August 21, 2026

To,
The Manager (Listing),
The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Script Code: 532683

To,
The Manager (Listing),
National Stock Exchange of India Limited
"Exchange Plaza", C-1 , Block – G,
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051
Script Code: AIAENG

Dear Sir / Madam,

Sub: Annual Report for the Financial Year ended 31st March, 2026

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Notice of Annual General Meeting (including e-voting instructions) along with Annual Report 2025-26 of the Company, which is also being sent through electronic mode to the members as per the circulars from Ministry of Corporate Affairs and Securities and Exchange Board of India.

Important details with regard to AGM are as under:

Sr. No.	Particulars	Details
1.	AGM Details	Day: Tuesday Date: 15th September, 2026 Time : 11.00 a.m. (IST) Through Video Conference/Other Audio Visual Means
2.	Record Date	Saturday, September 5, 2026
3.	Cut-off date for e-voting	Tuesday, September 8, 2026
4.	Remote e-voting start time, day and date	9.00 a.m. Friday, 11th September, 2026
5.	Remote e-voting end time, day and date	5.00 p.m. Monday, 14th September, 2026
6.	E-voting website of CDSL	https://www.cdslindia.com

The Annual Report containing the Notice of Annual General Meeting is also uploaded on the Company's website at www.aiaengineering.com.

You are requested to take the same on your record.

Thanking you.

Yours faithfully,
For AIA Engineering Limited

Satyanarayan Chhogalal Jetheliya

Digitally signed by Satyanarayan Chhogalal Jetheliya
Date: 2026.08.21 15:31:44 +05'30'

AIA ENGINEERING LIMITED AHMEDABAD 382415

S. N. Jetheliya
Company Secretary
Encl.: As above

REFINING THE NEW POSSIBILITIES.

AIA Engineering Limited

36th Annual Report **2025-26**

REFINING NEW POSSIBILITIES

Value rarely emerges finished. It begins as a possibility, refined through insight, strengthened by innovation, and realised through the discipline to act.

In F.Y. 2025-26, AIA Engineering Limited ('AIA Engineering,' 'AIA,' 'The Company,' or 'We') deepened its legacy of engineering excellence, turning technical mastery into tangible customer impact. As mining operations increasingly focused on productivity, recovery, and efficiency, we strengthened our role as a trusted solutions partner through an integrated packaging solutions model. By bringing together customised mill liners, high-chrome grinding media, process optimisation, and application engineering, we helped customers draw more from every tonne: higher throughput, better recovery, lower cost.

The year also tested the strength of how we operate, and our model held steady. We widened our manufacturing and supply capabilities, advanced strategic initiatives in the South America market, and reinforced our global network built to respond to customers with greater agility and speed. Each investment extended our reach across mining operations globally, while deepening the resilience that carries a business through uncertain years.

Through all of it, what guides us did not waver – innovation, sustainability, operational excellence, and value created for every stakeholder. Every improvement in metallurgy, design, manufacturing, and customer support added up to one thing: solutions that deliver more – more efficiency, reliability, and performance where it counts.

The year reaffirmed a simple belief: meaningful progress is achieved by continuously improving what is already possible.

That is how we create value.

That is how we strengthen partnerships.

That is how we continue Refining New Possibilities.

Scan the QR code to access the Investor Relations page
https://aiaengineering.com/investor-financials/

Disclaimer

This document contains statements about expected future events of AIA Engineering Limited ('The Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. The numbers presented in this Report pertain to F.Y. 2025-26 unless specifically mentioned otherwise. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

ACROSS THE PAGES

In this Report

Investor Information

Market Capitalisation (as of 31 March, 2026)	₹ 33,952.75 Crores
CIN	L29259GJ1991PLC015182
BSE Code	532683
NSE Symbol	AIAENG
Bloomberg Code	AIAE:IN
AGM Date	15 September, 2026
AGM Mode	Video Conferencing (VC) and Other Audio-Visual Means (OAVM)

Year in Review: 2025-26

ADVANCING PERFORMANCE. EXPANDING POSSIBILITIES.

FINANCIAL PERFORMANCE AND RESILIENCE

In F.Y. 2025-26, we demonstrated resilience amid geopolitical disruptions, freight volatility, and evolving global trade dynamics. We sustained strong profitability through rigorous operational discipline, product mix optimisation, and growing adoption of integrated grinding solutions across mining markets. At the same time, we continued to invest in future-ready capabilities.

₹ 4,41,986 Lakhs
Revenue from Operations

₹ 1,74,426 Lakhs
EBITDA

39.46%
EBITDA Margin

₹ 1,27,016 Lakhs
PAT

28.74%
PAT Margin

EXECUTING FOR GROWTH

During the year, we accelerated our strategic transition towards delivering integrated package solutions combining mill liners, high-chrome grinding media, process optimisation expertise, and application engineering capabilities. Simultaneously, we continued strengthening our global operating network to improve responsiveness, reduce supply-chain risks, and enhance service continuity across key mining geographies.

Integrated
Packaging Solutions Approach

Improved
Operational Reliability for Customers

Enhanced
Throughput and Grinding Efficiency

Focused
On the Global Logistics and Distribution Network

10+
Warehouses

3
Manufacturing Clusters

4,36,000 TPA
Present Installed Capacity

₹ 104 Crores
Capex Incurred during F.Y. 2025-26

SUSTAINABILITY IN ACTION

We continued strengthening our long-term sustainability agenda through responsible governance, people development, environmental stewardship, and community engagement. Through these efforts, we are focused on building enduring value for stakeholders while fostering an inclusive, ethical, and future-ready organisation.

37.38 MW
Renewable Energy Capacity

1,272
Permanent Employees

₹ **2,419.48** Lakhs
CSR Contribution during the Year

39 Years
Average Experience of Directors in the Company

4
Independent Directors on the Board

ACHIEVING MILESTONES. DRIVING PROGRESS.

1978
Incorporated by Mr. Bhadresh K. Shah as Ahmedabad Induction Alloys Private Limited (AIA)

1979
Commenced operations and started producing wear parts for cement and power plants

1985
Began production of high-chrome grinding media

1989
Commenced producing high chrome liners, level control diaphragms, and other diaphragms

1991
Amalgamated Ahmedabad Induction Alloys Private Limited with the Company

1996
Received ISO 9001 certification for Quality Management Systems

2003
Incorporated Vega ME as a wholly owned subsidiary

2005
Listed on the Indian stock exchanges

2011
Commissioned a new plant for mining liners and vertical mill parts

Our evolution reflects a deep understanding of the operational challenges faced by resource-intensive industries and a commitment to delivering measurable outcomes. Through integrated solutions, engineering expertise, and customer-centric innovation, we help customers unlock greater efficiency and value from their grinding operations.

2014
Expanded capacity to 2,60,000 MTPA at the Moraiya facility

2017
Commissioned Phase 1 of the Kerala GIDC, a greenfield grinding media production facility near Ahmedabad

2018
Developed mill-lining solutions for mines

2019
- Installed capacity enhancement by 50,000 MTPA at Kerala's GIDC plant
- Installed 8 wind turbines of 2.1 MW each

2020
- Obtained ISO 14001 certification for environmental management systems
- Received OHSAS 18001 certification for health and safety management systems at our Moraiya and Kerala plants

2022
Installed 2 wind turbines with a total capacity of 5.4 MW

2023
- Added two hybrid projects (2.1 MW windmill + 1.89 MW solar) at Dedan, Gujarat, taking the total renewable energy capacity to 32.28 MW
- Expanded capacity of 50,000 MTPA in castings at Kerala GIDC

2024
- Added group captive hybrid project (3.3-MW windmill + 1.80-MW solar facility) at Amreli, Gujarat, taking the total renewable energy capacity to 37.38 MW
- Added 20,000 MT of casting capacity by de-bottlenecking at Odhav

2025
Established Rubber and Composite Liners Plant at Kerala GIDC

2026
The Company started offering a complete package of tailor-made solutions for SAG Mills and Ball Mills, primarily involving designing and supplying a combination of Mill Liners (Metal, Rubber and Composite Liners), along with a unique New Generation Discharge System

BUILDING PROXIMITY. EXPANDING ACCESS.

Supporting this international presence is Vega Industries, our global marketing arm. Through Vega Industries, AIA has earned global recognition as a trusted partner for performance-driven grinding solutions.

120+
Countries Served

130+
Ports Reached

OUR GLOBAL ADVANTAGE

Integrated
Grinding Solutions

Direct
Market Presence

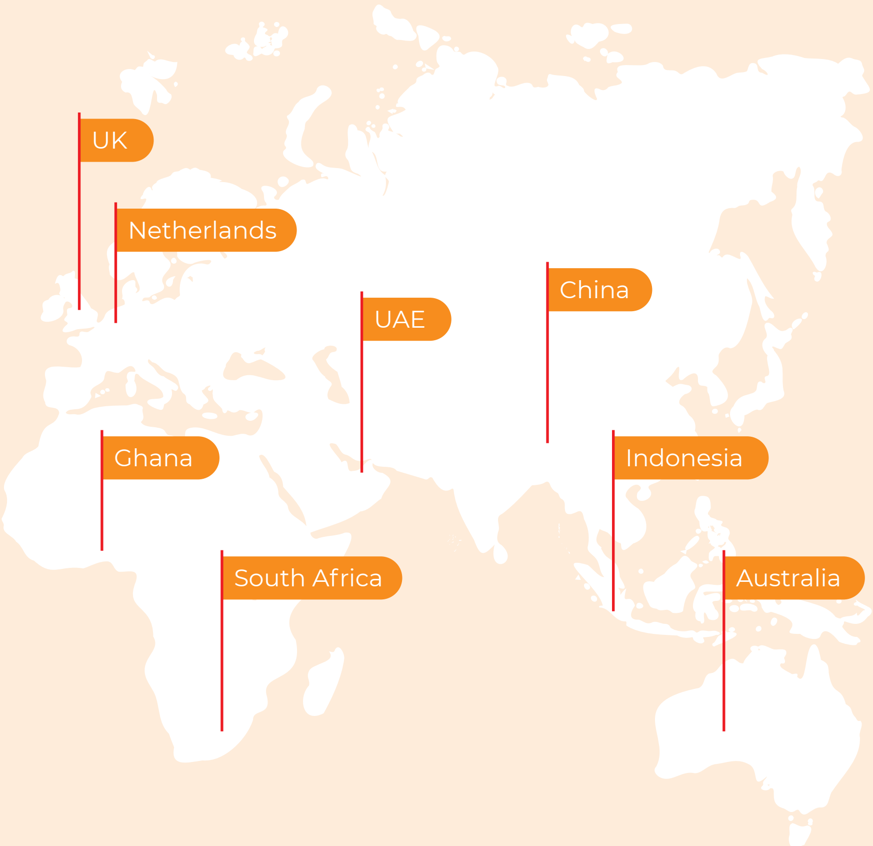
Regionalised
Supply Chain Network

Reliable
Global Distribution

Customer-centric
Technical Support

Responsive
Aftermarket Service

Wherever the world mines, we are close by. Across the major mining regions, we combine technical depth, customer proximity, and supply-chain agility to deliver reliable solutions. A wide network of manufacturing facilities, warehouses, subsidiaries, and representative offices enables responsive service, operational stability, and enduring customer partnerships.



LOGISTICS NETWORK WAREHOUSES

South Africa	Chile
USA	Indonesia
Netherlands	Ghana
Australia	UAE
China	Peru

SUBSIDIARIES AND REPRESENTATIVE OFFICES

USA	Chile
UK	Indonesia
UAE	Ghana
Australia	Peru
South Africa	Netherlands
China	Canada

Disclaimer: The map is a graphical representation intended solely to illustrate the Company's global presence and operational footprint. It is not drawn to scale and should not be construed as a precise representation of geographical boundaries, jurisdictions, or territorial claims. The locations shown are indicative and presented for informational purposes only.

REFINING EXPERTISE. ENHANCING OUTCOMES.

HOW WE CREATE CUSTOMER VALUE

Understand

- Ore characterisation and grinding circuit assessment
- Site audits and process diagnostics
- Wear pattern analysis
- Throughput and recovery benchmarking

Engineer

- Customised grinding media design
- Mill liner design and optimisation
- Metallurgical evaluation
- Digital performance monitoring

Optimise

- Pilot mill testing
- Bond Work Index studies
- Charge trajectory analysis
- Operating parameter optimisation

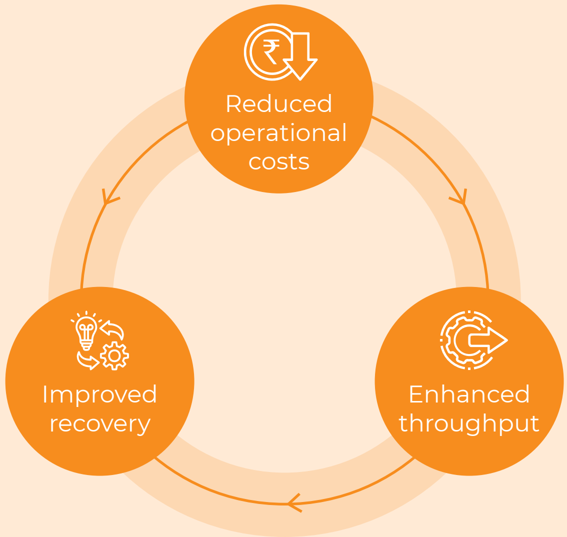
Support

- On-site technical assistance
- Continuous performance reviews
- Maintenance planning support
- Lifecycle optimisation

THE AIA ADVANTAGE

OUR KNOWLEDGE MATRIX

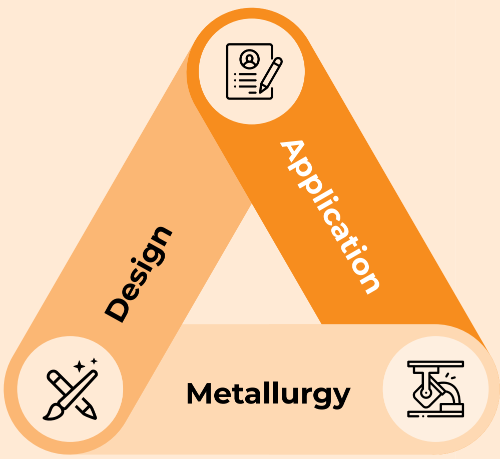
The Golden Triangle represents our knowledge matrix, a value proposition built on three outcomes:



The year marked a strategic shift towards integrated packaging solutions, combining mill liners, grinding media, and process optimisation. As a single, outcome-oriented solution partner, we help customers raise throughput and recovery, enhance reliability, and improve operating economics. This is backed by state-of-the-art, automated, ISO-certified manufacturing, precision engineering, operational excellence, and customer-centric innovation.

MARKETS WE ENABLE

- Mining
- Cement
- Quarrying
- Thermal Power



OUR VALUES

- Ownership
- Adaptability
- Drive
- Engage
- Mutual Respect
- Teamwork
- Trust
- Service-oriented Approach
- Cost-conscious Operations

SPECIALISED SOLUTIONS. MEASURABLE IMPACT.

INDUSTRY	PRODUCTS	SERVICES
Mining	SAG Mill Advanced Lining Systems Ball Mill Advanced Lining Systems Verti Mill Ceramic Composite Alloys SAG Mill Next Gen DE System Ball Mill Next Gen DE System High-Chrome Grinding Media	Design Modelling Installation Supervision Wear Monitoring and Scanning Circuit Diagnostics and Optimisation Holistic Process Modelling Mill Operational Expertise
APPLICATIONS	**VALUE ENHANCEMENT**	
Ore grinding and mineral processing operations	**Enhanced Production** Throughput Increase Recovery Improvement Grind Optimisation Electrochemistry Optimisation	**Reduced Operating Costs** Life Improvement Reline Time Reduction Energy Savings

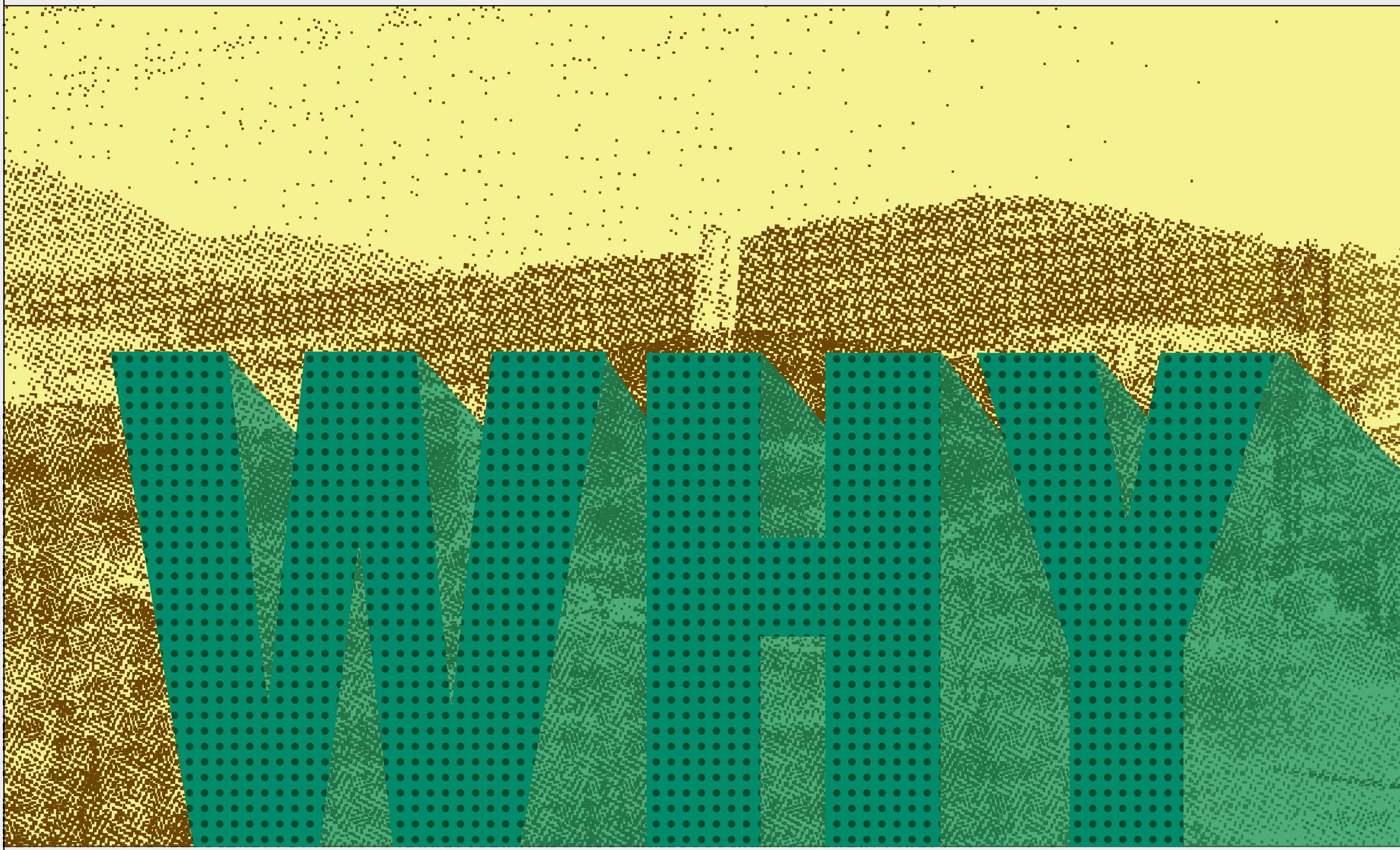
INDUSTRY	PRODUCTS	SERVICES
Cement	Tube Mill Lining System High-Chrome Grinding Media Vertical Mill Parts	Design Modelling Installation Supervision Wear Monitoring VRM Grinding Elements Airflow Regulation System Optimisation Mill Circuit Optimisation Vertical Mill Parts Optimisation
APPLICATIONS	**VALUE ENHANCEMENT**	
Raw material, coal, and clinker grinding	**Enhanced Production** Throughput Increase Product Fineness Improvement	**Reduced Operating Costs** Life Improvement Energy Reduction

For over four decades, we have delivered specialised wear-resistant products, application engineering expertise, and process optimisation services to customers in resource-intensive industries. Our integrated solutions aim to raise productivity, improve operational efficiency, enhance equipment uptime, and generate measurable value across diverse industrial applications.

