Company:

Financial year covers the period from April 1, every year and ends on March 31, in the succeeding year.

Tentative dates for Board Meeting for consideration of quarterly financial results for 2025-26 are given below.

- I. Quarter ending June 30, 2026 - On or before August 14, 2026
- II. Quarter ending September 30, 2026 - On or before November 14, 2026
- III. Quarter ending December 31, 2026 - On or before February 14, 2026
- IV. Quarter & Year ending March 31, 2026 - End May, 2026

12.3 Book Closure Date: 18-07-2026 to 24-07-2026 (inclusive of both days)

12.4 Dividend Payment Date: Not Applicable

12.5 Listing on Stock Exchanges:

Equity Shares: BSE Limited, Mumbai

Annual listing fee to BSE Ltd. for Financial Year 2025-26 has been paid.

12.6 Stock Codes:

(a) BSE Ltd. – 513418

(b) ISIN Code - INE728B01032

**12.7 Stock Market Data:**

MONTH	Share Price Movements-2025-26	
	Share Price at BSE Ltd. (Rs.)	
	HIGH	LOW
April 2025	7.48	5.67
May 2025	6.54	5.42
June 2025	6.17	5.26
July 2025	6.14	4.70
August 2025	6.00	4.76
September 2025	6.29	5.11
October 2025	5.76	4.80
November 2025	5.70	4.78
December 2025	5.25	4.60
January 2026	5.35	4.72
February 2026	7.39	4.63
March 2026	6.07	3.80

12.8. Share Price Performance in Comparison to Broad Based indices-BSE Sensex

Month/Year	BSE Sensex Index		Share Price at BSE Ltd. (Rs.)	
	HIGH	LOW	HIGH	LOW
April 2025	80,661.31	71,425.01	7.48	5.67
May 2025	82,718.14	78,968.34	6.54	5.42
June 2025	84,099.53	80,354.59	6.17	5.26
July 2025	83,935.01	80,575.45	6.14	4.70
August 2025	82,231.17	79,741.76	6.00	4.76
September 2025	83,141.21	79,818.38	6.29	5.11
October 2025	85,290.06	80,159.9	5.76	4.80
November 2025	86,055.86	82,670.95	5.70	4.78
December 2025	86,159.02	84,150.19	5.25	4.60
January 2026	85,883.5	81,088.59	5.35	4.72
February 2026	85,871.73	79,899.42	7.39	4.63
March 2026	80,632.55	71,774.13	6.07	3.80

12.9 Registrar and Transfer Agents:**Integrated Registry Management Services****Private Limited**

30, Ramana Residency
4th Cross, Sampige Road,
Malleswaram,
Bangalore 560 003

Tel: 080 2346 0815 to 818

Fax: 080 2346 0819

E-mail: vijayagopal@integratedindia.in

irg@integratedindia.in

Website: www.iepindia.com

12.10 Share Transfer System: The Registrar and Transfer Agents, M/s. Integrated Enterprises (India) Limited, Bangalore are authorised by the Board for processing of share transfers, which are approved by the Company's Stakeholders Relationship Committee.

Share Transfer requests are processed and dispatched to the shareholders generally within 10 days from the date of receipt. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.



In compliance with the Listing Regulation 40, a Practicing Company Secretary carries out audit of the system of Transfer and a Certificate to that effect is issued.

Also, pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, certification is done by a Company Secretary in Practice regarding timely dematerialisation of the shares of the Company. Further, secretarial audit is done on a quarterly basis for reconciliation of the share capital of the Company.

12.11 Distribution of Shareholding as on 31.03.2026

No of shares held	Number of Shareholders	Number of shares held	% Shareholding
Up to 500	15213	1792836	1.76
501-1000	1162	988718	0.97
1001-2000	622	971511	0.95
2001-3000	251	651373	0.64
3001-4000	115	406016	0.40
4001-5000	127	608327	0.60
5001-10000	197	1467574	1.44
10001 & above	156	95110170	93.25
TOTAL	17843	101996525	100.00

12.12 Dematerialization of Shares:

99.48% of the Shares of the Company are in dematerialised form as on 31st March, 2026.

12.13 Outstanding GDR / Warrants and Convertible Bonds, Conversion Date and likely impact on Equity: N.A.**12.14 Plant Locations:**

N 12 & N 13, Industrial Estate, Sagar Road, Shimoga-577 204, Karnataka.

12.15 Investor Correspondence:

- For Shares in physical form: To the Registrar & Transfer Agents.
- For Shares in Dematerialization Form: To the Depository Participant.

Declaration by the Managing Director under Regulation 26(3) and pursuant to Schedule V(D) read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Code of Conduct.

I, Suresh Shastry, Managing Director of Smiths & Founders (India) Limited, declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed their compliance with the Company's code of conduct for the year ended March 31, 2026.

Place: Bangalore
Date: 25.05.2026

Suresh Shastry
Chairman & Managing Director



CEO Certification

I, Suresh Shastry, Managing Director, responsible for the finance function, certify that:

- i. I have reviewed the financial statements, read with the cash flow statement of Smiths & Founders (India) Limited for the year ended March 31, 2026 and that to the best of my knowledge and belief, state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- ii. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- iii. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have been disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- iv. I have indicated to the Auditors and the Audit Committee:
 - i. Significant changes, if any, in internal control over financial reporting during the year.
 - ii. significant changes , if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - iii. Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Bangalore
Date: 25 May 2026

Suresh Shastry
Chairman & Managing Director



K N Nagesha Rao BCom, DSP, DEE, DBA, LLB, FCS, ICAI, ICMA
Practising Company Secretary

“Sumukha”
22, 5th Cross, I Stage, Grihalaxmi
Colony, Basaveshwaranagar,
Bangalore 560079
① 9845050333; 08023234353
nageshknn@gmail.com

Certificate of Non-Disqualification of Directors

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of
the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To

The Members of
Smiths & Founders (India) Limited
No.505, 5th Floor,
Brigade Rubix No.20, HMT Main Road
Bengaluru-560013

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Smiths & Founders (India) Limited** having CIN L85110KA1990PLC011303 and having registered office at No.505, 5th Floor, “Brigade Rubix” No.20, HMT Main Road Bengaluru-560013 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of Director Sri/Smt	DIN	Original date of appointment
1	Suresh Shastry, Managing Director	01099554	22/10/1990
2	Shailaja Suresh, Non-Executive Director	01326440	01/04/2019
3	Shimoga Chandrasekharasastry Hemachandra, Independent Director	10303392	02/09/2023
4	Ramadas Ramesh Rao, Independent Director	09434109	10/08/2022
5	Naraseyappa Sreeramaiah, Independent Director	07174481	12/08/2024
6	Arkalgud Suryanarayana Sundar, Independent Director	10978998	31/07/2025

Note: 1. Sri Shimoga Chandrasekharasastry Hemachandra ceased to be an Independent Director with effect from 30th August, 2025

2. Sri Arkalgud Suryanarayana Sundar was appointed as Independent Director with effect from 31st July, 2025



K N Nagesha Rao BCom, DSP, DEE. DBA, LLB, FCS, ICMA
Practising Company Secretary

“Sumukha”
22, 5th Cross, I Stage, Grihalaxmi
Colony, Basaveshwaranagar,
Bangalore 560079

☎ 9845050333; 08023234353
nageshknn@gmail.com

: Page 2 :

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

Place : Bengaluru

Date : 20th June, 2026

UDIN No. F003000H000660470
Peer Review Certified :6688/2025

K N Nagesha Rao
Practising Company Secretary
FCS 3000 CP 12861; Unique ID No.I2014KR1122000



K N Nagesha Rao BCom, DSP, DEE, DBA, LLB, FCS, FCMA
Practising Company Secretary

“Sumukha”
22, 5th Cross, I Stage, Grihalaxmi
Colony, Basaveshwaranagar,
Bangalore 560079

☎ 9845050333; 08023234353
✉ nageshknn@gmail.com

To the Members of **Smiths & Founders (India) Limited**

Compliance Certificate on Corporate Governance

1. I have examined the compliance of conditions of Corporate Governance by Smiths & Founders (India) Limited with CIN : L85110KA1990PLC11303 (“the Company”) for the year ended on 31st March, 2026 as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the LODR Regulations”).
2. In my opinion and to the best of my information and according to the explanations given to me and based on the representation made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as above specified in the LODR Regulations.
3. The compliance of conditions of Corporate Governance is the responsibility of the Management. My responsibility was limited to examining procedures and implementation thereof as adopted by the Company for ensuring compliance with the conditions of Corporate Governance. I have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
4. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company. This Certificate is neither an audit nor an expression of opinion on the Financial Statements of the Company.

Bengaluru
19th June, 2026
UDIN No. F003000H000654376

K N Nagesha Rao
Practising Company Secretary
Peer Review Certified :6688/2025
FCS 3000 CP No.12861
Unique ID No.I2014KR1122000



INDEPENDENT AUDITORS' REPORT

To The Members of
Smiths & Founders (India) Limited,
Bengaluru

Report on the Audit of the Standalone financial statements

1. Opinion

We have audited the accompanying standalone financial statements of **Smiths and Founders (India) Limited**, (“the Company”), which comprises the Standalone Balance Sheet as at March 31, 2026, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

2. Basis for Opinion

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



Smiths & Founders (India) Limited

Annexure-A to the Independent Auditors' Report (Continued)

FY 2025-26

3. Key audit matters

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

The key audit matter	How the matter was addressed in our audit
<p>Revenue is recognized when the performance obligation is satisfied at a point in time by the Company by transferring the underlying products to the customer.</p> <p>Revenue is measured based on transaction price, which is consideration, after deduction of discounts</p> <p>Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant</p> <p>There is also a risk of revenue being overstated due to fraud through booking fictitious sales resulting from pressure on the Company to achieve performance targets during the year as well as at the reporting period end. Accordingly, revenue recognition is a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the Company’s revenue recognition accounting policies for compliance with Ind AS; • Testing the design, implementation and operating effectiveness of the Company’s manual and automated (Information Technology - IT) controls on recording revenue. We also involved IT specialists for testing of IT general and application controls. • Testing the controls around the timely and accurate recording of sales transactions. We also tested the Company’s lead time assessment and quantification of any sales reversals for undelivered goods. In addition, we tested the terms and conditions set out in the sales contracts; • Performing testing on selected statistical samples of revenue transactions recorded throughout the year and at the year end and checking delivery documents and customer purchase orders (as applicable); • Assessing high risk manual journals posted to revenue to identify any unusual items. • Assessing and testing the adequacy and completeness of the Company’s disclosures in respect of revenue from operations.



Smiths & Founders (India) Limited

Annexure-A to the Independent Auditors' Report (Continued)

FY 2025-26

4. Information other than the Financial Statements and Auditor's Report thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

5. Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the State of Affairs, Profit/loss and Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



Smiths & Founders (India) Limited
Annexure-A to the Independent Auditors' Report (Continued)

FY 2025-26

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 based on these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



Smiths & Founders (India) Limited
Annexure-A to the Independent Auditors' Report (Continued)

FY 2025-26

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (a) planning the scope of our audit work and in evaluating the results of our work, and (b) to evaluate the effect of any identified misstatements in the financial statements.

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.

7. Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure –“A” a statement on the matters specified in Paragraph 3 and 4 of the Order to the extent applicable.
- II. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. on the basis of the written representations received from the directors as on March 31, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act;

*Smiths & Founders (India) Limited**Independent Auditors' Report (continued)**FY 2025-26*

- f. on the basis of the written representations received from the directors as on March 31, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act;
- g. with respect of adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure-“B”;
- h. In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.
- 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. the company does not have any pending litigation which shall impact its financial position.
 - ii. the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - 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, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) the management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the



Smiths & Founders (India) Limited
Independent Auditors' Report (continued) *FY 2025-26*

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;

- c) based on such audit procedures that have been considered reasonable and appropriate in the circumstances nothing has come to our notice that has caused them to believe that the representations under sub-clause (iv a) and (iv b) above contain any material mis-statement;
- v. The company has not declared or paid any dividend during the year and
- 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 changes at the database level in relation to accounting software. Further, for the period audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

For **SNR & Company**
Chartered Accountants,
Firm Regn. No. 014401N

Place: Bengaluru
Date: 25-May-2026
UDIN: 26210900CUSHXP3475

CA Ritesh Sharma
Partner
Membership No. 210900



Smiths & Founders (India) Limited

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT FY 2025-26

Referred to in paragraph 7(I) of our report of even date

1.
 - a) The company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets.
 - b) The company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed during such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company
 - d) The Company has not revalued its Property, Plant and Equipment 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.
2.
 - a) The inventories, have been physically verified by the management during the year. at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and the coverage and procedure is appropriate.

In our opinion, the discrepancies noticed during such verification have been properly dealt with in the books of accounts.
 - b) The Company has not been sanctioned working capital limits in excess of INR five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Accordingly, clause 3(ii)(b) of the order is not applicable..
3. As informed to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act, therefore the question of receipts of principal amount and interest and recovery of overdue amounts thereof does not arise.

*Smiths & Founders (India) Limited**Annexure-A to the Independent Auditors' Report (Continued)**FY 2025-26*

During the year the Company has not provided security, granted loan and advances in the nature of loan to companies, firms, Limited Liabilities Partnership or any other parties. Further, during the year the investments made and guarantees provided to companies are not prejudicial to the Company's interest

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), (d), (e) and (f) of the Order are not applicable to the Company

4. There are no loans, investments made and guarantees, or securities issued in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable.
5. The company has not accepted any deposits during the year and does not have any unclaimed deposits as at 31st March 2026 and therefore, the provisions of clause 3(v) of the Order is not applicable to the company.
6. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
7. (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) According to the information and explanations given to us, there are no material dues of service tax, goods and service tax, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. There is no undisputed overdue amounts payable for a period exceeding 6 months as at the end of financial year.

8. 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.
9. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

*Smiths & Founders (India) Limited**Annexure-A to the Independent Auditors' Report (Continued)**FY 2025-26*

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) On an overall examination of the financial statements, funds raised for long term were applied for purposes for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
10. (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.
11. (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed with the Central Government.
12. 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)(b)(c) of the Order are not applicable to the Company.
13. 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.
14. The Company has an internal audit system commensurate with the size and nature of its business.

*Smiths & Founders (India) Limited**Annexure-A to the Independent Auditors' Report (Continued)**FY 2025-26*

15. 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.
16. The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
17. The Company has not incurred cash losses in the current and immediately preceding financial year
18. During the year, there is a change in statutory auditors due to resignation of auditors. The auditors have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
19. On the basis of the financial ratios disclosed in note 40 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
20. In our opinion the Company does not satisfy the limits specified under section 135 of the Companies Act for applicability of CSR provisions and accordingly the said provisions do not apply to the Company. Hence, reporting under clause 3 (xx) of the Order is not applicable.

For SNR & Company
Chartered Accountants,
Firm Regn. No. 014401N

Place: Bengaluru
Date: 25-May-2026
UDIN: 26210900CUSHXP3475

CA Ritesh Sharma
Partner
Membership No. 210900



Smiths & Founders (India) Limited

ANNEXURE-“B” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 7(II)(f) of our report of even date **FY 2025-26**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Section 143(3) of the Companies Act, 2013 (“The Act”)

We have audited the internal financial controls over financial reporting of **Smiths & Founders (India) Limited** (“the Company”) as of 31st March 2026 in conjunction with our audit of standalone financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.



Smiths & Founders (India) Limited

Annexure-B to the Independent Auditors' Report (Continued)

FY 2025-26

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

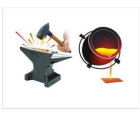
Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting include those policies and procedures that-

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations on Internal Financial Controls over Financial Reporting

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



*Smiths & Founders (India) Limited
Annexure-B to the Independent Auditors' Report (Continued)*

FY 2025-26

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting, issued by the ICAI”.

For SNR & Company
Chartered Accountants,
Firm Regn. No. 014401N

Place: Bengaluru
Date: 25-May-2026
UDIN: 26210900CUSHXP3475

CA Ritesh Sharma
Partner
Membership No. 210900



SMITHS & FOUNDERS (INDIA) LIMITED			
CIN - LBS110KA1990PLC011303			
NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013			
BALANCE SHEET AS AT 31 MARCH, 2026			
<i>(All amounts are in rupees, except as stated)</i>			
Particulars	Note No.	31-March-2026	31-March-2025
ASSETS			
Non-current assets			
(a)Property, Plant and Equipment	2.10	18,69,90,497	18,84,96,692
(b)Capital work-in-progress		-	-
(c)Investment Property		-	-
(d)Goodwill		-	-
(e)Other Intangible assets	2.30	38,838	43,319
(f)Intangible assets under development		-	-
(g)Biological Assets other than bearer plants		-	-
(h)Financial Assets		-	-
i.Investments		-	-
ii.Trade receivables		-	-
iii.Loans		-	-
iv.Others		-	-
(i)Deferred tax assets (net)		-	-
(j)Other non-current assets	3	18,84,161	18,84,161
		18,89,13,496	19,04,24,172
Current assets			
(a)Inventories	4	1,16,92,625	1,36,79,536
(b)Financials Assets		-	-
i.Investments		-	-
ii.Trade receivables	5	1,79,71,868	1,68,26,018
iii.Cash and Cash equivalents	6	1,37,93,966	2,78,596
iv.Bank balances other than (iii) above		-	-
v. Loans		-	-
vi.others		-	-
(c)Current Tax Assets(Net)	7	16,32,040	15,14,416
(d)Other current assets	8	1,99,908	2,89,006
		4,52,90,408	3,25,87,572
Total Assets		23,42,03,903	22,30,11,744
EQUITY AND LIABILITIES			
Equity			
(a)Equity Share Capital	9	10,19,96,525	10,19,96,525
(b)Other Equity	10	11,09,86,353	9,68,45,022
		21,29,82,878	19,88,41,547
Non-current Liabilities			
(a)Financial Liabilities		-	-
i.Borrowings	11	-	-
ii.Trade payables		-	-
iii.Other financial Liabilities		-	-
(b)Provisions	12	80,13,835	1,16,13,567
(c)Deffered tax Liabilities(Net)	12.1	45,03,516	21,73,888
(d)Other non-current liabilities		-	-
		1,25,17,351	1,37,87,455
Current Liabilities			
(a)Financial Liabilities		-	41,19,516
i.Borrowings	13	-	-
ii.Trade payables	14	-	-
-Micro and Small Enterprises		-	-
-Trade Payables- Others		7,44,293	5,23,021
iii.Other financial Liabilities		-	-
(b)Other current Liabilities	15	43,47,591	29,15,831
(c)Provisions	16	36,11,791	28,24,374
(d)Current Tax Liabilities(Net)		-	-
		87,03,674	1,03,82,742
Total Equity and Liabilities		23,42,03,903	22,30,11,744
Significant Accounting Policies	1		
Notes to Financial Statements	2 - 50		
The notes referred to above form an integral part of the financial statements.			
As per our report of even date attached:			
For SNR & Company		For Smiths & Founders (India) Limited	
Chartered Accountants			
Firm Registration No. 014401N			
Ritesh Sharma	Suresh Shastry	Shailaja Suresh	
Partner	Managing Director	Non-Executive Director	
Membership No. 210900	DIN: 1099554	DIN: 01326440	
	Roopashree Shettigar	Supriya Shastry	
	Company Secretary	Chief Financial Officer	
	M. No. A 52321	PAN: ATLPS8023M	
Place: Bengaluru		Place: Bengaluru	
Date:		Date:	