INDUSTRY	PRODUCTS	SERVICES
Thermal	Vertical Mill Parts VR Mills Airflow Regulation System Tube Mill Lining System High-Chrome Grinding Media	Design Modelling Installation Supervision Wear Monitoring VRM Grinding Elements Airflow Regulation System Optimisation Mill Circuit Optimisation Vertical Mill Parts Optimisation
APPLICATIONS	**VALUE ENHANCEMENT**	
Coal pulverisation and grinding	**Enhanced Production** Throughput Increase Product Fineness Improvement	**Reduced Operating Costs** Life Improvement Energy Reduction

INDUSTRY	PRODUCTS	SERVICES
Quarry	Blow Bars Hammers Impellers Anvils Feed Disks Frame Liners	Wear Analysis Application Engineering Support Installation Guidance Performance Monitoring
APPLICATIONS	**VALUE ENHANCEMENT**	
Crushing and processing of aggregates, minerals, and construction materials	**Enhanced Production** Higher Crushing Efficiency Consistent Throughput Enhanced Product Quality Uniform Wear	**Reduced Operating Costs** Extended Wear Life Reduced Maintenance Requirements Lower Operating Costs

EXPERTISE IN ACTION. RESULTS DELIVERED.



DELIVERING INTEGRATED PACKAGING SOLUTIONS

We combine customised mill liners, high-chrome grinding media, and process optimisation expertise into a single offering. It is designed to improve grinding efficiency, maximise throughput, and enhance overall operating economics.

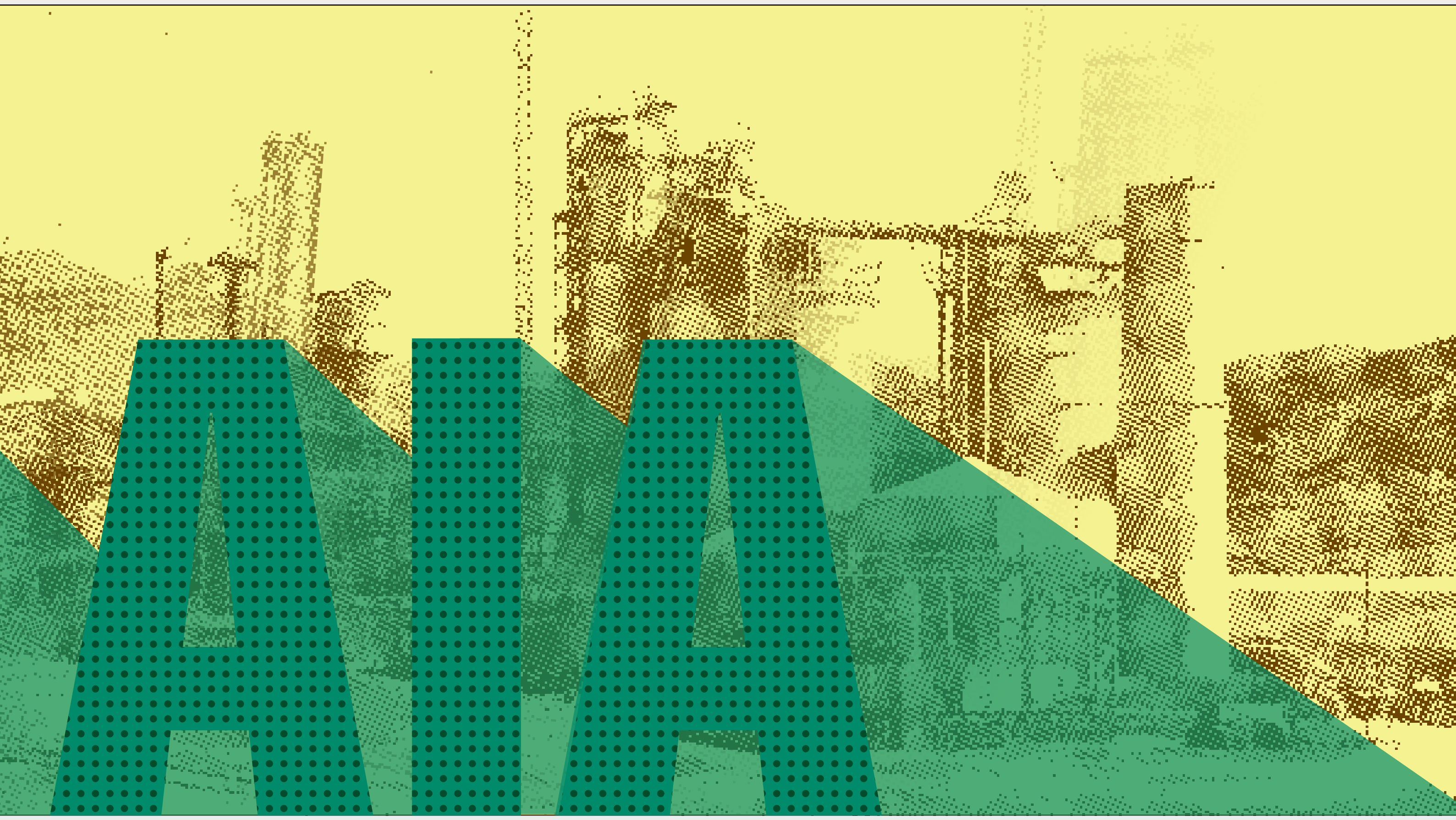
IMPROVING THROUGHPUT AND RECOVERY

Our solutions are engineered to address declining ore grades and evolving processing challenges. They help our customers process more material while improving metal recovery and boosting operational performance.

OPTIMISING TOTAL COST OF OWNERSHIP

Through longer wear life, lower energy consumption, fewer maintenance interventions, and improved equipment availability, we help customers reduce grinding costs across the operating lifecycle.

Value creation begins with understanding our customers' operating challenges. By bringing together advanced metallurgy, engineered products, process diagnostics, and on-site expertise, we deliver solutions built around outcomes. These integrated solutions help customers improve productivity, optimise recovery, enhance equipment reliability, and reduce operating costs across grinding circuits.



LEVERAGING ADVANCED METALLURGY AND DESIGN

Our deep expertise in metallurgy, application engineering, and mill design helps us develop solutions tailored to specific operating environments and customer requirements.

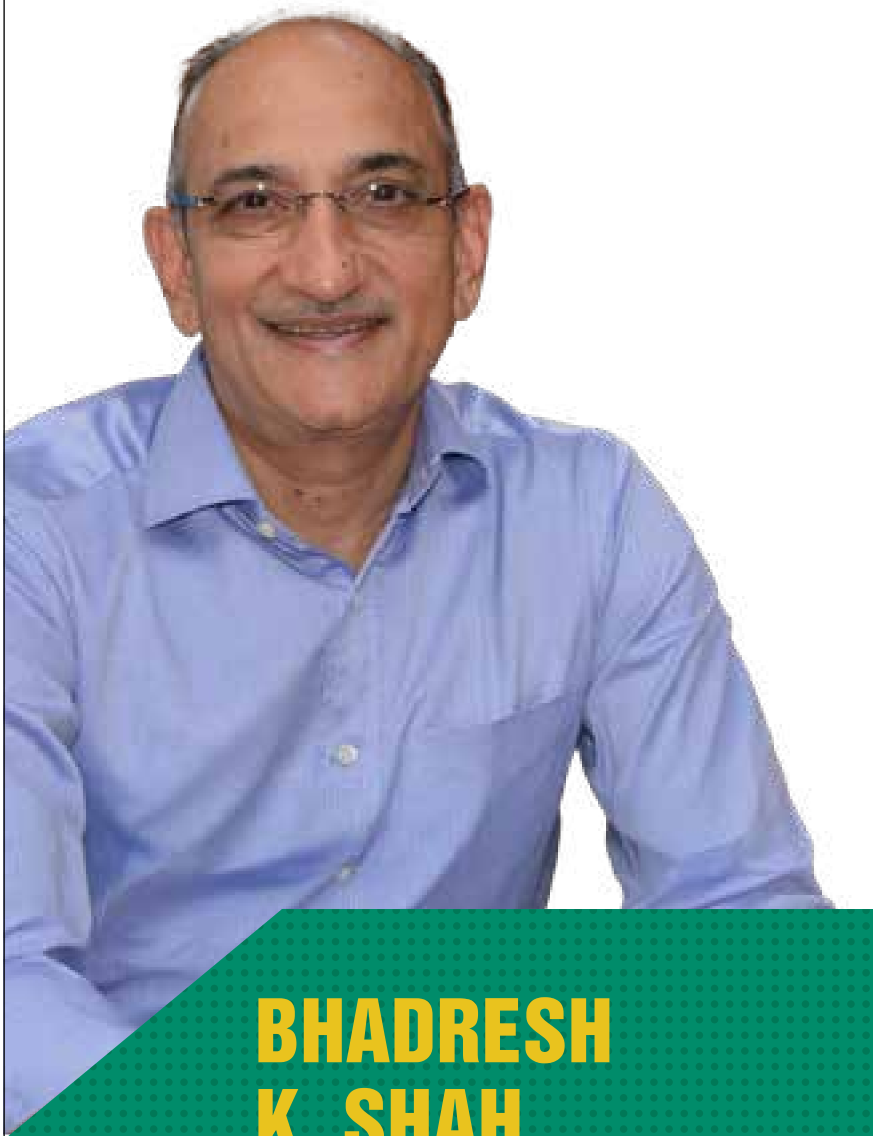
SUPPORTING OPERATIONS THROUGH DATA AND DIAGNOSTICS

From pilot mill testing and circuit diagnostics to wear monitoring and performance assessments, our recommendations rest on data-driven analysis, continuous monitoring and process optimisation expertise.

STRENGTHENING RELIABILITY THROUGH LIFECYCLE SUPPORT

Our global engineering teams provide installation supervision, technical support, performance monitoring, and maintenance planning, improving equipment reliability and process efficiency for customers.

REFINING PERFORMANCE THROUGH INTEGRATED SOLUTIONS



BHADRESH K. SHAH

CHAIRMAN & MANAGING DIRECTOR, AIA ENGINEERING LIMITED

DEAR SHAREHOLDERS,

Every year presents opportunities to grow. A few years offer something rarer: the opportunity to redefine how value itself is created.

2025-26 WAS ONE SUCH YEAR.

The conversation across the global mining industry is changing. As ore grades decline, energy costs rise, and the demand for critical minerals accelerates, the question is not simply how to extract more. It is how to extract more efficiently, more sustainably, and with greater operational certainty.

These realities are reshaping how mining companies evaluate productivity, technology, and performance. They are also reshaping the role of companies like AIA Engineering.

AIA Engineering remains committed to harnessing India's growth momentum by driving operational excellence, deepening our innovation agenda, and expanding our presence both within the country and in key international markets.

For decades, our expertise has been built on making grinding operations more efficient through advanced wear-resistant solutions. During the year, we continued strengthening that foundation while advancing a strategic transition years in the making. We are moving beyond the supply of wear parts towards delivering integrated grinding solutions that create measurable value across the entire processing circuit.

This evolution reflects a simple reality: customers now want more than high-quality products. They want solutions that lift throughput, improve recovery, optimise energy use, extend equipment life, and lower operating costs. By combining customised mill liners, high-chrome grinding media, process diagnostics, application engineering expertise, and lifecycle support, we believe we are better placed than ever to deliver these outcomes.

OUR OPERATIONAL HIGHLIGHTS

The long-term fundamentals of the mining industry remain compelling. Global electrification, renewable energy, energy storage, digital infrastructure, and urbanisation continue to drive demand for critical minerals, particularly copper, gold, and iron ore.

At the same time, miners face increasing pressure to process lower-grade ores without sacrificing productivity, profitability, or sustainability. This is exactly where our differentiated value proposition earns its place. By combining metallurgy, design, application expertise, and process optimisation, we help customers draw greater value from every tonne processed.

During the year, we have continued our strong efforts to strengthen our presence across key mining markets. A significant milestone was the breakthrough in Chile, one of the world's most important mining jurisdictions, where we have secured a large order for Grinding Media.

BUILDING A MORE RESILIENT ENTERPRISE

As freight markets, trade policies, and geopolitical developments continued to evolve during the year, we stayed focused on strengthening our global footprint by taking extensive trials in a few of the Largest Copper and Gold mines based out of Chile/Peru and Ghana, based on our new Mining Liner based solutions approach duly supported by our uniquely designed New Generation Discharge system.

We are quite hopeful that these trials should yield positive outcome, and thus we should be on way to build a strong foundation for sustainable conversion of Mines to our Hi-Chrome wear parts from conventional Forged products.

REFINING PERFORMANCE THROUGH INTEGRATED SOLUTIONS

DELIVERING PERFORMANCE THROUGH DISCIPLINE

The year demonstrated the durability of our business model and the effectiveness of our strategic direction.

Revenue from operations increased to ₹ 4,419.86 Crores during F.Y. 2025-26, from ₹ 4,287.44 Crores in the previous year. EBITDA stood at ₹ 1,744.26 Crores – a margin of 39.46% – while Profit After Tax rose to ₹ 1,270.16 Crores. Production volumes reached 255,820 MT and sales volumes grew to 2,58,002 MT. We delivered this while holding firm on operational discipline and continuing to invest for the future.

We incurred capital expenditure of ₹ 104 Crores during the year while maintaining an installed capacity of 4,36,000 TPA. These investments continue to fortify our manufacturing capabilities and support future growth.

Alongside this, our investments in renewable energy, operational efficiency, and manufacturing excellence reinforce our commitment to building an enduring and future-ready organisation.

CREATING VALUE BEYOND OPERATIONS

At AIA Engineering, value creation reaches beyond business performance – into the communities we serve and the way we run our operations.

Our CSR initiatives stay focused on education, healthcare, environmental stewardship, cultural development, and community well-being. Through partners such as IIT Kanpur, Yuva Unstoppable, Jeevantirth, and Darpana, we create meaningful impact in the communities we serve. Whether we are strengthening educational infrastructure, improving learning outcomes, expanding access to healthcare, or supporting environmental initiatives, our objective holds steady: sustainable, inclusive progress.

We also advanced our sustainability agenda through responsible manufacturing practices, resource efficiency initiatives, renewable energy adoption, and environmental stewardship programmes across our operations.

THE ROAD AHEAD

The opportunities before us continue to remain very exciting owing to a significant headroom for growth through conversion from Forged to Hi-Chrome based solutions. The global mining industry is entering a phase where productivity, process optimisation, and operating efficiency will matter more than ever. Our integrated grinding solutions model, which combines mill liners, grinding media, process expertise, and application engineering, positions us uniquely to lead that shift.

Looking ahead, our priorities are clear: expand our solutions footprint, deepen customer engagement, progress opportunities in key mining regions, and reinforce our global supply chain.

Above all, we will continue to create value through innovation and engineering excellence. Our technical capabilities, global presence, customer relationships, and financial strength give us every confidence to drive sustainable growth and value creation.

A NOTE OF GRATITUDE

I would like to thank our customers for their trust, our people for their dedication, our partners and suppliers for their support, and our shareholders for their enduring confidence in our vision.

The world around us continues to evolve. So do the possibilities before us.

At AIA Engineering, we will continue refining them.

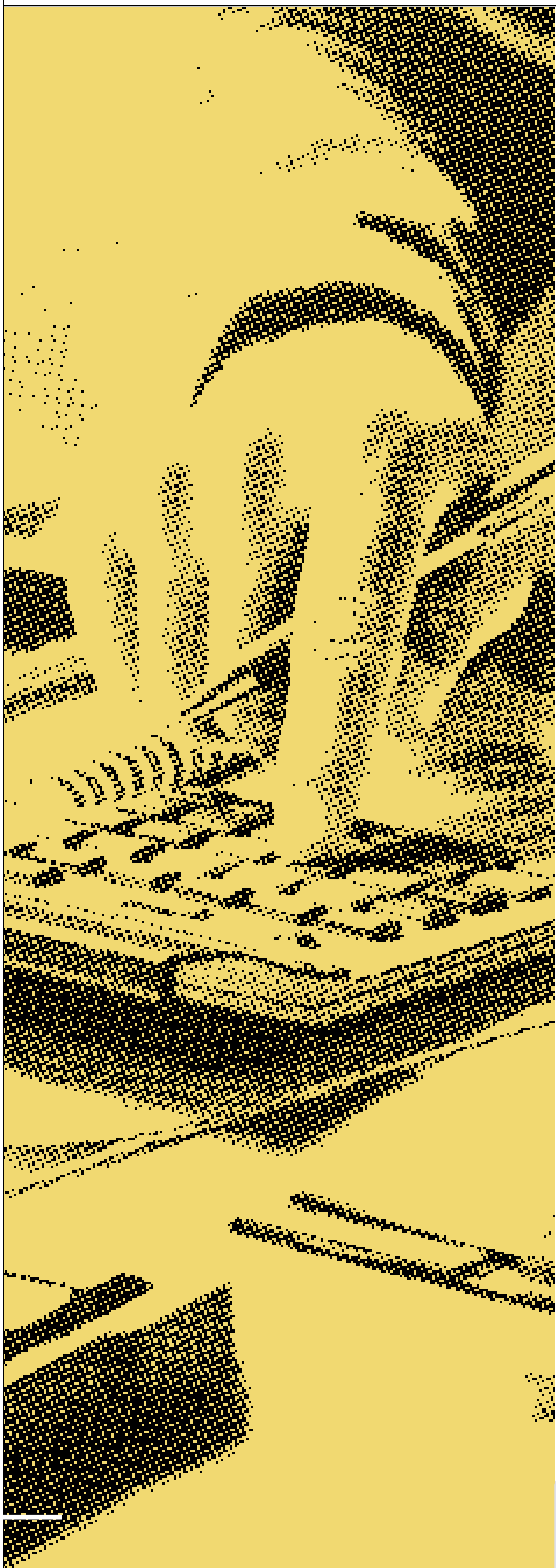
Best Regards,

Bhadresh K. Shah

Chairman & Managing Director

OUR MARKET FOCUS CONTINUES TO BE CENTRED ON COPPER, GOLD, AND IRON ORE MINING SECTORS, WITH PARTICULAR EMPHASIS ON EXPANDING OUR FOOTPRINT IN SOUTH AMERICA, INCLUDING CHILE AND PERU.

REFINING PERFORMANCE. CREATING VALUE.