SMITHS & FOUNDERS (INDIA) LIMITED			
CIN - L85110KA1990PLC011303			
NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013			
STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 31 MARCH, 2026			
<i>(All amounts are in rupees, except as stated)</i>			
Particulars	Note No.	31-March-2026	31-March-2025
REVENUE			
Revenue from Operations	17	13,98,01,433	13,21,54,997
Other income	18	4,55,581	7,43,167
Total Revenue		14,02,57,014	13,28,98,164
EXPENSES			
Cost of materials consumed	19	6,35,92,042	5,61,14,155
Changes in inventory of work-in-progress & Finished Goods	20	7,64,690	68,33,220
Employee benefits expense	21	3,84,57,652	2,88,15,151
Finance costs	22	1,83,221	12,88,375
Depreciation and amortisation expense	23	26,29,400	25,27,443
Direct expenses	24	1,73,41,738	1,62,60,113
Administration expenses	25	69,88,791	59,43,658
Selling and distribution expenses	26	11,07,100	9,64,082
Total Expenses		13,10,64,635	11,87,46,197
Profit/(Loss) before exceptional items & tax		91,92,379	1,41,51,968
Exceptional items: Provision for Superannuation write-back	27	92,62,000	-
Profit/(Loss) before tax		1,84,54,379	1,41,51,968
Less: Tax expenses			
Current tax		23,90,158	13,89,963
Prior year tax		1,04,664	1,19,098
Deferred tax		23,29,628	21,73,888
Profit/(loss) (after tax)		1,36,29,929	1,04,69,019
Other Comprehensive Income			
A.Items that will not be reclassified to Profit & Loss		5,11,402	-5,47,539
- Actuarial Gain/ (Loss)			
B.Items that will be reclassified to Profit & Loss		-	-
Total Comprehensive Income, Net of Income Tax		5,11,402	-5,47,539.00
Profit/(Loss) for the period		1,41,41,331	99,21,479.68
Earnings per equity share (for continuing operation)			
Weighted average no. of equity shares		10,19,96,525	10,19,96,525.00
Basic and Diluted EPS (in Rs.)		0.139	0.097
Significant Accounting Policies 1			
Notes to Financial Statements 2 - 50			
The notes referred to above form an integral part of the financial statements.			
As per our report of even date attached:			
For SNR & Company		For Smiths & Founders (India) Limited	
Chartered Accountants			
Firm Registration No. 014401N			
Ritesh Sharma	Suresh Shastry	Shailaja Suresh	
Partner	Managing Director	Non-Executive Director	
Membership No. 210900	DIN: 1099554	DIN: 01326440	
	Roopashree Shettigar	Supriya Shastry	
	Company Secretary	Chief Financial Officer	
	M. No. A 52321	PAN: ATLPS8023M	
Place: Bengaluru		Place: Bengaluru	
Date:		Date:	



SMITHS & FOUNDERS (INDIA) LIMITED CIN - L85110KA1990PLC011303 NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2026 (All amounts are in rupees, except as stated)		
Particulars	Year Ended 31/03/2026	Year Ended 31/03/2025
A. Cash Flow From Operating Activities		
Net Profit / (Loss) before exceptional items	91,92,379	1,36,04,429
Adjustments for:		
Exceptional items	92,62,000	-
Interest & Finance Charges	1,83,221	12,88,375
Profit/(Loss) on sale of Fixed asset	6,32,561	-
Depreciation	26,29,400	25,27,443
Non Cash expenditure	-	75,135
Actuarial Gain/ (Loss)	5,11,402	-5,47,539
Interest Income	-3,78,203	-1,25,993
	<u>1,28,40,381</u>	<u>32,17,421</u>
Operating Profit before Working Capital Changes	2,20,32,760	1,68,21,850
Changes in working capital:		
Adjustments for (Increase)/Decrease in Operating Assets:		
Decrease/(Increase) in Inventory	19,86,911	59,22,579
Decrease/(Increase) in Trade Receivables	-11,45,850	11,41,073
Decrease/(Increase) in Other Current Assets	-28,526	8,80,852
Adjustments for Increase / (Decrease) in Operating liabilities:		
Increase/(Decrease) in Non Current Liabilities	-	-
Increase/(Decrease) in Other Current Liabilities	14,31,760	-26,50,069
Increase/(Decrease) in Trade Payables	2,21,271	-4,00,507
Increase/(Decrease) in Provisions	-36,75,103	2,77,149
	<u>-12,09,538</u>	<u>51,71,077</u>
Cash generated from operations	2,08,23,223	2,19,92,927
Income Tax paid	16,32,040	16,22,272
Net Cash flow from Operating activities (A)	1,91,91,182	2,03,70,655
hnn		
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-21,87,977	-25,60,134
Sale of Fixed Assets	4,36,700	-
Increase / (Decrease) in Long term Loans & Advances	-	64,004
Interest Income	3,78,203	1,25,993
Net Cash used in Investing activities (B)	-13,73,074	-23,70,137
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long term Borrowings	-	-1,66,23,501
Interest & Finance Charges	-1,83,221	-12,88,375
Repayment of Short term Borrowings	-41,19,516	-
Net Cash used in financing activities (C)	-43,02,738	-1,79,11,876
Net increase in cash & Cash Equivalents (A+B+C)	1,35,15,370	88,642
Opening Cash and Cash equivalents	2,78,596	1,89,955
Closing cash and Cash equivalents	1,37,93,966	2,78,596
Notes to the cash flow statement:		
Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 : "Cash Flow Statements" as specified in Section 133 of the Companies Act, 2013		
2 Component of Cash and Cash Equivalents as per Ind AS is as under:		
Particulars	46,112	45,747
Cash on Hand	6,690	15,942
Balances in bank		
Current accounts	35,57,388	2,62,654
Overdraft Account	7,894	-
Fixed deposits with original maturity up to 12 months	1,02,21,994	-
Total	1,37,93,966	2,78,596
3 The previous year's figure have been recasted, restated wherever necessary to confirm to the current presentation.		
This is the Cash Flow Statement referred to in our Audit report of even date.		
For SNR Company Secretary Chartered Accountants Firm Registration No. 014401N	For Smiths & Founders (India) Limited	
Ritesh Sharma Partner Membership No. 210900	Suresh Shastry Managing Director DIN: 1099554	Shailaja Suresh Non-Executive Director DIN: 01326440
	Roopashree Shettigar Company Secretary M. No. A 52321	Supriya Shastry Chief Financial Officer PAN: ATLPS8023M
Place: Bengaluru Date:	Place: Bengaluru Date:	

**Smiths & Founders (India) Limited****Notes to the Financial Statements for the year ended 31st March 2026****Note No 1 SIGNIFICANT ACCOUNTING POLICIES****1. Note on Business**

The Company was originally established as a small enterprise by the members of Shastry Family of Shimoga in the year 1982. It was further reconstituted into a company on 22nd October, 1990, with an objective of manufacturing forgings and machined components used in automobile, agriculture, mining, material handling, power transmission, hydraulic and general engineering industries.

2. Basis of preparation of Financial Statements

The Accompanying financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention and on accrual basis. applicable provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

3. Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

4. Revenue Recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and when it is probable that the collection is certain. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from sale of services is recognised by reference to the stage of completion. Stage of completion is measured by reference to proportion of cost incurred till date to the total estimated contract cost.

**5. Property, plant and Equipment (PPE)**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any, except in the case of land and buildings.

Land and Building has been revalued during the 2022-23, and company has opted for the revaluation model only in the case of land and building. Consequently, the management has decided to revalue these assets, once every 3 years in compliance with the relevant standard.

Expenditure which are of a Capital nature are Capitalized at cost, which comprises purchase price (net of rebates and discounts), duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Assets during construction are capitalized in the assets under capital work in progress account. At the point when an asset is operating at management's intended use.

Assets during construction are capitalized under capital work in progress account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment.

6. Other Intangible Assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Certain computer software costs are capitalized and recognised as intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

Depreciation and Amortisation

- i) Up to 31st March, 2014, depreciation is provided from the date the assets have been installed and put to use, on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- ii) With effect from 1st April, 2014, depreciation on assets carried at historical cost is provided on Straight Line Method based on useful life as under:

Category of assets	No. of useful life in Years
Factory Building	30
Office Building	60
Wells	5
Plant and Machinery	15
Electrical Installations	10
Furniture and Fixtures	10
Office Equipment	5
Computer and Accessories	3
Vehicles	8
Software	6

- iii) The carrying value of the assets as on April 1st, 2014, is depreciated over the remaining useful life of the asset determined based on useful life mentioned in clause (b) supra



- iv) Where the useful life of the asset is NIL as on 1st April, 2014, the carrying value as on 1st April, 2014, has been added to the opening balance of deficit the Statement of Profit and Loss in accordance with Schedule II of the Companies Act, 2013.

7. Foreign Currency Transactions

The functional currency of the company is determined based on primary economic environment in which it operates. The Functional Currency of the Company is Indian National Rupee (INR).

The transactions in currencies other entity's functional currency (Foreign currency) are recognized at the exchange rate prevailing date of transaction. At the end of each reporting year, monetary items denominated in foreign currency are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when such fair value is determined. Exchange difference on monetary items are recognised in the statement of Profit and Loss in the year in which they arise.

8. Inventories

Inventories are stated at the lower of cost or net realizable value.

Cost of raw materials include cost of purchase and other costs associated in bringing the inventories to their present location and condition.

Work in progress and finished goods includes cost of direct materials and labour and proportion of manufacturing overheads based on normal operating capacity

Costs of inventories are determined on an average basis. Net realizable value represents its estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

9. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contribution

For Defined benefit retirement plans, the cost of providing benefits is determined by projected unit credit method, with actuarial valuation carried out at the end each reporting year. Re-measurement, comprising actuarial gains and losses, the effect of changes of asset ceiling (if applicable) and return on plan assets (excluding interest) is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Such re-measurement is reflected immediately in retained earnings and will not be reclassified to statement of profit and loss.