FINANCIAL AND OPERATIONAL HIGHLIGHTS

(₹ Lakhs unless otherwise stated)

REVENUE FROM OPERATIONS

4,41,986

2025-26	**4,41,986**
2024-25	4,28,744
2023-24	4,85,376
2022-23	4,90,877
2021-22	3,56,655

EBITDA (₹ LAKHS)

1,74,426

2025-26	**1,74,426**
2024-25	1,49,260
2023-24	1,61,667
2022-23	1,47,518
2021-22	87,724

EBITDA MARGIN (%)

39.46

2025-26	**39.46**
2024-25	35.31
2023-24	33.88
2022-23	30.49
2021-22	24.96

Despite persistent geopolitical uncertainties, shifting trade dynamics, and supply-chain disruptions, we delivered another year of resilient performance. Grounded in operational discipline, growing mining sector contribution, and our transition towards integrated grinding solutions, we sustained strong profitability while investing in future growth and manufacturing capabilities.

PROFIT AFTER TAX (₹ LAKHS) (AFTER MINORITY INTEREST)

1,27,016

2025-26	1,27,016
2024-25	1,06,074
2023-24	1,13,557
2022-23	1,05,593
2021-22	61,968

SALES VOLUME (MT)

2,58,002

2025-26	2,58,002
2024-25	2,55,443
2023-24	2,97,345
2022-23	2,91,342
2021-22	2,60,469

PAT MARGIN (%)

28.74

2025-26	28.74
2024-25	25.09
2023-24	23.80
2022-23	21.83
2021-22	17.63

PRODUCTION VOLUME (MT)

2,55,820

2025-26	2,55,820
2024-25	2,48,200
2023-24	2,95,509
2022-23	2,88,088
2021-22	2,78,590

NET WORTH (₹ LAKHS)

8,02,535

2025-26	8,02,535
2024-25	6,92,700
2023-24	6,65,774
2022-23	5,69,133
2021-22	4,75,496

REFINING PRACTICES. STRENGTHENING SUSTAINABILITY.

OUR ENVIRONMENTAL COMMITMENT

We are committed to mitigating the environmental impact of our operations while raising operational excellence across our manufacturing network. Continuous investments in cleaner technologies, resource-efficient processes, and responsible operating practices support improved environmental performance and sustainable growth. Our efforts are centred on reducing resource intensity, lowering emissions, and improving environmental outcomes across facilities.

DRIVING EFFICIENCY THROUGH ENGINEERING

Operational efficiency lies at the heart of our sustainability agenda. By deploying advanced technologies and energy-efficient systems, we consistently work to enhance operational performance while minimising the environmental footprint of our engineering processes.

Heat Treatment Optimisation

Across our foundries, we use direct energy systems for heat treatment and continue to use Piped Natural Gas instead of conventional fossil fuels. This lowers Scope 1 emissions while improving process efficiency. Flue gas recuperators installed on gas-fired heat treatment furnaces capture waste heat and use it to preheat combustion air. The result is better thermal efficiency and an overall reduction in energy consumption.

Efficient Melting Operations

Our melting operations run on electric induction furnace technology. A closed-loop operating system minimises energy losses, improves process efficiency, and reduces the greenhouse gas emissions associated with manufacturing activities. This approach supports both operational reliability and environmental performance.

STRENGTHENING ENVIRONMENTAL GOVERNANCE

Strong governance underpins our environmental responsibility through robust management systems, stringent operating protocols, and continuous monitoring mechanisms. We maintain compliance with applicable Environmental, Health and Safety requirements across our facilities and remain committed to responsible manufacturing practices.

To sharpen oversight, we conduct annual Environmental Impact Assessments at key manufacturing locations. These surface potential environmental risks, evaluate improvement opportunities, and support timely corrective and preventive action.

Sustainability is integral to how we design, manufacture, and deliver value. Our environmental stewardship prioritises resource efficiency, reducing emissions, increasing renewable energy adoption, water conservation, and advancing circularity across our operations. Through responsible manufacturing practices and ongoing process improvements, we aim to build long-term value while minimising our environmental footprint.

DRIVING CLIMATE AND ENERGY STEWARDSHIP

We continue to pursue opportunities to improve energy efficiency and expand renewable energy across our operations. Through equipment upgrades, process improvements, operational controls, and renewable energy investments, we aim to reduce our reliance on conventional energy sources while building long-term energy resilience.

Key Focus Areas

- Energy efficiency improvements
- Renewable energy integration
- Reduction in carbon footprint
- Process optimisation and energy conservation
- Sustainable manufacturing technologies

PROMOTING RESPONSIBLE WATER MANAGEMENT

Water conservation remains central to our environmental strategy. We focus on optimising consumption, improving recycling and reuse, and strengthening water stewardship across operations. In practice, that means monitoring water use, raising conservation awareness, and implementing initiatives that improve long-term water security.

Key Focus Areas

- Water conservation and efficiency
- Rainwater harvesting initiatives
- Water recycling and reuse
- Responsible wastewater management
- Water risk mitigation

ADVANCING CIRCULARITY AND RESOURCE EFFICIENCY

We continue to apply circular economy principles by promoting responsible material use, waste minimisation, and resource recovery. Our focus stays on reducing waste generation, increasing recycling and reuse, and responsibly disposing materials that cannot be recovered.

Key Focus Areas

- Waste reduction and segregation
- Recycling and material recovery
- Responsible hazardous waste management
- Resource efficiency improvements
- Circular economy initiatives

Community Engagement

STRENGTHENING COMMUNITIES. ENRICHING LIVES.

CREATING MEANINGFUL IMPACT ACROSS COMMUNITIES

₹ **2,419.48** Lakhs
CSR Spend during the Year 2025-26

₹ **2,419.48** Lakhs
Statutory CSR Obligation

2%
CSR Spend as % of Obligation 2025-26

CSR ALLOCATION BY THEME (2025-26)

₹ **1,954.98** Lakhs
Education

₹ **133.51** Lakhs
Healthcare

₹ **170.46** Lakhs
Environment and Animal Welfare

₹ **53.01** Lakhs
Art and Culture

₹ **46.75** Lakhs
Eradicating Hunger

₹ **10.54** Lakhs
Sports Promotion

₹ **49.75** Lakhs
Public Institutions and Universities

₹ **0.48** Lakhs
Others

₹ **2,419.48** Lakhs
Total CSR Spend

GYANDEEP: ILLUMINATING PATHWAYS TO QUALITY EDUCATION

Education is one of the most significant pillars of our CSR strategy. Through the GyanDeep programme, executed with Yuva Unstoppable, Jeevantirth, and Darpana Academy of Performing Arts, we continued to enhance the quality of education across government schools situated near our manufacturing units in Ahmedabad. The programme is deliberately holistic, combining academic development, digital learning, infrastructure enhancement, life skills, cultural enrichment, and student well-being.

At AIA Engineering, we measure progress by more than business results. Across education, healthcare, environmental stewardship, cultural preservation, and social welfare, we work with trusted partners to strengthen communities and improve livelihoods. Through collaborative programmes and targeted interventions, we support access to essential services, foster individual potential, and promote community development. Our aim is to create inclusive opportunities and lasting social impact.

YUVA UNSTOPPABLE: TRANSFORMING LEARNING ENVIRONMENTS

Through the School Transformation Programme, Yuva Unstoppable strengthened infrastructure and technology-enabled learning across 11 government schools. The initiative reached over 5,200 students through Smart Classrooms, STEM laboratory upgrades, computer training, AI and coding programmes, libraries, menstrual hygiene facilities, and Anganwadi transformation projects. These interventions improved digital literacy, deepened classroom engagement, promoted scientific learning, and made schools safer and more inclusive for students.

Key Outcomes

- 11 government schools supported
- More than 5,200 students benefited
- Smart classrooms and STEM learning infrastructure expanded
- AI, coding, and computer literacy programmes strengthened
- Menstrual hygiene facilities installed
- Physical libraries established
- Anganwadi centre transformed into a child-friendly learning space

JEEVANTIRTH: STRENGTHENING FOUNDATIONAL LEARNING

Through the Quality Education Project, Jeevantirth advanced foundational literacy and numeracy across 11 government schools, reaching over 5,200 students. Using activity-based learning, teaching-learning materials, value education, environmental awareness, life skills training, and technology-enabled learning platforms, the programme enhanced learning outcomes. Students showed measurable gains in language and mathematics, alongside increased confidence, participation, communication skills, and social awareness.

Key Outcomes

- Over 5,200 students reached
- 11 schools covered
- Improvement in Gujarati language and mathematics proficiency
- Enhanced confidence, communication, and participation levels
- Nature clubs, value education, and life-skills initiatives conducted
- School-on-Wheels and experiential learning programmes implemented

DARPANA: NURTURING CONFIDENCE THROUGH CULTURE

Run by Darpana Academy of Performing Arts, the Nritya Parichay programme continued to foster holistic development through dance, culture, leadership, and life-skills education. Conducted across nine government schools, the programme engaged students in folk dance training and thematic sessions such as self-confidence, women's empowerment, responsible citizenship, self-reliance, and social responsibility. Peer-learning initiatives built leadership capabilities among senior students while encouraging greater participation and self-expression.

Key Outcomes

- Nine schools covered
- Folk dance and cultural education programmes conducted
- Leadership and peer-mentoring initiatives introduced
- Improved self-confidence and communication skills among students
- Support provided towards continued education for adolescent girls

BUILDING INFRASTRUCTURE FOR FUTURE INNOVATORS

Supporting Student Housing at IIT Kanpur

AIA Engineering continued its commitment to strengthening higher education infrastructure through its support for the construction of a new Hall of Residence at the Indian Institute of Technology (IIT) Kanpur. The project aims to address the institute's growing accommodation requirements while creating a modern, safe and student-centric residential environment that enhances academic life and campus experience. The initiative reflects the Company's belief that quality infrastructure plays an important role in enabling learning, innovation and holistic student development.

The residential complex is being developed as a four-block facility comprising 1,000 single-occupancy rooms, along with a centralised dining facility, recreational spaces, visitor areas, reading lounges, laundry facilities and landscaped courtyards at a total cost of ₹ 114 Crores out of which AIA has contributed ₹ 20.00 Crores. Designed to provide a high-quality living environment, the project will support IIT Kanpur's plans to expand student intake while strengthening its ability to attract talent from across India and around the world.

During F.Y. 2025-26, the project achieved significant construction milestones. Architectural planning and project approvals were completed, the construction contract was awarded, foundation work progressed across all blocks, structural work advanced on the priority residential blocks, and initial finishing activities commenced. Civil construction, contractor mobilisation and structural development were carried out using the full donor contribution received for the project.

Key Highlights

- Supporting the construction of a modern student residence at IIT Kanpur
- Residential capacity for 1,000 students
- Four-block integrated residential complex with academic and recreational amenities
- Foundation and structural works progressed across priority blocks during F.Y. 2025-26
- Project expected to significantly reduce hostel shortages and strengthen campus infrastructure for future student cohorts

HEALING WITH COMPASSION

We continued to strengthen access to quality healthcare by partnering with reputed healthcare institutions and charitable organisations that serve underserved communities. During the year, we collaborated with Marengo Asia Foundation (CIMS), Nihar Charitable Trust, Sadvichar Parivar, Zydus Foundation and Gujarat Cancer Society to support initiatives spanning preventive healthcare, diagnostics, specialised medical treatment and patient support services. Through these partnerships, we contributed towards improving healthcare accessibility while supporting institutions working to deliver timely, affordable and quality medical care to those who need it most.

Key Highlights

- Partnered with Marengo Asia Foundation (CIMS), Nihar Charitable Trust, Sadvichar Parivar and Gujarat Cancer Society
- Supported preventive healthcare, diagnostics and specialised treatment
- Enhanced access to quality healthcare for underserved communities
- Strengthened patient care and healthcare support services

GROWING GREENER FUTURES

Environmental stewardship remains an integral part of our CSR philosophy. During F.Y. 2025-26, we partnered with ARC Foundation to undertake large-scale plantation initiatives aimed at restoring green cover and promoting long-term ecological sustainability. As part of a larger programme to plant 1,00,000 trees, Phase I witnessed the plantation of 30,026 saplings across Brigade Headquarters at Chiloda and Dhrangadhra in Gujarat. We also supported the plantation of an additional 2,000 saplings at Kerala GIDC, taking the total plantation during the year to 32,026 saplings. The remaining plantations under the programme are planned for the subsequent phase. Through these initiatives, we continue to contribute towards biodiversity conservation, carbon sequestration and the creation of greener and healthier communities.

Key Highlights

- Partnership with ARC Foundation
- 32,026 saplings planted during F.Y. 2025-26
- Phase I completed under the larger 1,00,000-tree plantation programme
- Plantation undertaken across Chiloda, Dhrangadhra and Kerala GIDC
- Remaining plantation planned under the next phase of the programme

NOURISHING YOUNG LIVES

We believe that access to nutritious food is fundamental to a child's growth, learning and well-being. During the year, we partnered with The Akshaya Patra Foundation to support the PM POSHAN (Poshan Shakti Nirman) Scheme of the Government of India and the Government of Gujarat by helping bridge the deficit cost of serving nutritious mid-day meals to government school children. Through this initiative, we supported the provision of 1,52,440 nutritious meals, contributing to improved nutrition, better classroom participation and continued access to education for children from underserved communities.

Key Highlights

- Partnered with The Akshaya Patra Foundation
- Supported the PM POSHAN (Poshan Shakti Nirman) Scheme
- Helped bridge the funding gap for nutritious mid-day meals
- 1,52,440 meals supported for government school children
- Contributed to improved child nutrition, school attendance and learning outcomes

Case Study

REFINING SOLUTIONS. CRAFTING CUSTOMER SUCCESS.

COPPER MINE IN PHILIPPINES

Challenges

- Overflow ball mill consuming excessive energy per tonne of ore processing

Mitigation

- Conversion from Overflow to Grate Discharge configuration
- Supply of Vega's Next Generation Discharge System (NGDS) and Shell Liners
- Supply of Hi-chrome grinding media in optimised metallurgy to withstand high impact coupled with wear resistance

Benefits Achieved

- 18% reduction in specific power consumption
- 31% reduction in grinding media consumption rate over the Hi-chrome grinding media in use prior to conversion

Plant Capacity
19 MTPA

Ore
COPPER

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajendra S. Shah
(Up to 20 April, 2026)
Chairman: Non-Independent, Non-Executive Director

Mr. Bhadresh K. Shah
Managing Director: Executive-Promoter
(Appointed as the Chairman w.e.f. 21 April, 2026)

Mr. Sanjay S. Majmudar
Non-Independent Director,
Non-Executive Director

Mr. Yashwant M. Patel
Whole-Time Director

Mr. Piyush B. Shah
Independent Director

Mrs. Khushali S. Solanki
Non-Independent, Non-Executive Director

Mrs. Bhumika S. Shodhan
Non-Independent, Non-Executive Director

Mr. Udayan D. Choksi
Independent Director

Mrs. Janaki U. Shah
Independent Director

Mr. Nitin C. Shukla
Independent Director

Mr. Malay J. Dalal
Independent Director
(Appointed w.e.f. 20 April, 2026)

CHIEF FINANCIAL OFFICER

Mr. Viren K. Thakkar

COMPANY SECRETARY

Mr. S. N. Jetheliya

STATUTORY AUDITORS

B S R & CO. LLP
Chartered Accountants

COST AUDITORS

Kiran J. Mehta & Co.
Cost Accountants

SECRETARIAL AUDITORS

Tushar Vora & Associates
Company Secretaries

REGISTERED OFFICE

115, G.V.M.M. Estate, Odhav Road, Odhav,
Ahmedabad - 382 415

CORPORATE OFFICE

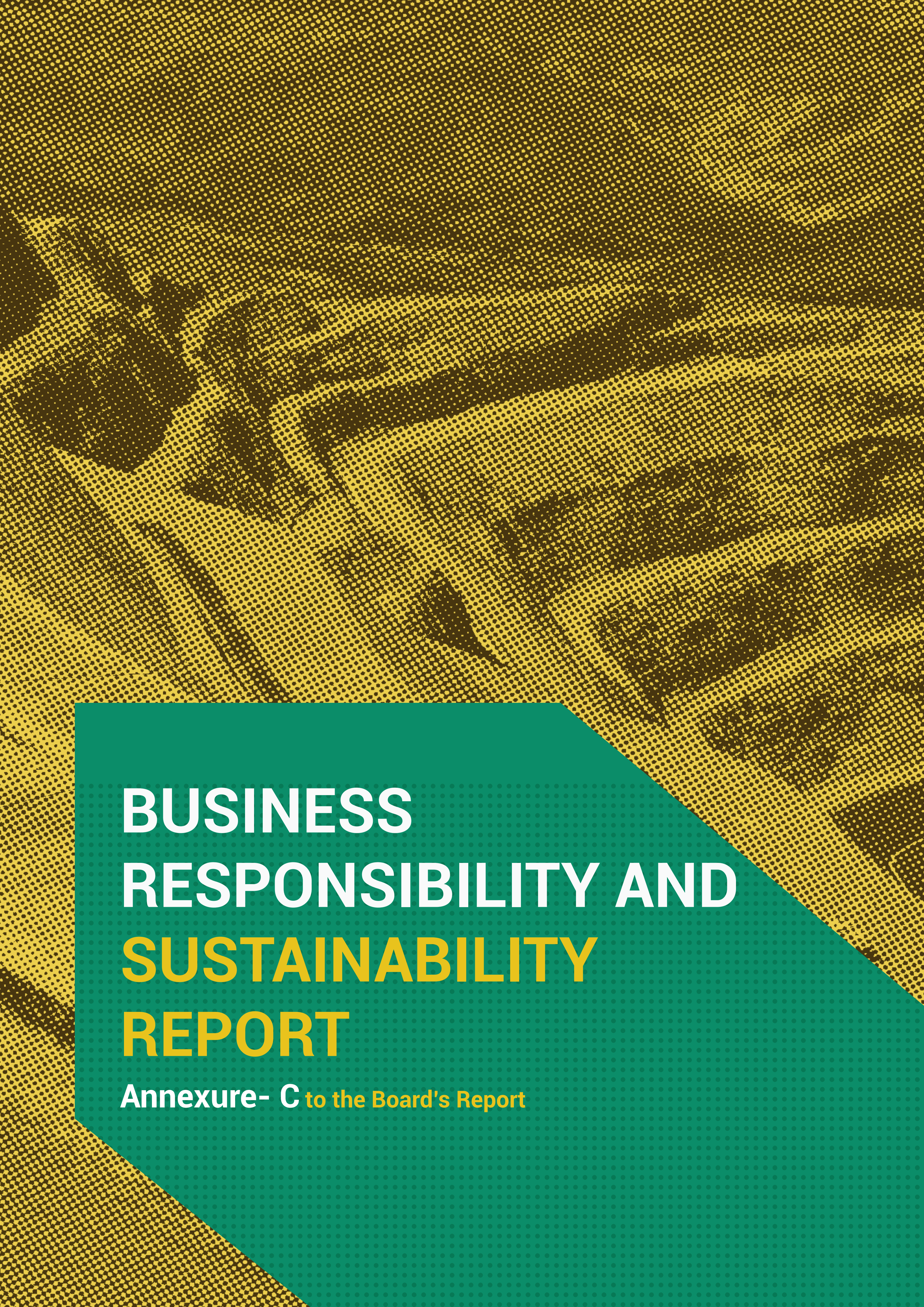
11-12, Sigma Corporates, B/h. HOF Showroom,
Off S.G. Highway, Sindhu Bhavan Road,
Bodakdev, Ahmedabad - 380 054

REGISTRAR AND SHARE TRANSFER AGENT

MUFG Intime India Private Limited,
C 101, 247 Park, L B S Marg, Vikhroli (W),
Mumbai - 400 083
Phone No.: 022-4918 6270
Fax No.: 022-4918 6060
Email: investor.helpdesk@in.mpms.mufg.com

BANKERS

State Bank of India
Citibank N.A.
JPMorgan Chase Bank N.A.
HSBC Bank Limited
AXIS Bank Limited
IDBI Bank Limited
HDFC Bank Limited
ICICI Bank Limited



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Annexure- C to the Board's Report

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

I-1. Corporate Identity Number (CIN) of the listed entity

L29259GJ1991PLC015182

I-2. Name of the listed entity

AIA ENGINEERING LIMITED

I-3. Year of incorporation

11 March, 1991

I-4. Registered office address

115, G.V.M.M. ESTATE, ODAV ROAD, ODHAV, AHMEDABAD - 382 415

I-5. Corporate address

11/12, SIGMA CORPORATES, B/H. HOF SHOWROOM, OFF. S.G. HIGHWAY, SINDHU BHAVAN ROAD, BODAKDEV, AHMEDABAD - 380 054

I-6. Email

info@aiaengineering.com

I-7. Telephone

+91-79-6604 7800

I-8. Website

www.aiaengineering.com

I-9. Financial year for which reporting is being done

2025-26

I-10. Name of the Stock Exchange(s) where shares are listed

BSE LIMITED (BSE)

NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

I-11. Paid-up capital

₹ 18,66,40,740

I-12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.