Defined benefit costs are categorized as service cost, net interest expense or income and remeasurement. The company presents service cost and net interest expense or income in the statement of profit and loss in the line item Employee Benefits.



The Gratuity liability is covered under cash accumulation policy of the Life Insurance Corporation of India. The employee's gratuity is a defined benefit funded plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation as at the date of Balance Sheet. The company has created a group gratuity trust for the same.

Provisions for the liability on account of leave encashment has been made based on the actuarial valuation as at the date of Balance Sheet. The company has availed a policy under LIC's employee's group leave encashment cum life assurance scheme.

Short term and long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of long term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of the services provided by the employees upto reporting date.

10. Income tax and Deferred tax

Income tax: Tax on income for the current period is determined based on taxable income and tax credits computed in accordance with provisions of Income Tax Act, 1961, and based on the expected outcome of assessments / appeals.

Deferred Tax: Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or asset or liability in a transaction that is not a business combination and, at the time of transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.



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.

11. Borrowing costs

Interest on borrowings is recognised in the Statement of profit and loss, except interest incurred on borrowings, specifically raised for projects that is capitalised to the cost of the assets until such time as the asset is ready to put to use for its intended purpose, except where installation is extended beyond reasonable/normal time lines.

12. Provisions, Contingent Liabilities, Contingent Assets and Capital Commitments

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if

- a) The company has a present obligation as a result of a past event.
- b) A probable outflow of resources is expected to settle the obligation; and
- c) The amount of obligation can be reliably estimated.

Contingent liability is disclosed in case of

- a) Present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- b) Present obligation when no reliable estimate is possible; and
- c) A possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are not recognized. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

13. Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise of the net profit after tax for the year. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of shares, which would have been issued on conversion of dilutive potential equity shares, if any.



14. Impairment of assets

An Asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

15. Cash flow statement

Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7: "Statement of Cash Flows" as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.



SMITHS & FOUNDERS (INDIA) LIMITED											
CIN - L85110KA1990PLC011303											
NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013											
Note 2 : Non current Assets : Property Plant and Equipment (All amounts are in rupees, except as stated)											
Description	Life Span of Assets in Years	GROSS BLOCK			DEPRECIATION					NET BLOCK	
		As at 01-04-2025	Additions	Deletions	As at 31-03-2026	As at 01-04-2025	Additions	Deletions	Total Depreciation	As at 31.03.2026	As at 31.03.2025
2.1 Tangible Assets											
Factory Building	30	1,07,16,074	-	-	1,07,16,074	63,71,796	1,63,103	-	65,34,899	41,81,175	43,44,278
Office Building	60	1,70,29,545	-	-	1,70,29,545	27,48,721	2,53,064	-	30,01,785	1,40,27,760	1,42,80,824
Wells	5	1,52,483	-	-	1,52,483	1,29,218	-	-	1,29,218	23,266	23,266
Land	-	15,40,84,178	-	-	15,40,84,178	-	-	-	-	15,40,84,178	15,40,84,178
Plant and Machinery	15	4,90,13,658	16,04,433	45,08,894	4,61,09,197	3,59,10,071	14,99,935	34,39,633	3,39,70,373	1,21,38,824	1,31,03,587
Electrical Installations	10	27,80,315	-	-	27,80,315	25,72,326	60,309	-	26,32,635	1,47,680	2,07,989
Furniture and Fixtures	10	17,12,985	43,052	-	17,56,037	13,73,241	1,02,125	-	14,75,366	2,80,671	3,39,744
Office Equipments	5	27,34,743	3,65,979	-	31,00,723	23,79,289	1,23,347	-	25,02,635	5,98,088	3,55,455
Computer and Accessories	3	5,07,824	1,67,513	-	6,75,337	4,96,303	24,667	-	5,20,970	1,54,367	11,521
Vehicles	8	43,61,802	-	-	43,61,802	26,15,951	3,91,362	-	30,07,313	13,54,489	17,45,851
Subtotal (a)		24,30,93,607	21,80,977	45,08,894	24,07,65,690	5,45,96,915	26,17,911	34,39,633	5,37,75,193	18,69,90,497	18,84,96,692
2.2 Intangible Assets											
Software	6	10,03,821	7,000	-	10,10,821	9,60,502	11,481	-	9,71,983	38,838	43,319
Subtotal (b)		10,03,821	7,000	-	10,10,821	9,60,502	11,481	-	9,71,983	38,838	43,319
Total (a+b)		24,40,97,428	21,87,977	45,08,894	24,17,76,512	5,55,57,417	26,29,393	34,39,633	5,47,47,177	18,70,29,335	18,85,40,011
2.1 The Management has reviewed the residual value and the useful life of the Property, Plant and Equipment. Accordingly, the Company has concluded that there is no change in accounting estimate is required to be accounted as per Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.											

SMITHS & FOUNDERS (INDIA) LIMITED		
CIN - L85110KA1990PLC011303		
NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013		
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026		
(All amounts are in rupees, except as stated)		
Note 3 - Other non-current assets		
Particulars	31-Mar-2026	31-Mar-2025
Deposits with Government Authorities	18,68,153	18,68,153
Other Deposits	16,008	16,008
Total	18,84,161	18,84,161
Note 4 - Inventories		
Particulars	31-Mar-2026	31-Mar-2025
Raw material (Valued at landed cost which includes freight)	69,75,771	62,54,104
Consumables (Valued at landed cost which includes freight)	35,43,698	54,87,586
Work-in-Progress (Valued at cost of material & conversion cost)	10,78,689	13,78,776
Finished goods (Valued at lower of cost or Net Realisable Value)	94,467	5,59,070
Total	1,16,92,625	1,36,79,536
Note 5 - Current Trade Receivables		
Particulars	31-Mar-2026	31-Mar-2025
(Unsecured, considered good) Trade Receivables	1,79,71,868	1,68,26,018
Total	1,79,71,868	1,68,26,018
Note 6 - Cash and Cash equivalents		
Particulars	31-Mar-2026	31-Mar-2025
Cash in hand	6,690	15,942
Balances with Banks		
Current Accounts	35,57,388	2,62,654
Fixed deposits with original maturity up to 12 months	1,02,21,994	-
Bank overdraft		
South Indian Bank OD A/c 0911081000000023	7,894	-
Total	1,37,93,966	2,78,596



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026		
(All amounts are in rupees, except as stated)		
Note 7 - Current Tax Asset		
Particulars	31-Mar-2026	31-Mar-2025
Income tax advance tax	16,32,040	15,14,416
Total	16,32,040	15,14,416
Note 8 - Other Current Assets		
Particulars	31-Mar-2026	31-Mar-2025
Advance to employees	-	-
Prepaid Expenses	1,95,852	2,57,216
Other Claims Receivable	4,056	31,790
Total	1,99,908	2,89,006
Note 9 - Equity share capital		
Particulars	31-Mar-2026	31-Mar-2025
Authorized Share Capital (10,25,00,000 Equity Shares of Re.1/- each)	10,25,00,000	10,25,00,000
	10,25,00,000	10,25,00,000
Issued, Subscribed & Paid Up Share Capital (10,19,96,525 Equity Shares of Re.1/- each fully paid up)	10,19,96,525	10,19,96,525
Total	10,19,96,525	10,19,96,525
(a) Shares outstanding at beginning & end of the reporting period		
Particulars	31-Mar-2026	31-Mar-2025
Shares outstanding at beginning of the year	10,19,96,525	10,19,96,525
Shares issued during the year	-	-
Capital reduction during the year	-	-
Shares outstanding at the end of the year	10,19,96,525	10,19,96,525

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026		
(All amounts are in rupees, except as stated)		
Note 11 - Non-current Borrowings		
Particulars	31-Mar-2026	31-Mar-2025
Term Loans		
Unsecured		
Directors Loan	-	-
Total	-	-
Note 12 - Non-current provisions		
Particulars	31-Mar-2026	31-Mar-2025
Provision for super annuation	-	92,62,000
Gratuity payable	77,66,856	21,41,344
Leave Salary Payable	2,46,979	2,10,223
Total	80,13,835	1,16,13,567
Note 12.1 - Deferred tax assets and liabilities		
Particulars	31-Mar-2026	31-Mar-2025
(a) Deferred tax assets	7,77,809	33,74,025
(b) Deferred tax Liabilities	52,81,325	55,47,913
Deferred tax Liabilities (Net)	45,03,516	21,73,888
Note 13 - Current Borrowings		
Particulars	31-Mar-2026	31-Mar-2025
Secured Bank borrowings		
Bank overdraft - South Indian Bank OD A/c 0911081000000023	-	41,19,516
Total	-	41,19,516
Note 14 - Current Trade Payables		
Particulars	31-Mar-2026	31-Mar-2025
Dues to		
Micro and Small Enterprises	-	-
Trade Payables- Others	7,44,293	5,23,021
Total	7,44,293	5,23,021
-: This space is intentionally left blank :-		



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026		
(All amounts are in rupees, except as stated)		
Note 15 - Other current Liabilities		
Particulars	31-Mar-2026	31-Mar-2025
Advances received from Customers	3,83,578	5,06,596
Directors Remuneration Payable	18,000	-
Statutory Dues Payable	6,22,102	6,43,094
Other Payables		
Salaries and bonus payable	21,60,883	16,22,208
Ex-gratia payable	1,17,232	13,992
LIC Contribution Payable	12,879	11,961
Power charges payable	9,67,454	1,17,980
Other current liabilities	65,464	-
Total	43,47,591	29,15,831
Note 16 -Current Provisions		
Particulars	31-Mar-2026	31-Mar-2025
Gratuity payable	6,31,634	8,01,411
Leave Salary payable	5,90,000	6,33,000
Provision for Income tax	23,90,157	13,89,963
Total	36,11,791	28,24,374
-: This space is intentionally left blank :-		