PARESH SHUKLA

EMAIL: paresh.shukla@aiaengineering.com

PHONE: +91 79 6604 7890

I-13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).

Standalone Basis

I-14. Name of assurance provider

Shailesh Haribhakti and Associates

I-15. Type of assurance obtained

Reasonable assurance

II. PRODUCTS/SERVICES

II-16. Details of business activities (accounting for 90% of the turnover):

Description of main activity	Description of business activity	% of turnover of the entity
Manufacturing	Metal and metal products	100

II-17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

Product/ Service	NIC code	% of total turnover contributed
Manufacturing of other iron and steel casting and products thereof	24319	100

III. OPERATIONS

III-18. Number of locations where plants and/or operations/offices of the entity are situated:

	Number of plants	Number of offices	Total
National	3	2	5
International	0	11	11

III. OPERATIONS

III-19. Markets served by the entity:

a. Number of locations

National

28

(No. of states)

International

120

(No. of countries)

b. What is the contribution of exports as a percentage of the total turnover of the entity?

59.19%

c. A brief on types of customers

The Company serves a diverse customer base across multiple industries. The finished products of AIA are used as critical spare parts across various sectors, with key end-user industries including cement manufacturing, thermal power generation, and mining.

IV. EMPLOYEES

IV-20. Details as at the end of Financial Year

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
1	Permanent (D)	1,205	1,200	99.59%	5	0.41%
2	Other than permanent (E)	119	117	98.32%	2	1.69%
3	Total employees (D + E)	1,324	1,317	99.47%	7	0.53%
	Workers					
1	Permanent (F)	67	67	100.00%	0	0.00%
2	Other than permanent (G)	2,505	2,485	99.20%	20	0.80%
3	Total workers (F + G)	2,572	2,552	99.22%	20	0.78%

b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently abled employees					
1	Permanent (D)	10	10	100.00%	0	0.00%
2	Other than permanent (E)	1	1	100.00%	0	0.00%
3	Total differently abled employees (D + E)	11	11	100.00%	0	0.00%
	Differently abled workers					
1	Permanent (F)	1	1	100.00%	0	0.00%
2	Other than permanent (G)	36	36	100.00%	0	0.00%
3	Total workers (F + G)	37	37	100.00%	0	0.00%

IV-21. Participation/Inclusion/Representation of women

Board of Directors

Total (A)	No. and percentage of females	
	No. (B)	% (B/A)
10	3	30.00%

Key Management Personnel

Total (A)	No. and percentage of females	
	No. (B)	% (B/A)
4	0	0.00%

IV-22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	2025-26 (Turnover rate in current FY)			2024-25 (Turnover rate in previous FY)			2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	6.26%	0.00%	6.23%	10.56%	0.00%	10.55%	4.90%	0.00%	4.80%
Permanent workers	2.48%	0.00%	2.48%	5.97%	0.00%	5.97%	0.00%	0.00%	0.00%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

V-23. (a) Names of holding/subsidiary/associate companies/joint ventures.

S. No.	Name of the holding/subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/subsidiary/ associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
1	Welcast Steels Limited	Subsidiary	74.85%	No
2	AIA CSR Foundation	Wholly-Owned Subsidiary	100%	No
3	Vega Industries (Middle East) FZC – UAE	Wholly-Owned Subsidiary	100%	No
4	Vega Industries Limited – UK	Wholly-Owned Subsidiary	100%	No
5	Vega Industries Limited – USA	Wholly-Owned Subsidiary	100%	No
6	Vega Steel Industries (RSA) (Pty) Limited	Subsidiary	74.63%	No
7	Wuxi Vega Trade Co. Limited	Wholly-Owned Subsidiary	100%	No
8	PT. Vega Industries Indonesia	Wholly-Owned Subsidiary	99% by Vega ME & 1% by AIA	No

S. No.	Name of the holding/subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/subsidiary/ associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
9	VEGA Industries Chile SpA	Wholly-Owned Subsidiary	100%	No
10	AIA Ghana Limited	Wholly-Owned Subsidiary	100%	No
11	VEGA Industries Australia Pty. Limited	Wholly-Owned Subsidiary	100%	No
12	VEGA Middle East (DFTZ) FZE – UAE	Wholly-Owned Subsidiary	100%	No
13	Vega Industries Peru Limited	Wholly-Owned Subsidiary	99% by Vega ME & 1% by AIA	No
14	Clean Max Meridius Private Limited	Associate Company	26%	No
15	VEGA MPS Pty Limited	Joint Venture	70%	No
16	Torrent Urja 16 Private Limited	Associate Company	26%	No

VI. CSR DETAILS

VI-24. Provide the following CSR details

i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes

ii) Turnover (in ₹) - 37,62,85,61,911

iii) Net worth (in ₹) - 78,42,82,20,901

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2025-26			2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes, https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf	0	0	NA	0	0	NA
Shareholders	Yes, https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf	0	0	NA	0	0	NA
Employees and workers	Yes. https://aiaengineering.com/investor-policy/	0	0	NA	0	0	NA
Customers	The SOP is communicated and maintained internally	25	5	NA	23	5	NA
Value chain partners	The SOP is communicated and maintained internally	0	0	NA	0	0	NA
Other (please specify)	-			-			-

VII-26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Board Governance, Ethics and Compliance	Opportunity	Our brand and reputation are among our most critical assets. As our business operations, societal impact, and stakeholder interactions are subject to ongoing scrutiny, maintaining the highest standards of ethics and governance is essential to preserving stakeholder trust and protecting our corporate reputation.	-	-
2	Employee Health and Safety	Risk	AIA Engineering employs a substantial workforce for its operations, involving activities like heavy machinery and industrial equipment, conditions that inherently carry occupational risks. Acknowledging this, we have identified employee health and safety as a material topic within our sustainability framework.	To uphold the highest standards of occupational health and safety, AIA Engineering has implemented a robust and structured Health & Safety Management System across all operational sites. Our approach is both preventive and participatory, aimed at minimising risks, ensuring legal compliance, and fostering a culture of safety and well-being throughout the organisation. Key elements of our Health & Safety framework include: - Adoption of ISO 45001:2018 - We have implemented the ISO 45001:2018 Occupational Health and Safety Management System, which provides a formal structure for managing risks and improving overall safety performance - Policy Implementation - A well-defined Occupational Health and Safety Policy guides all our safety-related initiatives and compliance efforts - Defined Roles and Accountability - Clear roles, responsibilities, and accountabilities are established across all levels of the organisation to ensure consistent enforcement and ownership of safety practices - Comprehensive Safety Training - All employees and contract workers undergo mandatory Safety Induction Training upon joining, followed by periodic refresher and reorientation programmes to reinforce safety protocols	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				- Worker Participation - We actively involve employees and contract workers through participation in regular safety committee meetings, encouraging open dialogue on safety-related matters. - Ongoing Safety Reviews - Periodic safety audits and reviews are conducted across all units to assess performance, identify gaps, and implement continuous improvements.	
3	Energy Management	Opportunity	Metal product manufacturing, especially processes such as melting, moulding, heat treatment, and machining, requires significant energy input, making it inherently energy-intensive. At AIA Engineering, we recognise the critical importance of managing energy consumption efficiently, both from an environmental and operational standpoint. Additionally, we view energy efficiency not just as a sustainability imperative but also as a key lever for enhancing cost-effectiveness. By optimising energy use across our value chain, we are able to reduce our overall energy footprint while simultaneously improving production economics.	We have implemented structured energy management practices that focus on improving equipment efficiency, reducing process-level energy wastage, and transitioning towards cleaner energy sources. These ongoing efforts are central to our strategy for reducing greenhouse gas (GHG) emissions across our operations. - Our major initiatives include the installation of 11 wind energy turbines + 3 hybrid (Wind + Solar energy) at the Kutch and Jamjodhpur sites, which have an installed capacity of 37.38 MW (31.80 MW Windmill + 5.58 MW Solar) of renewable energy. - We are proud to share that we have already exceeded the 2027 electricity target, and currently approximately 29% of our overall electricity requirements are supported by renewable sources. In addition to lowering our environmental footprint, these measures also contribute to improved cost efficiency. Through regular energy audits, equipment upgrades, and process optimisation, we have been able to achieve measurable improvements in our specific energy consumption. This directly supports our broader climate strategy by curbing greenhouse gas emissions associated with energy use. Our approach integrates both technological interventions and behavioural improvements on the shop floor, aligning with our long-term goal of building a more energy-resilient and environmentally responsible manufacturing ecosystem.	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Training and Development	Opportunity	Every employee, whether new or experienced, undergoes structured training modules covering equipment operation, safety protocols, site orientation, and emergency response procedures. These programmes are continuously updated to reflect the latest industry standards, regulatory requirements, and technological advancements. - Beyond safety and operational training, we are committed to building a future-ready workforce. We regularly conduct skill enhancement workshops, technical upskilling sessions, leadership development programmes, and knowledge-sharing forums. We ensure that all our employees remain aligned with evolving industry best practices. - Our comprehensive approach not only ensures smooth plant operations but also supports long-term business growth, fosters individual development, and enhances career progression opportunities. Training and development are the embedded practices that define our commitment to excellence.	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Materials Sourcing	Risk	As a manufacturer of engineered metal products, we are highly dependent on the uninterrupted supply of quality raw materials such as metal scrap and alloys. Any fluctuation in raw material availability, pricing volatility, supply chain disruption, or inconsistency in material quality can have a direct impact on our production efficiency, cost structure, and delivery commitments.	Given its criticality to our operations, we have established a structured vendor classification system based on the nature of products and services provided. Each vendor is evaluated against a defined set of performance parameters to ensure supply chain stability and reliability. - To strengthen our procurement risk management framework, we conduct periodic assessments of critical vendors. This allows us to proactively identify vulnerabilities and take corrective actions to avoid potential disruptions - Beginning this year, we have further enhanced our vendor evaluation process by integrating ESG (Environmental, Social, and Governance) parameters into our assessments. These include factors such as regulatory compliance, ethical practices, environmental performance, and social responsibility. Insights from these assessments are now being incorporated into procurement decision-making to promote responsible sourcing and build a more resilient and sustainable supply chain	Negative
6	Local Communities	Opportunity	Our manufacturing units are primarily situated in rural and industrial areas, and we acknowledge our responsibility towards the communities around us. We are dedicated to making a positive impact through targeted community engagement initiatives under CSR, which encompass education, healthcare, and livelihood development. We aim to build lasting, meaningful relationships with local communities near our manufacturing areas, ensuring that our growth is inclusive and aligned with broader social development objectives.	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Greenhouse Gas Emissions	Risk	AIA Engineering operates in an energy-intensive manufacturing sector, with large-scale operations that primarily depend on non-renewable fuel sources. This reliance significantly contributes to our greenhouse gas (GHG) emissions, making emissions management a critical environmental and operational concern.	We have implemented structured energy management practices that focus on improving equipment efficiency, reducing process-level energy wastage, and transitioning towards cleaner energy sources. These ongoing efforts are central to our strategy for reducing greenhouse gas (GHG) emissions across our operations. - Our major initiatives include the installation of 11 wind energy turbines + 3 hybrid (Wind + Solar energy) at the Kutch and Jamjodhpur sites, which have an installed capacity of 37.38 MW (31.80 MW Windmill + 5.58 MW Solar) of renewable energy. - We are proud to share that we have already exceeded the 2027 electricity target, and currently approximately 29% of our overall electricity requirements are supported by renewable sources. In addition to lowering our environmental footprint, these measures also contribute to improved cost efficiency. Through regular energy audits, equipment upgrades, and process optimisation, we have been able to achieve measurable improvements in our specific energy consumption. This directly supports our broader climate strategy by curbing greenhouse gas emissions associated with energy use. Our approach integrates both technological interventions and behavioural improvements on the shop floor, aligning with our long-term goal of building a more energy-resilient and environmentally responsible manufacturing ecosystem.	Negative
8	Air Quality	Risk	As a manufacturing company operating in an emission-intensive sector, we recognise that our operations, if not properly controlled, have the potential to contribute to air pollution through fugitive emissions, process exhaust, and combustion-related discharges.	We are conscious of the ecosystem and communities in which we operate. AIA Engineering proactively invested in air filtration and emission monitoring infrastructure to ensure that our manufacturing activities do not adversely impact ambient air quality. Air emissions from our operations are routinely monitored by accredited third-party agencies, and all parameters consistently remain well within the regulatory limits prescribed by environmental authorities. To further strengthen our monitoring capabilities, we have implemented online continuous stack monitoring systems (OCEMS) for stacks classified as critical, enabling real-time tracking and control of key air pollutants.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Waste Management	Risk	As part of our manufacturing operations, a considerable volume of waste, both hazardous and non-hazardous, is generated across various stages of production. Recognising the environmental implications of industrial waste, we have identified this topic as material.	Our goal is to reduce the amount of waste we produce and make sure that it is reused or recycled for the same or a different purpose. A 'waste hierarchical approach' is applied, to reduce, reuse, recycle and recover waste products in preference to disposal of waste in alignment with the circular economy. Where possible, we explore opportunities for use of recycled material and reuse of waste by us or other companies through co-processing of foundry waste and other waste as alternative raw material or fuel. It presents opportunities for environmental stewardship and helps us manage raw materials well. The Company takes waste management seriously and works towards reducing, reusing, and recycling its waste wherever possible. We optimise the use of key resources, including minerals and ensure waste minimisation at sources and facilitate recovery, and recycling. We follow waste management standards that meet or exceed applicable legal requirements and we incorporate industry best practices into our operations and services. We recognise the negative impact of improper waste disposal on the environment and as a result, put in place strong mechanisms to treat and dispose of the generated waste. We ensure that all waste from our activities is either remelted in the furnace or recycled through authorised recyclers and vendors, in line with the principles of a circular economy.	Negative
10	Water and Effluent Management	Opportunity	Water is a critical input for our manufacturing operations, and we recognise its importance both as an operational necessity and a shared environmental resource. Given our high dependency on water, AIA Engineering is committed to responsible water management across all our facilities. All our operational units are equipped with fully functional Sewage Treatment Systems (STPs), enabling us to treat domestic wastewater and recycle 100% of it. We operate under a 100% Zero Liquid Discharge (ZLD) framework, ensuring that no treated or untreated wastewater is released into the environment.	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			This closed-loop system supports our commitment to water circularity and reduces the burden on freshwater resources. In addition to operational efficiency, we actively invest in water conservation and replenishment projects. These include the implementation of rainwater harvesting systems within our plants, and the construction of groundwater recharge wells not only within our premises but also in surrounding communities. These recharge structures contribute to replenishing aquifers, enhancing local water tables, and improving long-term water availability for both the Company and nearby communities.		
11	Diversity, Equity, and Inclusion	Opportunity	Given the nature of our industry, there is a prevailing trend of significantly higher male representation in the workforce, particularly in operational and shop-floor roles. AIA Engineering acknowledges this imbalance and is committed to building a more inclusive and equitable workplace.	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Anti-Corruption	Risk	At AIA Engineering, we take a firm stand against corruption in any form. Upholding our business reputation is critical, and we ensure this by promoting a culture of integrity and accountability. Clear policies, regular internal checks, and awareness among employees help us stay aligned with legal and ethical expectations. Everyone associated with us is expected to follow our Code of Conduct and act transparently in all business dealings.	We have instituted well-defined policies applicable to all internal and external stakeholders, outlining expectations around ethical conduct, transparency, and professional integrity. These policies are reviewed and approved by the Board of Directors as part of our governance oversight. Non-compliance with these provisions may lead to disciplinary action, depending on the severity and nature of the violation.	Negative
13	Employment Factors	Opportunity	At AIA Engineering, employment is not merely about staffing roles; it is about fostering long-term associations. We value our people and operate with a clear purpose: to grow together. In turn, we invest in their development and wellbeing. Our consistently low attrition rate, along with the fact that a majority of our team members have been with us for over a decade, reflects the trust, stability, and inclusive culture we have built over the years. Given its direct impact on organisational continuity, workforce morale, and social wellbeing, employment is considered a material topic for us under the social pillar of sustainability.	-	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