SMITHS & FOUNDERS (INDIA) LIMITED		
CIN - L85110KA1990PLC011303		
NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013		
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026		
(All amounts are in rupees, except as stated)		
Particulars	31-Mar-2026	31-Mar-2025
Note 17 - Revenue From Operations		
Sale of products and services	13,33,16,039	12,56,40,730
Less: Sales Return	-141	-97,953
	13,33,15,898	12,55,42,777
Other operating revenues		
Sale of scrap	64,85,535	66,12,220
	64,85,535	66,12,220
Total	13,98,01,433	13,21,54,997
(A) Details of revenue from the sale of products		
Sale of products and services (Net of sales returns)		
Steel Forgings	13,33,15,898	12,55,42,777
Total	13,33,15,898	12,55,42,777
Other operating revenues		
Ferrous Waste & Scrap	64,85,535	66,12,220
Total	64,85,535	66,12,220
Note 18 - Other Income		
Interest Income	3,78,203	1,25,993
Foreign exchange gain/(loss)	388	-7,817
Miscellaneous receipts	-	2,117
Profit on sale of asset	29,588	-
Duty Draw Back	27,633	1,18,581
Electricity Tax Refund	-	4,73,208
Discount Received	-	337
Sundry Balance Written Off	-	30,772
Excess provision written back	19,763	-
Round off	7	-23
Total	4,55,581	7,43,167
-: This space is intentionally left blank :-		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026 (All amounts are in rupees, except as stated)		
Particulars	31-Mar-2026	31-Mar-2025
Note 19 - Cost of materials consumed		
Raw-Material		
Opening Stock	62,54,104	53,84,533
Add: Purchases	6,03,90,526	5,29,71,206
Less: Closing Stock	69,75,771	62,54,104
	5,96,68,859	5,21,01,635
Consumables		
Opening Stock	54,87,586	54,46,516
Add: Purchases	19,79,295	40,53,590
Less: Closing Stock	35,43,698	54,87,586
	39,23,183	40,12,520
Total	6,35,92,042	5,61,14,155
Details of Opening Stock		
Raw-Material		
Forging Quality Steel Rounds (In DIA)	62,24,654	53,61,278
Ferrous Waste & Scrap	29,450	23,255
Total	62,54,104	53,84,533
Consumables		
Dies Tools	43,19,090	44,66,143
Other Consumables	11,68,496	9,80,373
Total	54,87,586	54,46,516
Details of Purchases		
Raw-Material		
Forging Quality Steel Rounds (In DIA)	6,03,90,526	5,29,71,206
Total	6,03,90,526	5,29,71,206
Consumables		
Machinery parts and Consumables	19,79,295	40,53,590
Total	19,79,295	40,53,590
Details of Closing Stock		
Raw-Material		
Forging Quality Steel Rounds (In DIA)	57,38,726	52,53,448
Forging Quality Steel Rounds In Process	7,05,890	6,87,951
Ferrous Waste & Scrap	5,31,155	3,12,705
Total	69,75,771	62,54,104
Consumables		
Dies Tools	25,97,490	41,70,565
Other Consumables	9,46,208	13,17,021
Total	35,43,698	54,87,586



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026 (All amounts are in rupees, except as stated)		
Particulars	31-Mar-2026	31-Mar-2025
Note 20 - Changes in inventory of work-in-progress & Finished Goods		
Work in progress		
Opening Stock	13,78,776	87,71,066
Less : Closing Stock	10,78,689	13,78,776
	3,00,087	73,92,290
Finished Goods		
Opening Stock	5,59,070	-
Less : Closing Stock	94,467	5,59,070
	4,64,603	-5,59,070
Total	7,64,690	68,33,220
Details of Opening Stock		
Work in progress		
Steel Forgings in Process	13,78,776	87,71,066
Total	13,78,776	87,71,066
Finished Good		
Steel Forgings	5,59,070	-
Total	5,59,070	-
Details of Closing Stock		
Work in progress		
Steel Forgings in Process	10,78,689	13,78,776
Total	10,78,689	13,78,776
Finished Good		
Steel Forgings	94,467	5,59,070
Total	94,467	5,59,070
-: This space is intentionally left blank :-		



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026 (All amounts are in rupees, except as stated)		
Particulars	31-Mar-2026	31-Mar-2025
Note 21 - Employee Benefits Expense		
Salaries & Wages	2,22,44,536	2,00,65,226
Gratuity & Leave salary		
-Gratuity	69,92,428	5,54,290
-Leave salary	2,03,593	3,75,525
Bonus	12,59,908	3,58,083
PF, ESI and other Labour welfare funds	24,58,076	22,47,331
Staff Welfare	9,21,558	9,41,176
Ex-gratia	1,44,412	13,994
Production incentive	21,40,045	15,67,189
Directors Remuneration and Perquisites	20,93,096	26,92,338
Total	3,84,57,652	2,88,15,151
Note 22 - Finance Costs		
Interest on Loans	-	9,27,327
Interest on OD	24,414	3,23,625
Other Finance costs	1,58,807	37,423
Total	1,83,221	12,88,375
Note 23 - Depreciation And Amortisation Expense		
Tangible Asset	26,17,919	24,11,871
Intangible Asset	11,481	1,15,572
Total	26,29,400	25,27,443
Note 24 - Direct expenses		
Power charges	1,16,86,841	1,06,09,960
Labour charges	46,81,692	47,28,726
Material handling charges	2,12,337	1,82,201
Freight inward and transportation charges	7,60,868	7,39,226
Total	1,73,41,738	1,62,60,113
-: This space is intentionally left blank :-		



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026 (All amounts are in rupees, except as stated)		
Particulars	31-Mar-2026	31-Mar-2025
Note 25 - Administration and other expenses		
Advertisement Charges	72,446	47,609
Audit Fees*	2,65,621	2,42,773
AGM Expenses	90,424	45,088
Charity and Donation	80,404	77,001
Electricity Charges	89,848	1,07,305
Insurance	49,113	47,051
Membership & Subscription Charges	32,258	34,473
Office Expenses	68,376	72,849
Other Admin Expenses-factory	1,95,144	2,01,382
Postage & Courier Charges	23,715	9,184
Printing and Stationery	85,204	67,402
Professional and Consultancy Fees	8,43,206	10,87,564
Rates & Taxes	3,96,323	3,62,853
Repair & Maintenance - Building	2,22,267	1,13,693
Repair & Maintenance - Machinery	12,74,428	8,80,178
Repair & Maintenance - Others	5,20,284	5,68,424
Security Charges	16,07,664	15,81,156
Telephone & Internet Charges	1,52,116	1,45,975
Travelling & Conveyance	2,57,800	2,45,102
Excess provision written back	-	2,596
Training programme office expenses	-	4,000
Loss on Sale/ Discard of Assets	6,62,149	-
Total	69,88,791	59,43,658
*Auditor Remuneration		
Statutory Audit Fee (Including Limited Review Fees)	1,90,000	1,90,000
Tax Audit Fee	50,000	50,000
Consultancy Fees	15,000	-
Other Charges	10,621	2,773
Total	2,65,621	2,42,773
Note 26 - Selling & Distribution expenses		
Business Promotion	36,522	52,567
Freight outward	10,70,578	9,11,515
Total	11,07,100	9,64,082
Note 27 - Exceptional Item		
Superannuation Write-Back*	-92,62,000	-
Total	-92,62,000	-
*The total accumulated superannuation provision has been written back and disclosed as an exceptional item in Profit and Loss account.		



SMITHS & FOUNDERS (INDIA) LIMITED						
CIN - L85110KA1990PLC011303						
NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013						
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026						
(All amounts are in rupees, except as stated)						
Note- 28 - Ageing Schedule for Trade Receivables						
As at 31st March, 2026						
Particulars	Outstanding for following periods from due date of payment					Total
	<6 Months	6m-1 Year	1-2 Years	2-3 Years	>3 Years	
<u>(I) Considered Good - Secured</u>						
a) Undisputed Trade receivables	-	-	-	-	-	-
b) Disputed Trade receivables	-	-	-	-	-	-
expected credit loss	-	-	-	-	-	-
<u>(II) Considered Good - Unsecured</u>						
a) Undisputed Trade receivables	1,79,71,868	-	-	-	-	1,79,71,868
b) Disputed Trade receivables	-	-	-	-	-	-
expected credit loss	-	-	-	-	-	-
<u>(III) Trade Receivables which have significant increase in credit risk</u>						
a) Undisputed Trade receivables	-	-	-	-	-	-
b) Disputed Trade receivables	-	-	-	-	-	-
expected credit loss	-	-	-	-	-	-
<u>(IV) Trade Receivables – credit impaired</u>						
a) Undisputed Trade receivables	-	-	-	-	-	-
b) Disputed Trade receivables	-	-	-	-	-	-
expected credit loss	-	-	-	-	-	-
TOTAL	1,79,71,868	-	-	-	-	1,79,71,868
As at 31st March, 2025						
Particulars	Outstanding for following periods from due date of payment					Total
	<6 Months	6m-1 Year	1-2 Years	2-3 Years	>3 Years	
<u>(I) Considered Good - Secured</u>						
a) Undisputed Trade receivables	-	-	-	-	-	-
b) Disputed Trade receivables	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts/ Allowance for expected credit loss	-	-	-	-	-	-
<u>(II) Considered Good - Unsecured</u>						
a) Undisputed Trade receivables	1,68,26,018	-	-	-	-	1,68,26,018
b) Disputed Trade receivables	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts/ Allowance for expected credit loss	-	-	-	-	-	-
<u>(III) Trade Receivables which have significant increase in credit risk</u>						
a) Undisputed Trade receivables	-	-	-	-	-	-
b) Disputed Trade receivables	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts/ Allowance for expected credit loss	-	-	-	-	-	-
<u>(IV) Trade Receivables – credit impaired</u>						
a) Undisputed Trade receivables	-	-	-	-	-	-
b) Disputed Trade receivables	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts/ Allowance for expected credit loss	-	-	-	-	-	-
TOTAL	1,68,26,018	-	-	-	-	1,68,26,018



SMITHS & FOUNDERS (INDIA) LIMITED CIN - L85110KA1990PLC011303 NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013							
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026 (All amounts are in rupees, except as stated)							
Note - 29- Ageing Schedule for Trade Payables							
a As at 31st March, 2026							
Particulars	Unbilled Payables	Not Due	Outstanding for following periods from due date of payment				Total
			< 1 Year	1-2 Years	2-3 Years	> 3 Years	
<u>(i) Dues to Micro, Small and Medium Enterprise (MSME)</u>							
a) Disputed Dues	-	-	-	-	-	-	-
b) Undisputed Dues	-	-	-	-	-	-	-
<u>(ii) Dues to Others</u>							
a) Disputed Dues	-	-	-	-	-	-	-
b) Undisputed Dues	-	-	7,44,293	-	-	-	7,44,293
TOTAL (i+ii)	-	-	7,44,293	-	-	-	7,44,293
b As at 31st March, 2025							
Particulars	Unbilled Payables	Not Due	Outstanding for following periods from due date of payment				Total
			< 1 Year	1-2 Years	2-3 Years	> 3 Years	
<u>(i) Dues to Micro, Small and Medium Enterprise (MSME)</u>							
a) Disputed Dues	-	-	-	-	-	-	-
b) Undisputed Dues	-	-	-	-	-	-	-
<u>(ii) Dues to Others</u>							
a) Disputed Dues	-	-	-	-	-	-	-
b) Undisputed Dues	-	-	5,23,021	-	-	-	5,23,021
TOTAL (i+ii)	-	-	5,23,021	-	-	-	5,23,021
c Disclosures in respect of Micro and Small Enterprises							
The Management is in continuous process of obtaining confirmations from its vendors regarding their registrations under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Under the MSMED Act, 2006 which came into force with effect from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of information and records available with the company, none of the vendors have informed the Company that they are Small Scale Industrial Undertakings. Hence, information regarding dues to such undertakings is not furnished. The Company has not received any claim for interest from any supplier under the said Act.							
-: This space is intentionally left blank :-							



SMITHS & FOUNDERS (INDIA) LIMITED

CIN - L85110KA1990PLC011303

NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026

(All amounts are in rupees, except as stated)

Note- 30- Disclosure of borrowings obtained on basis of security of current assets

F.Y. 2025-2026

Quarter	Name of Bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in quarterly return	Amount of difference	Reasons for Material Discrepancies
	South india Bank	Hypothecation of property	-	-	-	
TOTAL			-	-	-	

F.Y. 2024-2025

Quarter	Name of Bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in quarterly return	Amount of difference	Reasons for Material Discrepancies
	South india Bank	Hypothecation of property	41,19,516	41,19,516	-	
TOTAL			41,19,516	41,19,516	-	

-: This space is intentionally left blank :-



<p>SMITHS & FOUNDERS (INDIA) LIMITED CIN - L85110KA1990PLC011303 NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013</p>							
<p>NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026 (All amounts are in rupees, except as stated)</p>							
<p>Note - 31 - Disclosure pursuant to Ind AS 1 "Presentation of financial statements":</p>							
<p>1 Current assets expected to be recovered within twelve months and after twelve months from the reporting date:</p>							
		As at 31-03-2026			As at 31-03-2025		
Particulars	Note	Within Twelve months	After Twelve months	Total	Within Twelve months	After Twelve months	Total
Current Assets							
(a)Inventories	4	1,16,92,625	-	1,16,92,625	1,36,79,536	-	1,36,79,536
(b)Financials Assets							
ii.Trade receivables	5	1,79,71,868	-	1,79,71,868	1,68,26,018	-	1,68,26,018
iii.Cash and Cash equivalents	6	1,37,93,966	-	1,37,93,966	2,78,596	-	2,78,596
(c) Current Tax Assets (Net)	7	16,32,040	-	16,32,040	15,14,416	-	15,14,416
(d)Other current assets	8	1,99,908	-	1,99,908	2,89,006	-	2,89,006
Total		4,52,90,408	-	4,52,90,408	3,25,87,572	-	3,25,87,572
<p>2 Current Liabilities expected to be paid within twelve months and after twelve months from the reporting date:</p>							
		As at 31-03-2026			As at 31-03-2025		
Particulars	Note	Within Twelve months	After Twelve months	Total	Within Twelve months	After Twelve months	Total
Current Liabilities							
(a)Financial Liabilities							
i.Borrowings	13	-	-	-	41,19,516	-	41,19,516
ii.Trade payables	14	7,44,293	-	7,44,293	5,23,021	-	5,23,021
(b)Other current Liabilities	15	43,47,591	-	43,47,591	29,15,831	-	29,15,831
(c)Provisions	16	36,11,791	-	36,11,791	28,24,374	-	28,24,374
Total		87,03,674	-	87,03,674	1,03,82,743	-	1,03,82,743
<p>Note - 32- Operating Segment Information</p> <p>The Company's operations predominantly consist of Manufacturing of Forgings and Machined Components; and other sales does not contribute to 10% or more of the Company's total sales. Hence there are no reportable segments under Ind AS-108 'Segment Reporting'.</p> <p>The Executive director of the company has been identified as The Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.</p> <p style="text-align: center;">-: This space is intentionally left blank :-</p>							



SMITHS & FOUNDERS (INDIA) LIMITED		
CIN - L85110KA1990PLC011303		
NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013		
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026		
<i>(All amounts are in rupees, except as stated)</i>		
Note No 33 : The disclosure as per Indian Accounting Standard 19 "Employee benefits"		
a. Defined contribution plan:		
Particulars	As at 31 Mar 2026	As at 31 Mar 2025
Employees Contribution to to Provident Fund	19,52,549	18,26,035
b. Defined Benefit Plan		
The Employees gratuity fund Scheme is a defined benefit plan wherein a separate trust is formed which is managed by Life Insurance Corporation of India. The present value of obligation is determined by Actuarial Valuation, which recognises each period of services as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.		
Particulars	As at 31 Mar 2026	As at 31 Mar 2025
Components of Employer Expenses		
Cuurent Service cost	6,31,634	4,30,208
Interest on obliations	4,45,608	3,90,120
Past Service cost	61,66,047	-
Expected Return on assets	2,80,809	2,66,041
Net Actuarial (gain) / loss recognised in OCI	5,11,402	-5,47,539
Total Expenses	74,73,882	6,748
Net Assets/ (Liability) recognised in balance Sheet		
Present value of defined benefit obligation	1,29,68,368	69,73,183
Fair value of the plan assets	45,69,878	40,30,429
Liability recognized in the balance sheet	83,98,490	29,42,754
Current	6,31,634	8,01,411
Non Current	77,66,856	21,41,343
Change in projected benefit obligations		
PV of DBO at the commencement of the year	69,73,183	59,59,691
Current Service cost	6,31,634	4,30,208
Past Service cost	61,66,047	-
Interest cost	4,45,608	3,90,120
Benefits paid	7,23,591	3,43,125
Actuarial (gain) / loss	-5,24,513	5,36,289
Obligations at the end of the year	1,29,68,368	69,73,183
-: This space is intentionally left blank :-		



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026

(All amounts are in rupees, except as stated)

Note No 33 : The disclosure as per Indian Accounting Standard 19 "Employee benefits"

Change in Fair Value of assets during the year

Plan assets at the beginning of the year	40,30,429	41,18,763
Expected Return on Plan Assets	2,80,809	2,66,041
Employer Contribution	9,95,342	0
Benefits Paid	7,23,591	3,43,125
Actuarial (gain) / loss	13,111	11,251
Plan assets at the end of the year	45,69,878	40,30,428

Actuarial Assumptions

Discount rate	7.19%	6.74%
Expected return on assets	6.74%	7.17%
Salary escalation rate	7%	7%
Attrition rate	5%	5%

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and health care cost:

Assumption	Change in Assumption	Impact on DBO
Discount Rate	Increase by 1%	Decrease by 4,67,050
	Decrease by 1%	Increase by 5,24,040
Salary Growth	Increase by 1%	Increase by 4,30,603
	Decrease by 1%	Decrease by 3,94,692
Attrition Rate	Increase by 1%	Decrease by 31,592
	Decrease by 1%	Increase by 35,089

-: This space is intentionally left blank :-



<p>SMITHS & FOUNDERS (INDIA) LIMITED CIN - L85110KA1990PLC011303 NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013</p> <p>NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026 (All amounts are in rupees, except as stated)</p>							
<p>Note - 34 - Ind AS 107 - Financial Instruments : Disclosures</p>							
<p>FINANCIAL RISK MANAGEMENT</p> <p>The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.</p>							
<p>1 MARKET RISK MANAGEMENT</p> <p>Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.</p> <p>The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.</p>							
<p>i. Interest rate risk</p> <p>Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio .</p> <p><i>The exposure of Company borrowings to interest rate changes at the end of reporting period are as follows:</i></p>							
Particulars		As at 31st March,2026			As at 31st March,2025		
Floating rate borrowings		-			41,19,516		
Total Borrowings		-			41,19,516		
<p><i>As at the end of reporting period, the company had the following variable rate borrowings.</i></p>							
Particulars	As at 31st March, 2026			As at 31st March, 2025			
	Weighted Avg Interest rate	Balance	% of Total Loans	Weighted Avg Interest rate	Balance	% of Total Loans	
Cash Credit & Overdraft limit	8.65%	-	0.00%	9.65%	41,19,516	100.00%	
Net exposure to cash flow interest rate risk		-	0.00%		41,19,516	100.00%	
<p><i>Sensitivity</i></p> <p>A hypothetical 50 basis point shift in respective currency MIBORs and other benchmarks on the unhedged loans would result in a corresponding increase/decrease in interest cost for the Company on a yearly basis as follows:</p>							
Particulars	Impact on Profit and Loss after Tax			Impact on Equity			
	2025-26	2024-25		2025-26	2024-25		
Interest rates -increase by 0.5% in INR interest rate*	-	-20,598		-	-20,598		
Interest rates -Decrease by 0.5% in INR interest rate*	-	20,598		-	20,598		
<p><i>*Holding all other variables constant</i></p>							



ii. Liquidity Risk Management:

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth project. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium 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 table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at March 31,2026	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings - OD & Cash Credit Account	-	-	-	-	-	-
Borrowings - Director Loan	-	-	-	-	-	-
Trade Payables	7,44,293	-	7,44,293	-	-	7,44,293
Other Current Liabilities	43,47,591	-	43,47,591	-	-	43,47,591
Provisions	36,11,791	-	36,11,791	-	-	36,11,791
Total	87,03,674	-	87,03,674	-	-	87,03,674

As at March 31,2025	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings - Term loan	41,19,516	41,19,516	-	-	-	41,19,516
Borrowings - Director Loan	-	-	-	-	-	-
Trade Payables	5,23,021	-	5,23,021	-	-	5,23,021
Other Current Liabilities	29,15,831	-	29,15,831	-	-	29,15,831
Provisions	28,24,374	-	28,24,374	-	-	28,24,374
Total	1,03,82,743	41,19,516	62,63,226	-	-	1,03,82,743



<p>SMITHS & FOUNDERS (INDIA) LIMITED CIN - L85110KA1990PLC011303 NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013</p> <p>NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026 (All amounts are in rupees, except as stated)</p>				
<p>Note - 35 - Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures" :</p> <p>This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.</p> <p>The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Significant accounting policies of the Company.</p>				
<p>a) Financial assets and liabilities</p> <p>The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2026 and March 31, 2025</p>				
<p>As at March 31,2026</p>				
Particulars	Fair value through other comprehensive income	Fair value through statement of profit or loss	Amortised cost	Total carrying value
Financial Assets				
ii.Trade receivables	-	-	1,79,71,868	1,79,71,868
iii.Cash and Cash equivalents	-	-	1,37,93,966	1,37,93,966
Total			3,17,65,834	3,17,65,834
Financial Liabilities				
i.Borrowings	-	-	-	-
ii.Trade payables	-	-	7,44,293	7,44,293
Total			7,44,293	7,44,293
<p>As at March 31,2025</p>				
Particulars	Fair value through other comprehensive income	Fair value through statement of profit or loss	Amortised cost	Total carrying value
Financial Assets				
ii.Trade receivables	-	-	1,68,26,018	1,68,26,018
iii.Cash and Cash equivalents	-	-	2,78,596	2,78,596
Total			1,71,04,614	1,71,04,614
Financial Liabilities				
i.Borrowings	-	-	41,19,516	41,19,516
ii.Trade payables	-	-	5,23,021	5,23,021
Total			46,42,537	46,42,537



SMITHS & FOUNDERS (INDIA) LIMITED

35th Annual Report FY 2025-26

SMITHS & FOUNDERS (INDIA) LIMITED

CIN - L85110KA1990PLCD11303

NO.305,5TH FLOOR,BRIGADE RUBIK NO.20,HMT MAIN ROAD, BANGALORE 560013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026

(All amounts are in rupees, except as stated)

Note - 36- Ratios

(i)

(All amounts are in hundred rupees, except as stated)

Particulars	Formula	31-Mar-26			31-Mar-25			% Variance	Reason for Variance of more than 25%
		Numerator (Amount)	Denominator (Amount)	Ratio	Numerator (Amount)	Denominator (Amount)	Ratio		
Current Ratio	Current assets/ Current liabilities	4,52,90,407.58	87,03,674.29	5.20	3,25,87,572.15	1,03,82,742.61	3.14	66%	Increase in current assets in conjunction with Decrease in current liabilities.
Debt-equity ratio	Total debt/ Total Equity	-	6,16,81,197.11	-	41,19,516.31	4,75,39,866.08	0.09	-100%	The ratio decreased due to repayment of all borrowings as at the end of financial year.
Debt service coverage ratio	Earnings available for debt service/ Debt Service	1,69,45,892.03	24,414.00	694.11	1,42,47,413.68	12,50,952.00	11.39	5994%	With the repayment all loans the interest payments have fallen. Coupled with better operational results, the ratio has improved.
Return on equity ratio	[Net Profits after taxes – Preference Dividend (if any)]/ Average Shareholder's Equity	1,36,29,929.03	20,59,12,212.60	0.07	1,04,69,018.68	19,41,17,411.61	0.05	23%	With the increase in turnover, there is improvement in the ratio.
Inventory turnover ratio	Cost of goods sold OR sales/ Average Inventory	6,43,56,732.45	1,26,86,080.50	5.07	6,29,47,374.73	1,66,40,823.38	3.78	34%	The company has operated with optimal inventory resulting in improved ratio
Trade receivables turnover ratio	Net Credit Sales/ Average Accounts Receivable	13,98,01,432.83	1,73,98,942.98	8.04	13,21,54,997.00	1,73,96,554.20	7.60	6%	NA
Trade payables turnover ratio	Net Credit Purchases/ Average Trade Payables	8,97,10,434.40	6,33,656.86	141.58	8,28,09,789.68	7,23,274.69	114.49	24%	NA
Net capital turnover ratio	Net Sales/ Working Capital	13,98,01,432.83	3,65,86,733.29	3.82	13,21,54,997.00	2,22,04,829.54	5.95	-36%	The working capital has increased resulting in a decrease of the ratio.
Net profit ratio	Net Profit/ Net Sales	1,41,41,331.03	13,98,01,432.83	0.10	99,21,479.68	13,21,54,997.00	0.08	35%	The profitability has increased due to efficient manufacturing operations and the reversal of superannuation provision.
Return on capital employed	Earning before interest and taxes/ Average Capital Employed	1,67,95,145.03	6,03,72,194.16	0.28	2,12,80,940.44	7,15,75,412.91	0.30	-6%	NA



SMITHS & FOUNDERS (INDIA) LIMITED							
CIN - L85110KA1990PLC011303							
NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013							
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026							
(All amounts are in rupees, except as stated)							
	<i>Reason for variance of ratios with significant change (i.e. change of 25% or more as compared to the previous financial year) have been explained.</i>						
	Schedules to Ratios						
	<i>Current Assets</i>						
	Particulars			F.Y. 2025-26	F.Y. 2024-25	F.Y. 2023-24	
	Inventories			1,16,92,625	1,36,79,536	1,96,02,114.77	
	Trade Receivables			1,79,71,868.13	1,68,26,017.82	1,79,67,090.57	
	Cash and Cash Equivalents			1,37,93,966.11	2,78,596.06	1,89,963.31	
	Current Tax Assets (Net)			16,32,040.30	15,14,415.98	1,09,937.00	
	Other Current Assets			1,99,908.04	2,89,006.29	10,71,973.24	
	TOTAL			4,52,90,407.58	3,25,87,572.15	3,89,41,078.89	
(ii)							
	<i>Current Liabilities</i>						
1	Particulars			F.Y. 2025-26	F.Y. 2024-25	F.Y. 2023-24	
	Borrowings			-	41,19,516.31	58,31,869.42	
	Trade Payables			7,44,292.56	5,23,021.16	9,23,528.22	
	Other Current Liabilities			43,47,590.98	29,15,831.14	53,55,455.69	
	Provisions			36,11,790.75	28,24,374.00	11,57,262.00	
	TOTAL			87,03,674.29	1,03,82,742.61	1,32,68,115.33	
	<i>Total Equity</i>						
	Particulars			F.Y. 2025-26	F.Y. 2024-25	F.Y. 2023-24	
2	Equity Share Capital			10,19,96,525.00	10,19,96,525.00	10,19,96,525.00	
	Other Equity			11,09,86,353.11	9,68,45,022.08	8,73,96,751.14	
	TOTAL			21,29,82,878.11	19,88,41,547.08	18,93,93,276.14	
	<i>Working Capital</i>						
	Particulars			F.Y. 2025-26	F.Y. 2024-25	F.Y. 2023-24	
	Current Assets			45290407.58	3,25,87,572.15	3,89,41,078.89	
	Current Liabilities			87,03,674.29	1,03,82,742.61	1,32,68,115.33	
3	TOTAL			3,65,86,733.29	2,22,04,829.54	2,56,72,963.56	



<p>SMITHS & FOUNDERS (INDIA) LIMITED CIN - L85110KA1990PLC011303 NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013</p>			
<p>NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026 <i>(All amounts are in rupees, except as stated)</i></p>			
<p>Note - 37 - Related Party Disclosures</p>			
<p>i) List of Key Managerial Person is as under:</p>			
Name	Nature of Relationship		
Mr. Suresh Shastry	Key Management Personnel		
Mrs. Roopashree Bhoja Shettigar	Key Management Personnel		
Mrs. Supriya Shastry	Key Management Personnel		
<p>ii) Names of the related parties with whom transactions were carried out during the year and description of relationship:</p>			
Name	Relationship		
Mr. Suresh Shastry	Key Management Personnel		
Mr. Satish Shastry	Relative of Key Management Personnel		
Mr. Umesh Shastry	Relative of Key Management Personnel		
Ms. Roopashree Shettigar	Key Management Personnel		
<p>iii) Transaction with related parties:</p>			
Name	Nature of Transaction (Net)	Amount of Transactions for the FY 2025-26	Amount of Transactions for the FY 2024-25
Mr. Suresh Shastry	Remuneration and perquisites	21,62,096	25,20,000
Mrs. Supriya Shastry	Remuneration and perquisites	25,06,942	25,20,000
Mr. Umesh Shastry	Remuneration and perquisites	25,52,656	25,20,000
Mr. Satish Shastry	Remuneration and perquisites	24,78,583	25,20,000
Ms. Roopashree Shettigar	Remuneration and perquisites	5,13,509	4,88,390
Mr. Suresh Shastry	Loan Repaid	-	1,40,00,000
Mrs. Shailaja Suresh	Loan Repaid	-	25,00,000
Mr. Suresh Shastry	Interest paid	-	7,91,960
Mrs. Shailaja Suresh	Interest paid	-	1,35,367
<p>v) Closing balances as on the year end:</p>			
Name	Nature of Transaction (Net)	Balance as on 31.03.2026 Receivable/(Payable)	Balance as on 31.03.2025 Receivable/(Payable)
Mr. Suresh Shastry	Remuneration Payable	18,000	-
Mrs. Supriya Shastry	Salaries Payable	25,400	-
Mr. Umesh Shastry	Salaries Payable	26,600	-
Mr. Satish Shastry	Salaries Payable	27,600	-
Ms. Roopashree Shettigar	Salaries Payable	37,537	-