POLICY AND MANAGEMENT PROCESSES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1. b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1. c. Web link of the Policies, if available	https://aiaengineering.com/wp-content/uploads/2025/04/Human-Rights-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2025/04/Sustainability-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2025/04/Human-Rights-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2025/04/Environment-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2025/04/Human-Rights-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2025/04/Environment-Policy.pdf https://aiaengineering.com/wp-content/uploads/2025/04/Waste-Management-Circular-Economy-Policy.pdf https://aiaengineering.com/wp-content/uploads/2025/04/Climate-Change-and-Energy-Management-Policy.pdf https://aiaengineering.com/wp-content/uploads/2025/04/Water-Management-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2025/04/Human-Rights-Policy.pdf https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf	https://aiaengineering.com/wp-content/uploads/2025/04/CSR-Policy.pdf	https://aiaengineering.com/wp-content/uploads/2025/04/Environment-Policy.pdf https://aiaengineering.com/wp-content/uploads/2025/04/Sustainability-Policy.pdf
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015	-	ISO 45001:2018	-	ISO 45001:2018	ISO 14001:2015	-	-	ISO 9001:2015
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Commitment: Yes Committed Goal: To assess and enhance employee well-being. Specific Target: Achieve zero theft incidents involving truck drivers Defined Timeline: March 2027	Commitment: Yes Committed Goal: To make our production processes more sustainable. Specific Target: Vendor Assessment: Assess 75% of value chain partners through a phased ESG assessment programme, covering upstream suppliers and priority downstream customers.	Commitment: Yes Committed Goal: To understand the current status of employee well-being. Specific Target: To carry out an Employee Satisfaction Survey (Target: At least 80%) Defined Timeline: 2027	Commitment: Yes Committed Goal: To ensure that all the concerns or interests of stakeholders are addressed and resolved. Specific Target: To enhance the customer satisfaction index from 97% to 98.5%. Defined Timeline: By 2027.	Commitment: Yes Committed Goal: To ensure protection of human rights at critical MSME vendor sites. Specific Target: To ensure no child labour/ forced labour or inhuman working is found in at least top 50 MSME vendors. Defined Timeline: By 2027.	Commitment: Yes Committed Goal: To contribute and make efforts towards protecting and restoring the environment. Committed Specific Targets: - Eliminate single-use plastic in packaging and drinking water bottles - Increase usage of renewable energy from 17% to 27% of total electricity requirement - Produce 1,00,000 bricks and paver blocks using discarded sand, dust, and plastic by 2030	Commitment: Yes Committed Goal: To increase engagement with associations and contribute in influencing public and regulatory policy. Specific Target: To become more participative in CII, FICCI and IIF. To become the lead representative in these forums for alloy steel castings. Defined Timeline: By 2030.	Commitment: Yes Committed Goal: To support start-ups and entrepreneurs to manufacture recyclable material in an environmentally friendly manner in order to develop economical and viable glass drinking water bottle. To support selective MSME vendors to adopt sustainable initiatives in their business. Defined Timeline: By 2030	Commitment: Yes Committed Goal: To enhance customer delight as part of AIA ethos. Specific Target: Achieve a customer satisfaction score of 98.5%. Defined Timeline: By 2030.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
						- Enhance energy efficiency across operations through the phased replacement of existing IE2 motors with high-efficiency IE4 motors - Transition employee transportation from diesel buses to electric/hybrid vehicles			
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Target Status: The initiative remains ongoing and is monitored periodically. Awareness and engagement programmes for truck drivers continue to be conducted to strengthen preventive measures and support achievement of the target by FY 2026-27.	Target Status: As part of our ongoing commitment to responsible sourcing, we have successfully assessed our major and critical suppliers based on defined ESG criteria. In the previous year, 62% of our top material suppliers were evaluated. This year, the process is also extended to our downstream value chain partners. We are in process to assess partners what worth approximately 50% of our downstream value chain.	Target Status: The objective is in progress. We are collecting feedback from employees to better understand their needs and concerns.	Target Status: We have already completed our target ahead of 2027. While the initiative is ongoing and monitored annually. Currently, our employee satisfaction index stands strong at 98.98%. While the target has been achieved, targeted actions have been taken by the respective department to maintain the employee satisfaction rate and increase it gradually.	Target Status: The initiative is ongoing and monitored through regular audits and vendor engagement. So far, we have assessed 62% of our vendors and have started conducting awareness sessions and providing guidance to them. This includes educating vendors on how to align with human rights standards, operate responsibly, and work towards compliance with relevant certifications.	Target Status: 1. Elimination of Single-Use Plastic: Single-use plastic has been eliminated from packaging operations. Efforts are ongoing to phase out single-use plastic drinking water bottles across corporate and operational locations. Status: Ongoing. 2. Renewable Energy: Our initial target was to increase renewable energy usage from 17% to 20%, and then to 27% by F.Y. 2026-27.	Target Status: The objective is ongoing and there is continued monitoring of the participation of our nominees in various bodies.	Target Status The objective is in progress and will be tracked annually through a structured action plan. Initial engagements and identification of potential collaborators are underway, with a focus on aligning support with long-term sustainability outcomes.	Target Status: The target has been achieved ahead of the defined timeline. The customer satisfaction index currently stands at 98.98%. Continuous improvement initiatives remain in place to sustain and further strengthen customer experience and satisfaction levels.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
						We are proud to share that we have already exceeded the 2027 target ahead of schedule, achieving approximately 29% renewable energy usage this year, with a total generation of 8,83,77,702.04 kWh. Given that the target has already been reached, we have planned to maintain this status. Status: Achieved 3. Sustainable Brick Production: Approximately 58,000 bricks were produced during the year using discarded sand, dust and plastic waste, taking cumulative production over the last two years to approximately 1,13,000 bricks.			

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
						4. Upgrade IE2 motors to IE4 motors: The phased replacement of IE2 motors with IE4 motors is underway and has resulted in significant improvements in energy efficiency, contributing to a reduction in energy consumption across operations. 5. Electric Mobility Transition: Over the last two years, guest transportation vehicles have been gradually transitioned to electric vehicles, contributing to reduced fuel consumption and lower emissions. Efforts to expand the adoption of cleaner transportation alternatives remain ongoing.			

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	**Dear Stakeholders,** As a member of the Board of Directors responsible for our Business Responsibility and Sustainability Report, I am pleased to share our progress and priorities for the year ahead. At AIA, our focus remains on delivering value through technical excellence, innovation, and customer-centric solutions. By combining specialised metallurgical expertise with process optimisation services, we continue to help big organisatons improve performance and efficiency while maintaining our leadership in quality, service, and innovation. Sustainability is no longer a separate agenda; it is an integral part of how we operate, make decisions, and create long-term value. Over the past year, we have continued to strengthen our environmental, social, and governance practices through focused initiatives and measurable actions. Our environmental initiatives continued to gain momentum during the year. Having achieved nearly 30% renewable electricity consumption ahead of our original target timeline, we have maintained this performance and are focused on further increasing the share of renewable energy in the years ahead. We are also pursuing innovative ways to derive value from waste streams. A notable example is our initiative to convert waste oil into fuel, transforming what was previously a disposal challenge into a resource recovery opportunity. This not only promotes circularity but also reduces dependence on conventional fuels, contributing to lower emissions and improved environmental performance. We have also made significant progress in maximising the use of by-products generated through our manufacturing processes. The installation of mechanical and thermal reclaimers has enabled us to recycle moulding sand and reduce fresh silica sand consumption by nearly 80%. In addition, we continue to collaborate with value chain partners to co-process waste silica sand from our foundry operations in cement kilns, further reducing waste sent for disposal while supporting industrial resource recovery. Our people remain central to our success. We continue to foster a safe, inclusive, and supportive workplace through strong health and safety systems, employee welfare programmes, and regular engagement with our workforce. At the same time, customer satisfaction remains a key strength of our business, with a satisfaction rate of ~99%. We remain committed to maintaining these high standards while continuously enhancing the customer experience through quality, reliability, and service excellence. The Board continues to support investments that strengthen operational excellence and position the Company for long-term growth. During the year, we progressed several initiatives focused on automation, energy-efficient technologies, cleaner fuels, infrastructure upgrades, and greener transportation solutions. We also expanded our environmental stewardship efforts through afforestation programmes, with more than Five Lakh trees planted to date, contributing to biodiversity enhancement and ecological restoration. Innovation and capability building are other areas we feel are equally important to our long-term growth. We collaborated with academic institutions on research and development projects and established the Skill Development Centre at GPERI, Mehsana (Gujarat Technological University - AIA Foundry), aimed at enhancing industry-relevant skills and improving employability among young professionals. While there is still much to accomplish, we are encouraged by the progress made and remain committed to integrating sustainability into every aspect of our business. We believe that operational excellence, long-term value creation, and responsible growth go hand in hand, and we look forward to continuing this journey with all our stakeholders. **Thank you.**

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors 1. Mr. Rajendra S. Shah (DIN 00061922) Category: (Chairman/NED/NID) 2. Mr. Bhadresh K. Shah (DIN 00058177) Category: (ED) 3. Mr. Yashwant M. Patel (DIN 02103312) Category: (ED) 4. Ms. Khushali S. Solanki (DIN 07008918) Category: (NED) 5. Ms. Bhumika S. Shodhan (DIN 02099400) Category: (NED) 6. Mr. Sanjay S. Majmudar (DIN 00091305) Category: (NED/NID) 7. Mr. Piyush B. Shah (DIN 00155760) Category: (NED/ID) 8. Ms. Janaki U. Shah (DIN 00343343) Category: (NED/ID) 9. Mr. Udayan D. Choksi (DIN 02222020) Category: (NED/ID) 10. Mr. Nitin C. Shukla (DIN 00041433) Category: (NED/ID)
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes. The Company has an ESG Committee, led by the Managing Director, that provides strategic direction, reviews progress, and oversees ESG initiatives. An ESG Working Group supports the Committee and meets periodically to drive implementation, monitor compliance and data, engage with stakeholders, and support reporting and training activities.

10. Details of Review of NGRBCs by the Company: Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (annually/half-yearly/quarterly/any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Directors									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Directors									Annually								

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

S. No.	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	No	No	Yes	Yes	No	Yes	No	No	Yes

Remarks:

ISO 9001 – Lloyd's Register

ISO 45001 & ISO 14001 – BUREAU VERITAS, INDIA (BVQI)

12. If answer to question (1) above is 'No' i.e., not all Principles are covered by a policy, reasons to be stated

	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

EI-1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	4	1. Financial Performance, Budgeting and Planning 2. Orientation on Statutory Compliances as a Board Member	100%
Key Managerial Personnel	4	All 9 NGRBC Principles	100%
Employees other than BOD and KMPs	339	Principles: 02, 03, 05, 06 and 09. 1. EHS Awareness 2. Awareness of Fire Prevention and Protection Activities 3. Phishing Awareness	100%
Workers	812	Principles: 02, 03, 05 and 06 1. EHS Awareness 2. Awareness of Fire Prevention and Protection Activities	100%

EI-2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary				
Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

EI-3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

S. No.	Case details	Name of the regulatory/enforcement agencies/judicial institutions
1.	-	-

EI-4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes.

AIA Engineering Limited has a dedicated Whistle-Blower and Vigil Mechanism Policy that outlines its commitment to anti-corruption and anti-bribery practices. The policy is applicable to all employees, directors, and third parties associated with the Company, and is aligned with the Companies Act, 2013, as well as key national and international anti-corruption frameworks, including the Prevention of Corruption (Amendment) Act, 2018, the U.S. Foreign Corrupt Practices Act, 1977, and the UK Bribery Act. It establishes formal channels for reporting unethical or unlawful conduct, and includes safeguards against retaliation and outlines a clear investigation and escalation process overseen by the Compliance Officer and Audit Committee.

https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Whistle-Blower-Vigil-Mechanism.pdf

EI-5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

Category	Current Financial Year	Previous Financial Year
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

EI-6. Details of complaints with regard to conflict of interest:

Category	Current Financial Year		Previous Financial Year	
	Number 2025-26	Remarks 2025-26	Number 2024-25	Remarks 2024-25
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

EI-7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable, as no such instances were reported this financial year.

EI-8. Number of days of accounts payables ((Accounts payable × 365)/Cost of goods/services procured) in the following format:

18
Number of days of accounts payables
Current Financial Year

23
Number of days of accounts payables
Previous Financial Year

EI-9. Open-ness of business - Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics		2025-26	2024-25
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	17.64%	12.78%
	b.	Number of trading houses where purchases are made from	22	22
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	91.20%	91.89%
Concentration of Sales	a.	Sales to dealers/distributors as % of total sales	0.00%	0.00%
	b.	Number of dealers/distributors to whom sales are made	0	0
	c.	Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	0.00%	0.00%
Share of RPTs in	a.	Purchases (Purchases with related parties/Total purchases)	2.04%	2.26%
	b.	Sales (Sales to related parties/Total sales)	65.82%	60.24%
	c.	Loans & advances (to related parties/total loans & advances)	0.06%	0.04%
	d.	Investments (in related parties/total investments)	0.37%	0.39%

Leadership Indicators

LI-1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	As part of our commitment to responsible business practices, we conducted a comprehensive training programme on ESG fundamentals and sustainability reporting. The sessions covered all nine NGRBC principles aligned with the BRSR framework, highlighted the importance of value chain sustainability, and introduced a new assessment module through a technical demonstration. The sessions also focused on guiding individual vendors to address AIA's sustainability requirements while raising awareness of environmental and social standards. This hands-on guidance provided vendors with the practical alignment strategies and process flows needed for sustainable value chain integration.	**28%**

Remarks: This year, we have provided ESG training and awareness sessions to suppliers representing approximately 28% of our upstream value chain by procurement value.

LI-2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The Company has established a Related Party Transactions (RPT) Policy in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations. The policy provides a framework for identifying, reviewing, approving, and monitoring related party transactions, thereby helping manage and mitigate potential conflicts of interest involving members of the Board and Key Managerial Personnel.

Link: https://aiaengineering.com/wp-content/uploads/2025/04/Policy-Related-Party-Transction-1.pdf

PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

EI-1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0.00%	0.00%	
Capex	2.27%	0.32%	During the year, investments were made towards improving operational efficiency, environmental performance, and workplace safety. Key focus areas included renewable energy projects, energy-efficient equipment, pollution control systems, process improvements, fire and safety infrastructure, and LED lighting upgrades. The Company also continued to invest in employee welfare and well-being initiatives across its operations.

EI-2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

EI-2. b. If yes, what percentage of inputs were sourced sustainably?

47%

Remarks: Based on the value chain assessment previously conducted by AIA Engineering, approximately 47% of assessed suppliers confirmed that they have measures in place to address environmental and social aspects, including environmental compliance, resource efficiency, labour law compliance, and human rights-related practices.

EI-3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life for the following:

Category	Description
(a) Plastics (including packaging)	-
(b) E-waste	-
(c) Hazardous waste	-
(d) Other waste	-

Remarks: While the Company does not currently operate a formal product take-back or reclamation programme, its products and packaging are designed to support circularity through reuse and recycling.

- Our alloy steel castings (Grinding Media and Castings) are fully recyclable by melting at the end of their life cycle.
- The packaging materials for our products, such as HDPE bags and MS drums, are recyclable after use.
- Supporting packaging materials like wooden pallets and metals can also be safely disposed of or recycled.

EI-4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. Extended Producer Responsibility (EPR) is applicable to the Company, and AIA Engineering is duly registered as a Brand Owner and Importer under the governing regulations.

The Company fully undertakes its EPR obligations through authorised agencies, ensuring that all waste collection and processing activities are executed in alignment with the EPR plan submitted to the authority.

Leadership Indicators

LI-1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

S. No.	NIC Code	Name of product/ service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web link.
1	-	-	-	-	-	-

Remarks: No LCA was conducted this year.

LI-2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

S. No.	Name of product/service	Description of the risk/concern	Action taken
1	-	-	-

Remarks: Not Applicable, since no LCA was conducted this year.

LI-3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

S. No.	Indicate input material	Recycled or re-used input material to total material	
		2025-26	2024-25
1	Scrap (recycled or reused material)	77.25%	76.45%
2	Reused metal	3.23%	3.35%

Remarks: The reported value has been determined based on the material composition of the finished product. Recycled input materials constitute 80.48% of the total product composition, comprising 77.25% recycled steel scrap and 3.23% recycled ferroalloys. The remaining 19.52% of the product consists of virgin raw material inputs.

LI-4. Of the products and packaging reclaimed at end of life of products, disclose the amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Category	2024-25			2023-24		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

Remarks: AIA does not reclaim its products at the end of their life cycle.

LI-5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

S. No.	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
1	-	-

Remarks: AIA supplies its products to customers across global markets using packaging materials that are designed to be recyclable, reusable, or repurposable. While the Company does not currently collect end-customer data on the actual reuse or recycling of packaging materials, these materials are inherently suitable for recovery and are expected to be reused or recycled by a significant proportion of customers after use.

In addition, the Company operates a product buyback mechanism based on customer requirements. Recovered products are subsequently recycled through the metal recovery process, supporting resource circularity.

PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

EI-1.a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,200	1,200	100.00%	1,200	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	5	5	100.00%	5	100.00%	5	100.00%	0	0.00%	0	0.00%
Total	1,205	1,205	100.00%	1,205	100.00%	5	100.00%	0	0.00%	0	0.00%
Other than permanent employees											
Male	117	98	83.76%	117	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	2	2	100.00%	2	100.00%	2	100.00%	0	0.00%	0	0.00%
Total	119	100	84.03%	119	100.00%	2	100.00%	0	0.00%	0	0.00%

EI-1.b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	67	67	100.00%	67	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	67	67	100.00%	67	100.00%	0	0.00%	0	0.00%	0	0.00%
Other than permanent workers											
Male	2,485	2,010	80.89%	2,485	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	20	11	55.00%	20	100.00%	20	100.00%	0	0.00%	0	0.00%
Total	2,505	2,021	80.68%	2,505	100.00%	20	100.00%	0	0.00%	0	0.00%

EI-1.c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	Current Financial Year	Previous Financial Year
Cost incurred on well-being measures as a % of the total revenue of the Company	0.20%	0.22%

EI-2. Details of retirement benefits, for Current FY and Previous Financial Year.

PF

2025-26: No. of employees covered as a % of total employees	2025-26: No. of workers covered as a % of total workers	2025-26: Deducted and deposited with the authority (Y/N/N.A.)	2024-25: No. of employees covered as a % of total employees	2024-25: No. of workers covered as a % of total workers	2024-25: Deducted and deposited with the authority (Y/N/N.A.)
91.46%	100.00%	Yes	91.77%	100.00%	Yes

Gratuity

2025-26: No. of employees covered as a % of total employees	2025-26: No. of workers covered as a % of total workers	2025-26: Deducted and deposited with the authority (Y/N/N.A.)	2024-25: No. of employees covered as a % of total employees	2024-25: No. of workers covered as a % of total workers	2024-25: Deducted and deposited with the authority (Y/N/N.A.)
91.08%	100.00%	Yes	91.3%	100.00%	Yes

ESI

2025-26: No. of employees covered as a % of total employees	2025-26: No. of workers covered as a % of total workers	2025-26: Deducted and deposited with the authority (Y/N/N.A.)	2024-25: No. of employees covered as a % of total employees	2024-25: No. of workers covered as a % of total workers	2024-25: Deducted and deposited with the authority (Y/N/N.A.)
7.48%	70.92%	Yes	9.21%	75.48%	Yes

Others - Please specify

2025-26: No. of employees covered as a % of total employees	2025-26: No. of workers covered as a % of total workers	2025-26: Deducted and deposited with the authority (Y/N/N.A.)	2024-25: No. of employees covered as a % of total employees	2024-25: No. of workers covered as a % of total workers	2024-25: Deducted and deposited with the authority (Y/N/N.A.)
0.00%	0.00%	-	0.00%	0.00%	-

EI-3. Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises/offices of the entity are accessible to differently abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016. The entity has implemented several accessibility features, including ramps, man lifts, accessible restrooms, and an occupational health center with round-the-clock male nurses and a visiting Certified Industrial Hygienist (CIH) doctor.

EI-4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. AIA is an equal opportunity employer and has an Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016, which is covered under its HR Manual. This HR Manual is an internal document and is communicated to new hires and relevant parties during the induction and orientation programme.

EI-5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0.00%	0.00%	0.00%	0.00%
Female	0.00%	0.00%	0.00%	0.00%
Total	0.00%	0.00%	0.00%	0.00%

Remark: The return-to-work rate is 0% as no maternity leave was availed during the year.

EI-6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Permanent Workers

Other than Permanent Workers

Permanent Employees

Other than Permanent Employees

If yes, then give details of the mechanism in brief

YES

Permanent Workers

Yes, AIA has a grievance redressal and works committee at every unit, which calls for the participation of both contract and permanent workers/employees, unit heads, functional heads, factory managers and HR managers. The grievance redressal mechanism operates as follows:

- Workers are empowered to approach the factory manager or HR manager as convenient; these managers also make themselves available at the plant and on the shop floor on a regular basis.
- The worker submits a complaint (written/verbal) to the shift or department supervisor, who in turn reports it to his functional head. This is then reported to the factory manager and HR.
- Complaints are addressed and resolved on priority within a month.
- However, if complaints relate to financial implications and require policy changes, then the same will have to be placed before the grievance redressal committee, which meets quarterly.
- For sexual harassment, the Company has in place the said policy and required procedures, and a committee has been constituted to address any such issues.

Other than Permanent Workers

Yes, the Company has a grievance redressal and works committee at each unit, this calls for the participation of both contract and permanent workers/employees, unit heads, functional heads, factory managers, and HR managers. The grievance redressal mechanism operates as follows:

- Workers have the authority to approach the factory manager or HR manager at their convenience; these managers maintain regular availability on the plant premises and shop floor.
- A worker submits a complaint (written or verbal) to their shift or department supervisor, who then escalates it to their functional head, subsequently reported to the Factory Manager and HR Manager.
- Complaints are prioritised and resolved promptly within one month.
- Complaints involving financial implications or necessitating policy changes are presented at quarterly grievance redressal committee meetings.
- AIA has established policies and procedures for addressing sexual harassment, with dedicated committees at the Moraiya and Kerala units to handle such issues.

Permanent Employees

Yes, at every unit, AIA maintains a grievance redressal and works committee involving contract and permanent workers/employees, unit heads, functional heads, factory managers, and HR managers. The grievance redressal process functions as follows:

- Employees are encouraged to approach the factory manager or HR manager at their convenience; these managers maintain regular availability on the plant premises and shop floor.
- An employee submits a complaint (written or verbal) to their shift or department supervisor, who then escalates it to their functional head, and subsequently to the factory manager and HR.
- Complaints are prioritised and resolved promptly within a month.
- Complaints involving financial implications or necessitating policy changes are brought before the quarterly grievance redressal committee meeting.
- The Company has established policies and procedures to address sexual harassment, with dedicated committees at its Moraiya and Kerala units tasked with handling such issues.

Other than Permanent Employees

Yes, the Company has a grievance redressal and works committee at each unit, involving participation from both contract and permanent workers/employees, unit heads, functional heads, factory managers, and HR managers. The grievance redressal mechanism is structured as follows:

- Employees have the authority to approach the factory manager or HR manager at their convenience, with both managers regularly available on the plant premises and shop floors.
- An employee submits a complaint (written or verbal) to their shift or department supervisor, who then reports it to their functional head. The issue is subsequently escalated to the factory manager and the HR department.
- Complaints are prioritised and resolved within a month.
- If complaints involve financial implications or necessitate policy changes, they are presented at quarterly meetings of the grievance redressal committee.
- For cases of sexual harassment, the Company has established policies and procedures. Committees at the Moraiya and Kerala Units are specifically formed to address such issues.

EI-7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	2025-26			2024-25		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s)or Union (D)	% (D/C)
Total permanent employees	1,205	0	0.00%	1,207	0	0.00%
Male	1,200	0	0.00%	1,202	0	0.00%
Female	5	3	0.00%	5	0	0.00%
Total permanent workers	67	34	50.75%	99	36	36.36%
Male	67	34	50.75%	99	36	36.36%
Female	0	0	0.00%	0	0	0.00%

EI-8. Details of training given to employees and workers:

Category	2025-26					2024-25				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,317	1,317	100.00%	394	29.92%	1,312	1,312	100.00%	724	55.18%
Female	7	7	100.00%	1	14.29%	8	8	100.00%	6	75.00%
Total	1,324	1,324	100.00%	395	29.83%	1,320	1,320	100.00%	730	55.64%
Workers										
Male	2,552	2,552	100.00%	75	2.94%	2,346	2,346	100.00%	1,474	62.83%
Female	20	20	100.00%	0	0.00%	20	20	100.00%	7	35.00%
Total	2,572	2,572	100.00%	75	2.92%	2,366	2,366	100.00%	1,481	62.59%

EI-9. Details of performance and career development reviews of employees and workers:

Category	2025-26			2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	%(D/C)
Employees						
Male	1,317	1,201	91.19%	1,312	1,207	92.00%
Female	7	5	71.43%	8	5	62.50%
Total	1,324	1,206	91.09%	1,320	1,212	91.82%
Workers						
Male	2,552	67	2.63%	2,346	94	4.01%
Female	20	0	0.00%	20	0	0.00%
Total	2,572	67	2.60%	2,366	94	3.97%

EI-10.a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes. The organisation is certified under ISO 45001:2018 for Occupational Health & Safety Management System. This certification covers two major plants for grinding media manufacturing located at Moraiya Village and the Kerala GIDC unit at Bavla District, Ahmedabad. The other unit also adheres to OHS protocols.

EI-10.b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

AIA Engineering follows a structured Hazard Identification and Risk Assessment (HIRA) process to identify work-related hazards and assess associated risks. The assessment is carried out at the process level, covering operational tasks, maintenance activities, equipment handling, and other non-routine jobs. Based on the identified hazards (if any), appropriate risk control measures, operating procedures, and safety precautions are established. The process is implemented in line with the ISO 45001:2018 Occupational Health and Safety Management System and is periodically reviewed to account for changes or updates in processes.

EI-10.c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes

EI-10.d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, the Company has tie-ups with hospitals to provide employees and workers access to healthcare services and medical benefits under ESIC.

EI-11. Details of safety related incidents, in the following format:

Employees **Workers**

Safety Incident/Number	Category	2025-26	2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.00
	Workers	1.33	1.09
Total recordable work-related injuries	Employees	0	0
	Workers	7	6
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0
Number of permanent disabilities	Employees	0	0
	Workers	0	0

EI-12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has implemented various measures to ensure a safe and healthy workplace, including the adoption of the ISO 45001:2018 Occupational Health and Safety Management System and implementation of an Occupational Health and Safety Policy. Key initiatives undertaken by the Company are listed below:

- Established clear roles, responsibilities, and accountabilities for individuals and teams at all levels of the organisation.
- Provided regular safety induction training to the workforce at the time of joining and conducted periodic reorientation programmes.
- Ensured staff and workers' participation in safety committee meetings.
- Conducted periodic safety reviews of units/plants.
- Identified work-related hazards and assessed risks on an activity-wise basis through HIRA (Hazard Identification and Risk Assessment), as per ISO 45001:2018 (OH&SMS).
- Maintained a legal register and ensured compliance with applicable obligations.
- Reviewed and updated operational controls and procedures.
- Implemented a work permit system and followed tagout energy isolation practices.
- Identified and eliminated hazards proactively.
- Emergency preparedness: Conducted personnel training on evacuation plans and emergency response procedures, including periodic mock drills.
- Used safety labels and signs across shop floors.
- Established contractor management procedures.
- Ensured that the entire premises, plant periphery, walkways, and zebra crossings are clearly defined for pedestrian movement.
- Established a process for incident investigation and corrective actions.
- Adopted good housekeeping practices, including 5S methodology.
- Conducted periodic internal and external safety audits.
- Ensured availability of first aid boxes at prominent locations on shop floors and in occupational health centres.
- Installed fall prevention systems, including fixed lifelines on roof access points.
- Covered the entire premises with fire hydrant systems and fire extinguishers.
- Installed smoke and heat detectors along with manual call points.
- Installed CO_2 gas flooding systems in electrical panels.
- Provided PPE kits to all personnel.

EI-13. Number of Complaints on the following made by employees and workers:

Category	2025-26			2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	Nil	0	0	Nil
Health and Safety	0	0	Nil	0	0	Nil

EI-14. Assessment for the year:

Working conditions

Health and safety practices

100%

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)

EI-15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Not applicable as no such instances were reported this year.

Leadership Indicators

LI-1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the organisation provides life insurance or compensation packages in case of death for both employees and workers.

Employees are covered under benefits from the Employees' State Insurance Corporation (ESIC) and Provident Fund (PF), along with term-life insurance policies and group personal accident benefits where applicable. Similarly, workers are also covered under the ESIC and PF schemes.

LI-2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company periodically reviews compliance requirements of its value chain partners and obtains necessary declarations and supporting documents, wherever applicable. This includes monitoring compliance with statutory obligations such as GST, PF, and ESIC to promote adherence to applicable regulatory requirements across the value chain.

LI-3. Provide the number of employees or workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in EI-11 above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

Category	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2025-26	2024-25	2025-26	2024-25
Employees	0	0	0	0
Workers	0	0	0	0

LI-4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, depending on organisational requirements, retiring employees are offered the opportunity to continue their service as consultants.

LI-5. Details on assessment of value chain partners:

Working conditions / Health and safety practices	% of value chain partners (by value of business done with such partners) that were assessed
Working conditions	37.30%
Health and safety practices	

Remarks: The reported percentage represents the share of overall value chain partners (upstream and downstream) assessed during the year. During 2024-25, AIA Engineering initiated sustainability assessments of its value chain partners based on defined ESG criteria. As part of this exercise, approximately 63% of the Company's upstream material suppliers (by procurement value) were assessed. The Company intends to progressively expand the scope and coverage of these assessments to include additional value chain partners in the coming years.

LI-6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Following the assessment of health and safety practices and working conditions among value chain partners, no significant risks or concerns were identified, and therefore, no corrective actions were required.

PRINCIPLE 4 BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

EI-1. Describe the processes for identifying key stakeholder groups of the entity.

Key stakeholders at AIA have been identified based on criteria such as shareholding, manufacturing activities, industries served, and the geographical proximity of manufacturing units. The identification process follows these five steps:

1. Comprehensive review of all stakeholders.
2. Clarification of the purpose of identification.
3. Assessment of their long-term and short-term impact on operations.
4. Evaluation of their specific business needs.
5. Prioritisation based on factors such as monetary contribution and relationship duration for customers.

Employees are also recognised as key stakeholders due to their crucial role within the organisation.

Similarly, suppliers are prioritised based on the criticality of their materials, type of supply, and quantity provided.

EI-2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder group	Whether identified as Vulnerable and Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement
1	Employees	No	Email, SMS and notice board	As and when required	Well-being and occupational health and safety, training, employee satisfaction, grievances, communication on policies and SOPs, among others
2	Investors	No	Email, newspaper advertisements, SMS and meetings	As and when required	To collect information, to provide the Company's overall status, to encourage them to give their assent or dissent, and to provide them with information about the corporate benefits available to them.
3	Customers	No	Through field engineers, sales order, Emails and SMS	As and when required	Technical specification, quality information on products, safety data and buy back policy
4	Regulators	No	By filing web-based forms, and XBRL forms, among others	As and when required	Submission of required details to government agencies, and understanding new regulations and laws
5	Communities	Yes	Engagement by Unit HR directly through area/community representative	As and when required	Impacts on the community, community grievances and benefits to be provided
6	Suppliers	No	Email, SMS, purchase order and conference call	As and when required	Negotiation, quality, technical discussion, sustainability, product information and specification

Leadership Indicators

LI-1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The consultation process between stakeholders and the Board occurs during the Annual General Meeting and Board Meetings, where stakeholder feedback is presented to the Board. Additionally, information from the Board to stakeholders is communicated through the Annual Report. During the reporting period, no specific concerns were raised by stakeholder groups.

LI-2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. We have conducted a detailed digital materiality assessment that involved polling both internal and external stakeholders using the double materiality approach. The responses gathered were integrated into our ESG strategy.

LI-3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

No concerns were raised by these groups.

PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

EI-1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	2025-26			2024-25		
	Total (A)	No. of employees/ workers covered (B)	%(B/A)	Total(C)	No. of employees/ workers covered (D)	%(D/C)
Employees						
Permanent	1,205	46	3.82%	1,207	90	7.46%
Other than permanent	119	10	8.40%	113	5	4.42%
Total employees	1,324	56	4.23%	1,320	95	7.20%
Workers						
Permanent	67	0	0.00%	99	0	0.00%
Other than permanent	2,505	25	1.00%	2,267	6	0.26%
Total workers	2,572	25	0.97%	2,366	6	0.25%

EI-2. Details of minimum wages paid to employees, in the following format:

Category	2025-26					2024-25				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1,205	0	0.00%	1,205	100.00%	1207	0	0.00%	1,207	100.00%
Male	1,200	0	0.00%	1,200	100.00%	1202	0	0.00%	1,202	100.00%
Female	5	0	0.00%	5	100.00%	5	0	0.00%	5	100.00%
Other than permanent	119	14	11.76%	105	88.24%	113	16	14.16%	97	85.84%
Male	117	14	11.97%	103	88.03%	110	16	14.55%	94	85.45%
Female	2	0	0.00%	2	100.00%	3	0	0.00%	3	100.00%
Workers										
Permanent	67	0	0.00%	67	100.00%	99	0	0.00%	99	100.00%
Male	67	0	0.00%	67	100.00%	99	0	0.00%	99	100.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than permanent	2,505	2,494	99.56%	11	0.44%	2,267	2,254	99.43%	13	0.57%
Male	2,485	2,474	99.56%	11	0.44%	2,247	2,236	99.51%	11	0.49%
Female	20	20	100.00%	0	0.00%	20	18	90.00%	2	10.00%

EI-3. a. Details of remuneration/salary/wages, in the following format: Median remuneration/wages:

Category	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	7	2,60,000	3	2,60,000
Key Managerial Personnel	4	97,52,985	0	0
Employees other than BoD and KMP	1,199	5,86,553	5	7,29,132
Workers	2,552	1,16,691	20	1,47,944

EI-3. b. Provide information on Gross wages paid to females by the entity, in the following format:

0.38%
Gross wages paid to females as % of total wages

Current Financial Year

0.48%
Gross wages paid to females as % of total wages

Previous Financial Year

EI-4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

EI-5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes, the Company has a grievance redressal framework in place to address human rights-related grievances. This includes a Grievance Redressal Forum located at its Registered Office in Odhav, a dedicated Email, and a suggestion box. Furthermore, grievance redressal mechanism operates as follows:

- Employees and workers have the option to approach the HR manager or factory manager at their convenience. These managers ensure regular availability at both the plant and shop floor.
- Complaints can be submitted in written or verbal form to the shift/department supervisor or functional head, who then escalate them to higher authorities, including the factory manager and HR department.
- Complaints are prioritised and resolved within a month.
- Issues involving financial implications or requiring policy changes are brought before the grievance redressal committee, which meets quarterly.
- Specific policies and procedures are implemented to address cases of sexual harassment, with dedicated committees established at the Moraiya and Kerala units. For more details on the Company's policies and procedures, please visit:

https://aiaengineering.com/wp-content/uploads/2025/04/Human-Rights-Policy.pdf

EI-6. Number of Complaints on the following made by employees and workers:

Category	2025-26			2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child labour	0	0	NA	0	0	NA
Forced labour/Involuntary labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

EI-7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	Current Financial Year	Previous Financial Year
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0.00%	0.00%
Complaints on POSH upheld	0	0

EI-8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Yes, the Company has implemented several measures to prevent adverse consequences to complainants in cases of discrimination and harassment. At its Registered Office in Odhav, there is a Grievance Redressal Forum, along with a dedicated Email and a suggestion box for reporting concerns. Employees are encouraged to approach the HR manager at their convenience, and they can submit complaints (written or verbal) to their functional heads, which are then escalated to the HR department. Complaints are addressed and resolved on priority basis within one month. Furthermore, AIA has established an Internal Complaints Committee (ICC) specifically to handle complaints of sexual harassment. The Company is committed to fostering a healthy and supportive work environment where women can operate without fear of gender bias, prejudice, or harassment. Measures are in place to ensure no adverse consequences for complainants, with issues addressed in a fair and transparent manner. Details and the inquiry process are treated with strict confidentiality. Moreover, if the aggrieved person is unable to file a complaint due to physical incapacity, a relative, friend, co-worker, an officer from the National Commission for Women or State Women's Commission, or any informed person may file a complaint on their behalf with their written consent.

EI-9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

EI-10. Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)

Child labour	100.00%
Forced/ involuntary labour	100.00%
Sexual harassment	100.00%
Discrimination at workplace	100.00%
Wages	100.00%
Others - please specify	-

EI-11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Not applicable as no such instances were reported this year.

Leadership Indicators

LI-1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

No human rights grievances or complaints were reported. Accordingly, no modifications to existing business processes or introduction of new processes were required in response to human rights-related concerns.

LI-2. Details of the scope and coverage of any human rights due-diligence conducted.

Human rights due diligence currently covers the Company's employees and workers across its operations. The assessment focuses on key areas such as non-discrimination, fair working conditions, health and safety, prevention of child and forced labour, and grievance redressal mechanisms. The Company has also incorporated human rights expectations within its Supplier Code of Conduct, and suppliers are required to comply with these principles.

LI-3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

LI-4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	37.30%
Discrimination at workplace	37.30%
Child labour	37.30%
Forced/ involuntary labour	37.30%
Wages	37.30%
Others - please specify	-

Remarks: The reported percentage represents the share of overall value chain partners (upstream and downstream) assessed during the year. During F.Y 2024-25, AIA Engineering initiated sustainability assessments of its value chain partners based on defined ESG criteria. As part of this exercise, approximately 63% of the Company's upstream material suppliers (by procurement value) were assessed. The Company intends to progressively expand the scope and coverage of these assessments to include additional value chain partners in the coming years.

LI-5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at LI-4 above.

Following the human rights assessment conducted among value chain partners, no significant risks, concerns, or instances of non-compliance were identified. Accordingly, no corrective actions were required during the reporting period.

PRINCIPLE 6 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

EI-1. Details of total energy consumption in GigaJoules (GJ), in the following format:

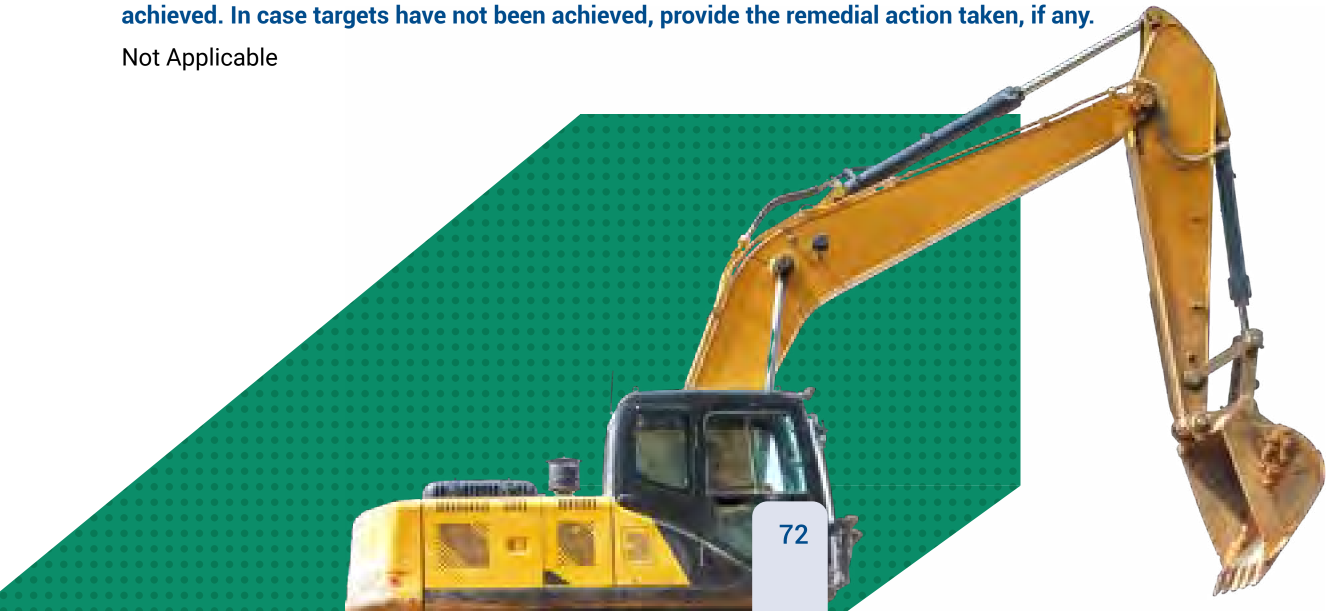
Parameter	2025-26	2024-25
From renewable sources		
Total electricity consumption (A)	3,18,159.73	3,10,004.45
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+ B + C)	**3,18,159.73**	**3,10,004.45**
From non-renewable sources		
Total electricity consumption (D)	7,86,097.53	7,47,945.9
Total fuel consumption (E)	5,22,624.85	4,93,062.76
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D + E + F)	**13,08,722.38**	**12,41,008.66**
Total energy consumed (A + B + C + D + E + F)	**16,26,882.11**	**15,51,013.11**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (GJ/Lakhs)	**4.32**	**4.45**
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP) (GJ/Lakhs USD)	**89.24**	**91.91**
Energy intensity in terms of physical output (GJ/MT)	**6.4964**	**6.4962**
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

EI-1. Indicate if any independent assessment/evaluation/assurance for energy has been conducted by an external agency. If Yes, provide the name of the agency.