SMITHS & FOUNDERS (INDIA) LIMITED

CIN - L85110KA1990PLC011303

NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026

(All amounts are in rupees, except as stated)

- Note-38** The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 and no proceeding has been initiated or is pending against the Company for holding any benami property.
- Note-39** The Company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961.
- Note-40** The company does not have any approved schemes of arrangements during the current and previous year.
- Note-41** The Company does not hold any cryptocurrency or virtual currency as at 31 March 2026 and 31 March 2025. The Company has also not received any deposits or advances for the purpose of investing in cryptocurrencies or virtual currencies.
- Note-42** All the title deeds of the immovable properties that are disclosed in the financials are held in the name of the Company.
- Note-43** The Company does not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- Note-44** **Borrowings**
- 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.
- The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.
- The Company has utilised all its borrowed fund for the purpose for which it was obtained.
- There are no charges or satisfaction which are yet to be registered with the Register of Companies beyond, that has exceeded the statutory period.
- Note - 45** Previous year's figures have been regrouped/reclassified wherever necessary to conform with the current year's classification/disclosures.

This space is intentionally left blank



<p>SMITHS & FOUNDERS (INDIA) LIMITED CIN - L85110KA1990PLCO11303 NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013</p>			
<p>NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026 (All amounts are in rupees, except as stated)</p>			
<p>Note-46-Financial Instruments by category</p>			
<p>The carrying value and fair value of financial instruments by categories as of 31-Mar-2026 are as follows</p>			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost
Financial Assets			
Trade Receivables	-	-	1,79,71,868.13
Cash and Cash Equivalents	-	-	1,37,93,966.11
Total	-	-	3,17,65,834.24
Financial Liabilities			
Borrowings	-	-	-
Trade Payables	-	-	7,44,292.56
Other Financial Liabilities	-	-	-
Total	-	-	7,44,292.56
<p>The carrying value and fair value of financial instruments by categories as of 31-Mar-2025 are as follows</p>			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost
Financial Assets			
Trade Receivables	-	-	1,68,26,017.82
Cash and Cash Equivalents	-	-	2,78,596.06
Total	-	-	1,71,04,613.88
Financial Liabilities			
Borrowings	-	-	41,19,516.31
Trade Payables	-	-	5,23,021.16
Other Financial Liabilities	-	-	-
Total	-	-	46,42,537.47
<p>Note-47 -Capital Management</p>			
<p>The Company's capital management objectives are: -to ensure the Company's ability to continue as going concern and -to provide an adequate return to shareholders through optimisation of debts and equity balance. The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.</p>			
<p>Note-48 -Debt to Equity Ratio</p>			
	As at 31 March, 2026	As at 31 March, 2025	
Debt (includes non-current, current borrowings and current maturities of long term debt)	-	41,19,516	
Less : cash and cash equivalents	1,37,93,966	2,78,596	
Net debt	(1,37,93,966)	38,40,920	
Total equity	21,29,82,878	19,88,41,547	
Net debt to total equity ratio	0.00%	1.93%	
<p>Note-49 -Financial Risk Management</p>			
<p>The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.</p>			



SMITHS & FOUNDERS (INDIA) LIMITED CIN - L85110KA1990PLC011303 NO.505,5TH FLOOR,BRIGADE RUBIX NO.20,HMT MAIN ROAD ,BANGALORE 560013																							
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 Mar, 2026 (All amounts are in rupees, except as stated)																							
(i) Credit risk																							
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business																							
Trade receivables The Company has used Expected Credit Loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.																							
In calculating expected credit loss, the company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.																							
<table border="1"> <thead> <tr> <th>Particulars</th> <th>Year ended 31 March, 2026</th> <th>Year ended 31 March, 2025</th> </tr> </thead> <tbody> <tr> <td>Financial assets for which loss allowances is measured using the expected credit loss</td> <td></td> <td></td> </tr> <tr> <td>Trade receivables</td> <td></td> <td></td> </tr> <tr> <td> less than 180 days</td> <td>1,79,71,868</td> <td>1,68,26,018</td> </tr> <tr> <td> 180 - 365 days</td> <td>-</td> <td>-</td> </tr> <tr> <td> 365 - 730 days</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>1,79,71,868</td> <td>1,68,26,018</td> </tr> </tbody> </table>			Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025	Financial assets for which loss allowances is measured using the expected credit loss			Trade receivables			less than 180 days	1,79,71,868	1,68,26,018	180 - 365 days	-	-	365 - 730 days	-	-	Total	1,79,71,868	1,68,26,018
Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025																					
Financial assets for which loss allowances is measured using the expected credit loss																							
Trade receivables																							
less than 180 days	1,79,71,868	1,68,26,018																					
180 - 365 days	-	-																					
365 - 730 days	-	-																					
Total	1,79,71,868	1,68,26,018																					
<table border="1"> <thead> <tr> <th>Particulars</th> <th>Year ended 31 March, 2026</th> <th>Year ended 31 March, 2025</th> </tr> </thead> <tbody> <tr> <td>Movement in the expected credit loss allowance on trade receivables</td> <td></td> <td></td> </tr> <tr> <td>Balance at the beginning of the year</td> <td>-</td> <td>-</td> </tr> <tr> <td> Addition</td> <td>-</td> <td>-</td> </tr> <tr> <td> Write - offs</td> <td>-</td> <td>-</td> </tr> <tr> <td> Recoveries</td> <td>-</td> <td>-</td> </tr> <tr> <td>Balance at the end of the year</td> <td>-</td> <td>-</td> </tr> </tbody> </table>			Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025	Movement in the expected credit loss allowance on trade receivables			Balance at the beginning of the year	-	-	Addition	-	-	Write - offs	-	-	Recoveries	-	-	Balance at the end of the year	-	-
Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025																					
Movement in the expected credit loss allowance on trade receivables																							
Balance at the beginning of the year	-	-																					
Addition	-	-																					
Write - offs	-	-																					
Recoveries	-	-																					
Balance at the end of the year	-	-																					
(ii) Liquidity Risk																							
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.																							
The Company has unutilised working capital overdraft from banks of Rs. 3,00,00,000.00																							
Note-50 -Income Tax																							
Income tax expense in the Statement of Profit and Loss comprises:																							
<table border="1"> <thead> <tr> <th>Particulars</th> <th>Year ended 31 March, 2026</th> <th>Year ended 31 March, 2025</th> </tr> </thead> <tbody> <tr> <td>Current tax</td> <td>23,90,158</td> <td>13,89,963</td> </tr> <tr> <td>Prior year tax</td> <td>1,04,664</td> <td>1,19,098</td> </tr> <tr> <td>Deferred tax</td> <td>23,29,628</td> <td>21,73,888</td> </tr> <tr> <td>Total</td> <td>48,24,450</td> <td>36,82,949</td> </tr> </tbody> </table>			Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025	Current tax	23,90,158	13,89,963	Prior year tax	1,04,664	1,19,098	Deferred tax	23,29,628	21,73,888	Total	48,24,450	36,82,949						
Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025																					
Current tax	23,90,158	13,89,963																					
Prior year tax	1,04,664	1,19,098																					
Deferred tax	23,29,628	21,73,888																					
Total	48,24,450	36,82,949																					
<table border="0"> <tr> <td style="width: 33%; vertical-align: top;"> For SNR & Company Chartered Accountants Firm Registration No. 014401N Ritesh Sharma Partner Membership No. 210900 </td> <td style="width: 33%; vertical-align: top;"> For Smiths & Founders (India) Limited Suresh Shastry Managing Director DIN: 1099554 Roopashree Shettigar Company Secretary M. No. A 52321 </td> <td style="width: 33%; vertical-align: top;"> Shailaja Suresh Non-Executive Director DIN: 01326440 Supriya Shastry Chief Financial Officer PAN: ATLPS8023M </td> </tr> <tr> <td>Place: Bengaluru Date:</td> <td></td> <td>Place: Bengaluru Date:</td> </tr> </table>			For SNR & Company Chartered Accountants Firm Registration No. 014401N Ritesh Sharma Partner Membership No. 210900	For Smiths & Founders (India) Limited Suresh Shastry Managing Director DIN: 1099554 Roopashree Shettigar Company Secretary M. No. A 52321	Shailaja Suresh Non-Executive Director DIN: 01326440 Supriya Shastry Chief Financial Officer PAN: ATLPS8023M	Place: Bengaluru Date:		Place: Bengaluru Date:															
For SNR & Company Chartered Accountants Firm Registration No. 014401N Ritesh Sharma Partner Membership No. 210900	For Smiths & Founders (India) Limited Suresh Shastry Managing Director DIN: 1099554 Roopashree Shettigar Company Secretary M. No. A 52321	Shailaja Suresh Non-Executive Director DIN: 01326440 Supriya Shastry Chief Financial Officer PAN: ATLPS8023M																					
Place: Bengaluru Date:		Place: Bengaluru Date:																					