Yes, Shailesh Haribhakti and Associates.

EI-2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable



EI-3. Provide details of the following disclosures related to water, in the following format:

Parameter	2025-26	2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	1,88,624.00	1,80,738.00
(iii) Third party water	56,184.00	68,840.00
(iv) Seawater/desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**2,44,808.00**	**2,49,578.00**
Total volume of water consumption (in kilolitres)	**2,86,636.00**	**2,90,947.00**
Water intensity per rupee of turnover (Water consumed/turnover) (KL/Lakhs)	**0.76**	**0.83**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP) (KL/Lakhs USD)	**15.72**	**17.24**
Water intensity in terms of physical output (KL/MT)	**1.14**	**1.22**
Water intensity (optional) – the relevant metric may be selected by the entity.	**-**	**-**

EI-3. Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. -

Yes. Shailesh Haribhakti and Associates

EI-4. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)

Parameter	2025-26	2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(ii) To groundwater		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iii) To seawater		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third-parties		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(v) Others		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
Total water discharged (in kilolitres)	**0.00**	**0.00**

EI-4. Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Shailesh Haribhakti and Associates.

EI-5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, at AIA, we have 100% ZLD coverage across all our operating sites.

AIA is utilising all of its wastewater after treatment. Treated domestic wastewater is reused in cooling towers, gardening, and toilet flushing, while cooling tower blowdown is reused for slag and sand cooling. To reduce cooling tower blowdown, the Kerala GIDC unit has set up an air-type dry cooling tower for water cooling.

EI-6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please Specify Unit	Current Financial Year	Previous Financial Year
NOx	ppm	8.9	9.4
SOx	ppm	10.1	13.03
Particulate matter (PM)	mg/Nm^3	44.11	45.86
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others - please specify in the remark section	-	-	-

EI-6. Indicate if any independent assessment/evaluation/assurance for Air emissions has been conducted by an external agency. If Yes, provide the name of the agency:

Yes. Shailesh Haribhakti and Associates.

EI-7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2) in $MTCO_2e$, in the following format:

Parameter	Unit	2025-26	2024-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	TCO_2e	30,911.8	28,902.21
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	TCO_2e	1,55,035.9	1,47,511.55
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (TCO_2e/Lakh)	TCO_2e/rupee of turnover	0.49	0.50
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (TCO_2e/Lakh)	TCO_2e/Lakh USD	10.20	10.45
Total Scope 1 and Scope 2 emission intensity in terms of physical output (TCO_2e/MT)	TCO_2e/MT Production	0.74	0.74
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

EI-7. Indicate if any independent assessment/evaluation/assurance for GHG Emissions (Scope 1 and 2) has been conducted by an external agency. If Yes, provide the name of the agency: -

Yes. Shailesh Haribhakti and Associates.

EI-8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, AIA in collaboration with ARC Foundation Gandhinagar has initiated massive tree plantation to reduce the GHG emissions.

As part of a larger programme to plant 1,00,000 trees, Phase I witnessed the plantation of 30,026 saplings across Brigade Headquarters at Chiloda and Dhrangadhra in Gujarat. The assessment for this initiative is carried out quarterly. Furthermore, Tree plantation is ongoing, and it is continuous programme for AIA.

AIA has installed 11 wind energy turbines + 3 hybrid (wind + solar energy) at the Kutch and Jamjodhpur sites, which have an installed capacity of 37.38 MW (31.80 MW windmill + 5.58 MW solar) of renewable energy. In F.Y. 2025-26, AIA was able to generate 8,83,77,702.042 kWh of electricity from renewable sources and supply it to the grid.

EI-9 Provide details related to waste management by the entity for the Current Financial Year.

Parameter	2025-26	2024-25
Total waste generated (in metric tonnes)		
Plastic waste (A)	331.00	276.60
E-waste(B)	1.86	1.43
Bio-medical waste (C)	0.01	0.01
Construction and demolition waste (D)	0	0
Battery waste (E)	13.50	7.12
Radioactive waste (F)	0	0
Other hazardous waste.Please specify, if any. (G)	131.06	138.05
Other non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e., by materials relevant to the sector)	1,41,523.00	1,33,957.27
Total (A + B + C + D + E + F + G + H)	1,42,000	1,34,380.48
Waste intensity per rupee of turnover (Total Waste Generated/Revenue from operations) (MT/Lakh)	0.38	0.39
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated/Revenue from operations adjusted for PPP)(MT/Lakh USD)	7.79	7.9631
Waste intensity in terms of physical output (Total Waste Generated/ Physical Output) (MT/MT)	0.57	0.56
Waste intensity (optional) the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste - Plastic		
(i) Recycled	331.00	276.60
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total plastic waste recycled, re-used and other recovery operations	**331.00**	**276.60**
Category of waste - E-Waste		
(i) Recycled	1.86	1.43
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total e-waste recycled, re-used and other recovery operations	**1.86**	**1.43**

Parameter	2025-26	2024-25
Category of waste - Bio-medical waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total bio-medical waste recycled, re-used and other recovery operations	**0.00**	**0.00**
Category of waste - Construction and demolition waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total construction waste recycled, re-used and other recovery operations	**0.00**	**0.00**
Category of waste - battery waste		
(i) Recycled	13.51	7.12
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total battery waste recycled, re-used and other recovery operations	**13.51**	**7.12**
Category of waste - radioactive waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total radioactive waste recycled, re-used and other recovery operations	**0.00**	**0.00**
Category of waste - other hazardous waste		
(i) Recycled	42.72	76.88
(ii) Re-used	0	0
(iii) Other recovery operations	26.37	0
Total other hazardous waste recycled, re-used and other recovery operations	**69.09**	**76.88**
Category of waste - other non-hazardous waste		
(i) Recycled	10,670.00	1,085.21
(ii) Re-used	0	0
(iii) Other recovery operations	8,125.00	10,620.58
Total other non-hazardous waste recycled, re-used and other recovery operations	**18,795.00**	**11,705.79**
Total	**19,210.46**	**12,067.82**

Parameter	2025-26	2024-25
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - plastic		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total plastic waste incineration, landfilling and other disposal operations	**0.00**	**0.00**
Category of waste - E-waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total e-waste waste incineration, landfilling and other disposal operations	**0.00**	**0.00**
Category of waste - bio-medical waste		
(i) Incineration	0.01	0.01
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total bio-medical waste incineration, landfilling and other disposal operations	**0.01**	**0.01**
Category of waste - Construction and demolition waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total construction waste incineration, landfilling and other disposal operations	**0.00**	**0.00**
Category of waste - battery		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total battery waste incineration, landfilling and other disposal operations	**0.00**	**0.00**
Category of waste - radioactive		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total radioactive waste incineration, landfilling and other disposal operations	**0.00**	**0.00**
Category of waste - other hazardous waste. Please specify, if any		
(i) Incineration	61.98	61.17
(ii) Landfilling	0	0

Parameter	2025-26	2024-25
(iii) Other disposal operations	0	0
Total other hazardous waste incineration, landfilling and other disposal operations	**61.98**	**61.17**
Category of waste - other non-hazardous waste generated		
(i) Incineration	0	0
(ii) Landfilling	1,22,727.00	1,22,251.48
(iii) Other disposal operations	0	0
Total other non-hazardous waste incineration, landfilling and other disposal operations	**1,22,727.00**	**1,22,251.48**
Total	**1,22,788.99**	**1,22,312.66**

EI-9. Indicate if any independent assessment/evaluation/ assurance for waste has been conducted by an external agency. If yes, provide the name of the agency:

Yes. Shailesh Haribhakti and Associates.

EI-10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

At our establishment, we prioritise waste reduction, reuse, and recycling in accordance with a waste hierarchy approach, aligning closely with the principles of the circular economy. Our strategies include:

1. **Reducing Waste Generation:** We optimise the use of resources, including minerals, to minimise waste at its origin.
2. **Reuse and Recycling:** We actively seek opportunities to reuse waste both internally and externally, such as by utilising foundry waste and other materials as alternative raw materials or fuel through co-processing.
3. **Regulatory Compliance and Best Practices:** We go beyond legal waste management requirements by adopting industry-leading best practices.
4. **Environmental Stewardship:** Recognising the environmental consequences of improper waste disposal, we employ robust mechanisms for waste treatment and disposal.

Specific Practices:

Eco-friendly Brick Production:

Foundry waste materials, such as sand and plastics are used to manufacture eco-friendly bricks and paver blocks. This year, ~175 MT of waste was utilised to produce over 58,000 bricks and blocks.

Cement co-processing:

We collaborated with our value chain partner to co-process waste silica sand from foundry operations in cement kilns. In F.Y. 2025-26, ~8000 MT of silica sand was repurposed through this method, ensuring both environmental compliance and sustainable waste disposal.

Organic Waste Utilisation:

We convert kitchen and canteen waste into organic manure through a combination of in-house composting systems and external waste management partners. In F.Y. 2025-26, around 53.6 MT of organic waste was successfully processed into manure. Thus supporting our commitment to sustainable waste management and circular resource use.

- Slag Reprocessing:

Slag is reprocessed at our in-house slag processing facility to recover metal for reuse in foundry operations.

In F.Y. 2025-26, 10,670 tonnes of slag processed, yielding 962 tonnes of recovered metal.

Non-Hazardous Waste Management:

Our practices for managing non-hazardous waste include:

1. Internal and external recycling of materials such as silica sand, slag, and refractory waste for applications like co-processing, brick manufacturing, and metal recovery.
2. Sale of commercial waste materials like paper, wood, and rubber to designated vendors for further processing or reuse.

Our waste management policies and practices are detailed in our Waste Management Circular Economy Policy, underscoring our commitment to sustainability and environmental responsibility.

Hazardous Waste Management:

We promote a circular economy by prioritising the reuse and recycling of hazardous waste to minimise environmental impact.

Our practices include:

1. Waste residues containing oil given for Co-processing: This year AIA Engineering has started a new initiative to avoid direct disposal of the specific waste, and this is now used to generate energy by co-processing. Also, we are avoiding the emissions related to water disposal and emissions related to the avoidance of other fuel.

   Partnerships with authorised facilities for decontamination, recycling, and disposal of hazardous waste components like containers, oils, e-waste, batteries, and bio-medical waste.
2. Ensuring that all hazardous waste is transported in registered vehicles and disposed of in full compliance with regulatory norms.
3. Giving preference to co-processing and recycling over TSDF (Treatment, Storage, and Disposal Facility) or incineration, wherever possible.
4. Maintaining an MoU with an SPCB-approved decontamination unit for container reuse and recycling of liners and plastic bags.
5. Selling used/waste oil, e-waste, and batteries exclusively to registered authorised recyclers.
6. Disposing of bio-medical waste from the Occupational Health Centre (OHC) through authorised biomedical waste incineration facilities.
7. Managing oily sludge and other oil-containing residues through SPCB-approved CHWIF (Common Hazardous Waste Incineration Facility).

EI-11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

Remark: Not applicable, as the Company does not have any operations located in or adjacent to ecologically sensitive areas.

EI-12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
None						

EI-13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
-	-	-	-	-

Remarks: Yes, AIA is compliant with the applicable environmental laws.

Leadership Indicators

LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

(i) Name of the area

Not Applicable

(ii) Nature of operations

AIA Engineering does not have operations located in water-stressed areas.

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	2025-26	2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed/turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity.	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**0.00**	**0.00**

LI-1. Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

LI-2. Please provide details of total Scope 3 emissions ($MTCO_2e$) & its intensity, in the following format:

Parameter	2025-26	2024-25
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	1,34,199.00	1,20,225.78
Total Scope 3 emissions per rupee of turnover (TCO_2e/Lakh)	0.36	0.34
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-

LI-2. Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable

LI-3. With respect to the ecologically sensitive areas reported at EI-11 above, provide details of the significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not applicable

LI-4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web link, if any, may be provided along-with summary)	Outcome of the initiative
1	Medium frequency induction furnaces for all our melting operations	These furnaces operate on electricity. The process is designed to minimise energy loss and heat dissipation.	Reduced GHG emissions.
2	We utilise direct energy for the heat treatment process across all our foundry units	Transitioned to Piped Natural Gas (PNG) and Liquid Petroleum Gas (LPG). Implemented flue gas recuperators on all our PNG-fired heat treatment furnaces. These recuperators enhance furnace efficiency by recovering heat from flue gases. The recovered waste heat is then utilised to preheat the combustion air supplied to the burners.	Utilising cleaner fuel, improving process efficiency and reusing waste heat have helped reduce GHG emissions.
3	Generating renewable energy	AIA has installed 11 wind energy turbines + 3 hybrid (wind + solar energy) at the Kutch and Jamjodhpur sites, which have an installed capacity of 37.38 MW (31.80 MW windmill + 5.58 MW solar) of renewable energy. In FY 2025-26, AIA was able to generate 8,83,77,702.04 kWh of electricity from renewable sources and supply it to the grid.	8,83,77,702.04 kWh of renewable energy was generated.
4	Rainwater Harvesting	The Company has installed a rainwater harvesting system to recharge groundwater. Rooftop and run-off rainwater is being recharged through four recharge wells at Kerala GIDC Plant and two recharge wells at Moraiya plant along with a pre-filtration system within the plant premises. In addition, three recharge wells are constructed outside the premises, one at Chiloda Village and one at Moraiya Village to recharge groundwater. These recharge wells replenish the groundwater in the area where we operate.	Estimated rooftop recharged water 82,708 KL.
5	Zero Liquid Discharge	Complete Zero Liquid Discharge (ZLD) is maintained at all the plants. Some initiatives taken to reduce water consumption are - A dry-type cooling tower is installed at Kerala GIDC Plant, which reduces blow-down drastically - The cooling tower blowdown is being reused for sand mould preparation, and sand/slag cooling purpose - Greywater/sewage are treated in the STP plant. Treated water is reused in gardening, toilet flushing, and cooling towers - Automatic/spring-operated water taps are being used to reduce the wastage of potable water - At some plants, waterless urinals are installed	41,828 KL STP treated water reused at two major GM plant.

S. No.	Initiative undertaken	Details of the initiative (Web link, if any, may be provided along-with summary)	Outcome of the initiative
6	Converting waste into wealth: Eco-friendly bricks and paver blocks produced utilising waste material	Approximately 58,000 bricks and paver blocks were produced this year. Each brick or paver block weighs an estimated 2.8 kg and is valued at ₹ 5. **Waste Material Utilised:** **Plastic:** Approximately 50 tonnes of waste HDPE bags recycled. **Sand:** Approximately 56 tonnes of waste silica sand recycled. **Dust:** Approximately 56 tonnes of waste dust recycled. **Revenue Generation** The initiative generates revenue amounting to ₹ 2,90,000 through the conversion of waste into wealth (calculated at ₹ 5 per unit, with 58,000 units produced).	Approximately 175 MT waste reused, 58,000 bricks and blocks made, valued at ₹ 2,90,000.
7	Reuse of foundry sand in cement kiln through Co-processing	Discarded moulding sand from the foundries is a solid waste and a by-product of the production process. We have signed an MoU with a value chain partner to provide a sustainable business solution for the sand waste generated. The waste discarded sand is used in cement kiln technology (co-processing) in a manner that ensures regulatory compliance, clubbed with the highest standards in OH&S. The VC partner is safely consuming waste generated by AIA in its cement kilns at its plant.	~8,000 MT waste sand from the foundry was used to produce cement.
8	Captive slag processing plant	Slag is reprocessed in our captive slag processing plant. The recovered metal is reused as raw material in foundry operations, to produce castings.	10,670 MT slag processed and 962 MT metal recovered and reused in our plant.
9	Energy reduction through process improvement and technology upgradation	1. Effective usages of machines leading to energy savings: 65,825 units saved (kWh). 2. Technology upgradation leading to energy savings: 56,130 units saved (kWh).	Saved 1,21,955 kWh.
10	Carbon reduction initiative	Innovative heaterless vaporisers in LPG installations at our major GM plants have resulted in an estimated accumulated carbon offset of 442 MT of CO_2 per manifold per year.	Accumulated carbon offset 442 MT per year.
11	Co-processing waste into an alternate fuel	Oil waste generated from operations is reprocessed and used as an alternative fuel source, avoiding ~27 MT of GHG emissions from conventional disposal methods and an additional ~14 MT through displacement of other fuel consumption.	~41 $MTCO_2$ saved from waste processing.

LI-5. Does the entity have a business continuity and disaster management plan? If yes, please give details in 100 words or input web link.

Yes, on-site emergency plan is prepared with the primary aim to protect all employees, persons in the vicinity and the Company property, against fire, explosion or other major accident which might occur due to natural or man-made disaster. The success of this plan depends largely upon each individual carrying out his designated duties effectively and promptly. Considering the number of employees, material, process, and availability of resources, location of site, and the plan is prepared. Objectives of the emergency planning are as under:

(a) To define and to assess emergencies, including risk and environmental impact assessment.

(b) To prevent the emergency turning into a disaster.

(c) To safeguard employees and people in vicinity.

(d) To minimise damage to property or/and the environment.

(e) To inform employees, the general public and the authority about the hazards/risks assessed, safe guards provided, residual risk if any and the role to be played by them in the event of emergency.

(f) To be ready for 'Mutual Aid' if need arises to help neighbouring unit.

(g) To inform authorities and mutual-aid centre to come for help.

(h) Effective rescue and treatment of casualties.

(i) To identify and list any dead injury.

(j) To inform and help relatives.

(k) To secure the safe rehabilitation of affected areas and to restore normalcy.

(l) To provide authoritative information to the news media.

(m) To preserve records and equipment, among others and to organise investigation into the cause of the emergency and preventive measures to stop its reoccurrence.

(n) To ensure safety of the workplace before personnel reenter and resume work.

(o) To work out a plan with all provisions to handle emergencies and to provide for emergency preparedness and the periodical rehearsal of the plan.

For example: Disaster Management Plan for Information Technology (IT).

The current global environment poses severe cybersecurity threats of various kinds, such as ransomware, hacking, malware, and spoofing, among others. The Company has implemented several mitigation programmes; however, the continuous development of new cyber threats remains a concern.

It is not possible to fully secure the system due to limitations in knowledge about emerging viruses and cyber-attack techniques. The Company mitigates these risks to the extent possible. A disaster recovery mechanism has been established, enabling traffic to be redirected to the disaster recovery server (secondary server) to ensure uninterrupted operations.

Each quarter, the IT team conducts a Disaster Recovery (DR) drill, and the results have been satisfactory.

LI-6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse effects were observed.

LI-7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

~37%

Remark: During the year, AIA assessed value chain partners representing 37% of the total value of business conducted with upstream partners for environmental impacts, with plans to progressively expand the assessment coverage across the broader value chain.

LI-8. How many Green Credits have been generated or procured?

a. **Generated by the listed entity -** 0

b. **Procured by the top ten (in terms of value of purchases and sales, respectively) value chain partners -** 0

PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

EI-1.a. Number of affiliations with trade and industry chambers/associations.

5

EI-1.b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National/International)
1	FICCI	National
2	CII	National
3	GCCI	State
4	EEPC	National
5	MIDC	State

EI-2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

S. No.	Name of authority	Brief of the case	Corrective action taken
1	No issues related to anti-competitive conduct by the entity	NA	NA

Leadership Indicators

LI-1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board	Web link, if available
1	No	No	No	Other	No

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

EI-1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
1	NA	NA	NA	NA	NA	NA

EI-2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the financial year (In ₹)
1	NA	NA	NA	NA	NA	NA

EI-3. Describe the mechanisms to receive and redress grievances of the community.

The Company has established mechanisms for community members and other stakeholders to report grievances related to policy violations, fraud, unethical practices, or misconduct through channels such as email, drop boxes, or written communication addressed to the Compliance Officer. All complaints received are reviewed and, where necessary, investigated under the supervision of the Managing Director or the Audit Committee, with support from external agencies wherever required. The Company ensures confidentiality throughout the process and safeguards whistle-blowers against any form of retaliation. Appropriate corrective actions are undertaken based on the investigation findings, and all related records are maintained in accordance with the Company's document retention practices. The detailed Whistle Blower and Vigil Mechanism Policy is available at: https://aiaengineering.com/wp-content/uploads/2025/04/PolicyWhistle-Blower-Vigil-Mechanism.pdf

EI-4. Input material sourced from suppliers (by value):

	Particular	2025-26	2024-25
1	Directly sourced from MSMEs/small producers	17.49%	23.82%
2	Sourced directly from within India	87.97%	83.14%

EI-5. Job creation in smaller towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost. (Place to be categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan)

	Particular	2025-26	2024-25
1	Rural	49.64%	45.31%
2	Semi-urban	0.00%	0.00%
3	Urban	0.48%	0.00%
4	Metropolitan	49.88%	54.69%

Leadership Indicators

LI-1. If any Social Impact Assessments have been reported in EI-1, please provide details of actions taken to mitigate any negative social impacts identified:

S. No.	Details of the negative social impact identified	Corrective action taken
1	NA	NA

LI-2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
1	NA	NA	0

LI-3.a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

No

LI-3.b. From which marginalised/vulnerable groups do you procure?

NA

LI-3.c. What percentage of total procurement (by value) does it constitute?

NA

LI-4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1	NA	-	-	-

LI-5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.

S. No.	Name of authority	Brief of the case	Corrective action taken
1	NA	-	-

LI-6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Eradicating hunger, poverty and malnutrition	Not Ascertainable	100%
2	Promoting healthcare including preventive health care	Not Ascertainable	100%
3	Promoting education and vocational skill	Not Ascertainable	Not Ascertainable
4	Protection of heritage, art and culture	Not Ascertainable	Not Ascertainable
5	Protection of environment and animal welfare	Not Ascertainable	100%
6	Contribution to public funded universities	Not Ascertainable	100%
7	PM CARES fund	Not Ascertainable	100%

PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

EI-1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Customer Feedback Management:

The Company has established a structured customer feedback and grievance management mechanism to better understand customer expectations and enhance service quality. Customer complaints related to products or services are initially addressed by the respective field engineers and subsequently escalated to the Quality Assurance Controller for detailed review and investigation. Wherever required, product samples are collected and analysed to identify the underlying cause of the issue. Root cause analyses are conducted for all significant complaints, and necessary corrective and preventive actions are implemented in a timely manner. Resolution updates are communicated to customers through the field engineering team to ensure transparency, responsiveness, and continued customer satisfaction.

Measuring Customer Satisfaction:

The Company follows a systematic approach to monitor customer perception and satisfaction with its products and services. Feedback is regularly collected across key operational parameters such as delivery timelines, product performance, and after-sales support. Customer satisfaction is evaluated using a grading scale of 1 to 4, and the overall Customer Satisfaction Index (CSI) is calculated annually using a weighted average methodology. During the reporting period, the Company achieved a CSI score of 98.98%, reflecting a consistently high level of customer satisfaction and service delivery.

EI-2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

100.00%
Environmental and social parameters relevant to the product

As a percentage to total turnover

100.00%
Safe and responsible usage

As a percentage to total turnover

100.00%
Recycling and/or safe disposal

As a percentage to total turnover

EI-3. Number of consumer complaints in respect of the following:

Category	2025-26			2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	Nil	0	0	Nil
Advertising	0	0	Nil	0	0	Nil
Cyber-security	0	0	Nil	0	0	Nil
Delivery of essential services	0	0	Nil	0	0	Nil
Restrictive trade practices	0	0	Nil	0	0	Nil
Unfair trade practices	0	0	Nil	0	0	Nil
Other	0	0	Nil	0	0	Nil

EI-4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	0	0
Forced recalls	0	0

EI-5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes.

We have a formal framework in place to address cybersecurity and data privacy risks. The policy is accessible to all employees through the Company's intranet.

EI-6. Provide details of any corrective actions taken or underway on issues relating to any of the following: i. Advertising; ii. Delivery of essential services; iii. Cyber-security and data privacy of customers; iv. Re-occurrence of instances of product recalls V. penalty/action taken by regulatory authorities on safety of products/services.

Not applicable, as no such instances were reported.

EI-7. Provide the following information relating to data breaches:

a. **Number of instances of data breaches -** 0

b. **Percentage of data breaches involving personally identifiable information of customers** - 0%

c. **Impact, if any, of the data breaches** - Not Applicable

Leadership Indicators

LI-1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information is available on our website at: https://aiaengineering.com.

LI-2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

While our products are inherently safe, we take additional steps to promote responsible usage. We provide handling guidelines as needed and share Safety Data Sheets (SDS) upon request along with the consignment, ensuring customers have access to essential safety information.

LI-3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

Through efficient email correspondence and direct communication facilitated by our field engineers.

LI-4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Our product packaging includes essential customer information like dimension and weight, among others. As our products, like grinding media in ball form and other alloy mill castings, are mechanical components made of metallic materials, they inherently pose no hazards in their original form. Therefore, they do not necessitate special handling or storage requirements. However, we provide Safety Data Sheets (SDS) with consignments upon customer request. We actively conduct customer satisfaction surveys to ensure continuous improvement.

INDEPENDENT PRACTITIONERS' REASONABLE ASSURANCE REPORT ON IDENTIFIED SUSTAINABILITY INFORMATION DISCLOSURES IN THE ANNUAL REPORT OF AIA ENGINEERING LIMITED FOR THE PERIOD FROM 1ST APRIL 2025 TO 31ST MARCH 2026.

To,
The Board of Directors,
AIA Engineering Limited

We, M/s. Shailesh Haribhakti & Associates (referred to as **'we'**, **'us'** or **'our'**), have been engaged by AIA Engineering Limited (referred to as **'the Company'**) vide our agreement date May 29, 2026, to provide independent third-party assurance on the Business Responsibility and Sustainability Reporting (BRSR) Core for the financial year 1st April 2025 to 31st March 2026.

The BRSR Core disclosures are prepared in accordance with the reporting framework prescribed by the Securities and Exchange Board of India (SEBI) vide its circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and subsequent amendments including the circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, mandating assurance on BRSR Core from FY 2023-24 onwards, in accordance with the Criteria stated in the "**Criteria**" paragraph below.

Reporting Boundaries and Period

Reporting Period: 1st April 2025 to 31st March 2026

Organizational Boundaries: The BRSR Core disclosures cover the operations of AIA Engineering Limited.

Subject Matter: Our assurance covers the BRSR Core Key Performance Indicators (KPIs) marked as 'Essential Indicators' under Sections A, B, and C (Principles 1 through 9) of the BRSR report.

Level of Assurance

We have performed a **reasonable assurance engagement** on the BRSR Core disclosures. Reasonable assurance provides a high, but not absolute, level of assurance that the information is free from material misstatement.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is summarised in Appendix A to this report titled as BRSR Core Attributes. The criteria used is the "BRSR Core", which is a subset of the BRSR, consisting of a set of Key Performance Indicators ("**KPIs**")/metrics under nine Environmental, Social and Governance ("**ESG**") attributes, as per the format of BRSR Core specified in Annexure 17A read with the format of BRSR and the Guidance Note given in Annexure 16 and 17, respectively, prescribed under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR Regulations") read with SEBI Master Circular for 'compliance with the provisions of the SEBI LODR Regulations by listed entities' dated January 30, 2026, and the SEBI Circular on the 'Industry Standards on Reporting of BRSR Core' dated December 20, 2024 (collectively referred to as the "**SEBI Circulars**").

Management's Responsibility

The Management of AIA Engineering Limited is responsible for:

- Preparing and presenting the BRSR Core disclosures in accordance with SEBI's prescribed framework.
- Establishing and maintaining appropriate internal controls, systems, and processes for data collection, collation, and reporting.
- determining the Reporting Boundary of the BRSR Core Report and for selecting or establishing suitable criteria for preparing the BRSR Core Report, taking into account applicable laws and regulations including the SEBI Circulars related to reporting, identification of key aspects, engagement with stakeholders, and content, preparation and presentation of the BRSR Core Report in accordance with the Criteria.
- Ensuring the accuracy, completeness, and reliability of the disclosed information.
- Identifying and engaging with stakeholders and determining material issues.
- Providing access to all relevant information, personnel, and documentation necessary for the assurance engagement.

Other Information

The Management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report (but does not include the BRSR Core Report and assurance report thereon). The Company's Annual Report is expected to be made available to us after the date of this assurance report.

Our reasonable assurance on BRSR Core attributes on the select BRSR attributes does not cover the other information, and we will not express any form of assurance conclusion thereon.

In connection with our assurance on the BRSR Core Report, our responsibility is to read the other information identified above when it becomes available, and in doing so, consider whether other information is materially inconsistent with the BRSR Core Report, or our knowledge obtained in the assurance, or otherwise appears to be materially misstated. We have not identified any such material misstatement and, accordingly, have nothing to report in this regard.

Independent Practitioners' Responsibility

We conducted our engagement in accordance with Standard on Sustainability Assurance Engagements (SSAE) 3000, 'Assurance Engagements on Sustainability Information' and Standard on Assurance Engagements (SAE) 3410 'Assurance Engagements on Greenhouse Gas Statements' issued by the Sustainability Reporting Standards Board of the Institute of Chartered Accountants of India ('ICAI').

We are required to comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI. Our firm applies Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements' issued by the ICAI. This standard requires the firm to maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion. The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and / or measurements of the Identified Sustainability Information.
- Made enquiries of Company's Management, including those responsible for Sustainability, Environmental Social Governance ('ESG'), Human Resources (HR), etc., and those responsible for preparation of the BRSR.
- Performed substantive testing on a sample basis of the BRSR Core Attributes within the reporting boundary to verify that data had been appropriately measured with underlying documents recorded, collated, and reported. This included assessing records and performing testing, including recalculation of sample data to establish an assurance trail. The responsibility for the authenticity of the data rests with the reporting organization.
- Assessed the level of adherence to the BRSR Core Indicators and internally defined criteria by the Management. Obtained written representations from the Company's Management.
- Planned and performed the engagement to obtain reasonable assurance about whether the Assured Sustainability Information is free from material misstatement, whether due to fraud or error.
- Formed an independent reasonable assurance opinion based on the procedures we have performed and the evidence we have obtained; and
- Reported our reasonable assurance opinion to the Board of Directors of the company.

Assurance Conclusion

Based on the procedures performed and the evidence obtained, the Company's BRSR Core disclosures for the year ended March 31, 2026 summarised in Appendix A to this report and presented in the BRSR are prepared, in all material respects, in accordance with the Criteria specified in the "Criteria" section of our report.

Limitations and Exclusions

The following limitations apply to this assurance engagement:

- Our assurance is limited to the BRSR Core indicators.
- We have relied on information, explanations, records and data provided by the Company's management and have not independently verified information obtained from third parties or external sources during the course of the engagement.
- This assurance statement is prepared solely for the use of the Board of Directors and Management of AIA Engineering Limited and to comply with SEBI requirements.
- We accept no liability to anyone, other than the company. Our Deliverables should not be used for any other purpose or by any person other than the addressees of our Deliverables. The firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.
- The preparation of the Company's BRSR and Identified Sustainability Information requires the management to establish or interpret the criteria, make determinations about the relevancy of information to be included, and make estimates and assumptions that affect the reported information. Measurement of certain amounts and BRSR metrics, some of which

are estimates, is subject to substantial inherent measurement uncertainty, for example Greenhouse Gas ("GHG") emissions, water footprint, energy footprint. Obtaining sufficient appropriate evidence to support our opinion/conclusion does not reduce the uncertainty in the amount and metrics.

Restriction on Use

This report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely to comply with the requirements of the SEBI Circulars and SEBI LODR Regulations, on reporting Company's sustainability performance and activities, and for publishing the same in the Company's Annual Report, which will be published on the Company's website. Accordingly, we accept no liability to anyone, other than the company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our deliverables are shown or into whose hands it may come without our prior consent in writing.

For Shailesh Haribhakti & Associates
Chartered Accountants
(Firm's Registration No: 148136W)

Shailesh Haribhakti
Proprietor
Membership No: 030823
UDIN: 26030823CJSOXN4010

Place: Mumbai
Date: July 16, 2026

Appendix A: BRSR Core Attributes Covered Under Reasonable Assurance FY 2025-26

Sr. No.	BRSR Core Indicator	Description of Indicator
1.	Section C – Principle 1 – E8	Number of days of accounts payable
2.	Section C – Principle 1 – E9	- Concentration of purchases & sales done with trading houses, dealers, and related parties - Loans and advances & investments with related parties
3.	Section C – Principle 3 – E1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company
4.	Section C – Principle 3 – E11	Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities
5.	Section C – Principle 5 – E3(b)	Gross wages paid to females as % of wages paid
6.	Section C – Principle 5 – E7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees, and complaints upheld.
7.	Section C – Principle 6 – E1	Details of total energy consumption (in Joules or multiples) and its intensity
8.	Section C – Principle 6 – E3	Total volume of water withdrawal by source in Kilolitres and its intensity
9.	Section C – Principle 6 – E4	Water discharge by destination and level of treatment (in kilolitres)
10.	Section C – Principle 6 – E7	Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity
11.	Section C – Principle 6 – E9	Details related to waste generated by category, waste recovered through recycling, re-using or other recovery operations, waste disposed by nature of disposal method and its intensity
12.	Section C – Principle 8 – E4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/small producers and from within India
13.	Section C – Principle 8 – E5	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost
14.	Section C – Principle 9 – E7	Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events

BOARD'S REPORT

The Members,

AIA Engineering Limited

Ahmedabad

Your Directors take pleasure in submitting the 36th Annual Report and the Audited Annual Accounts of the Company for the year ended 31 March, 2026.

1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31 March, 2026	Year ended 31 March, 2025	Year ended 31 March, 2026	Year ended 31 March, 2025
Revenue from Operations	3,69,854.03	3,42,564.41	4,35,548.28	4,22,662.27
Other Operating Income	6,431.59	6,080.35	6,438.12	6,082.12
Total Revenue from Operations	**3,76,285.62**	**3,48,644.76**	**4,41,986.40**	**4,28,744.39**
Other Income	**61,455.24**	**47,507.66**	**47,405.08**	**33,162.79**
Total Income	**4,37,740.86**	**3,96,152.42**	**4,89,391.48**	**4,61,907.18**
Profit before Finance Cost, Depreciation & Amortisation and Tax Expenses	1,75,582.69	1,44,216.19	1,73,034.19	1,48,084.41
Finance Cost	3,643.49	2,101.66	3,650.72	2,109.13
Depreciation & Amortisation	11,039.09	10,068.21	11,269.43	10,307.39
Profit Before Share of Profit of Joint Venture and Tax	**1,60,900.11**	**1,32,046.32**	**1,58,114.04**	**1,35,667.89**
Share of Profit of Joint Venture (Net of Tax)	-	-	1,391.60	1,175.13
Exceptional Items	-	-	328.19	-
Profit Before Tax	**1,60,900.11**	**1,32,046.32**	**1,59,177.45**	**1,36,843.02**
(i) Provision for Taxation (Current)	32,371.91	25,462.35	33,383.82	26,501.91
(ii) (Excess) / Short provision for tax of earlier years	(1,535.57)	848.92	(1,496.43)	573.63
(iii) Deferred Tax	2,364.05	3,584.17	396.92	3,760.11
Total Tax (i+ii+iii)	**33,200.39**	**29,895.44**	**32,284.31**	**30,835.65**
Profit After Tax	**1,27,699.72**	**1,02,150.88**	**1,26,893.14**	**1,06,007.37**
Non-Controlling Interest	-	-	(122.68)	(66.23)
Net Profit after Non-Controlling Interest	**127,699.72**	**1,02,150.88**	**1,27,015.82**	**1,06,073.60**
Other Comprehensive Income/(Loss)(Net of Tax) (After Minority Interest)	892.81	(57.37)	(2,291.99)	(2,243.81)
Total Comprehensive Income after Non-Controlling Interest	**1,28,592.53**	**1,02,093.51**	**1,24,723.83**	**1,03,829.79**

Standalone Operating Results:

During the year under review, the Revenue from Operations of the Company is ₹ 3,76,285.62 Lakhs as compared to ₹ 3,48,644.76 Lakhs in the previous Financial Year. Exports Turnover registered in the same period is ₹ 2,18,933.60 Lakhs as against the Export Turnover of ₹ 1,99,639.28 Lakhs in the previous Financial Year.

During the year under review, Company has earned a Profit Before Tax (PBT) of ₹ 1,60,900.11 Lakhs and Profit After Tax (PAT) of ₹ 1,27,699.72 Lakhs as compared to PBT of ₹ 1,32,046.32 Lakhs and PAT of ₹ 1,02,150.88 Lakhs respectively in the previous Financial Year.

Consolidated Operating Results:

During the year under review, on a Consolidated basis, your Company (together with its Subsidiaries and Joint Ventures) has earned Revenue from Operations of ₹ 4,41,986.40 Lakhs as compared to ₹ 4,28,744.39 Lakhs in the previous Financial Year. Correspondingly, the Consolidated Profit After Tax (PAT) registered during the year under review is ₹ 1,27,015.82 Lakhs (After Minority Interest) as compared to PAT (After Minority Interest) of ₹ 1,06,073.60 Lakhs in the previous Financial Year.

2. DIVIDEND:

The Board of Directors is pleased to recommend a Dividend of ₹ 16.00 (800%) per Equity Share of the face value of ₹ 2/- each amounting to ₹ 14,931.26 Lakhs for the Financial Year 2025-26.

The Dividend, if declared/approved by the Shareholders at the ensuing Annual General Meeting, will be paid to those Shareholders, whose names stand registered in the Register of Members as on Record Date. In respect of shares held in dematerialised form, it will be paid to the members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners.

3. SHARE CAPITAL:

The paid up Equity Share Capital of the Company as on 31 March, 2026 is ₹ 1,866.41 Lakhs. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock option or sweat equity.

4. FINANCE:

Cash and cash equivalents as at 31 March, 2026 were ₹ 21,506.40 Lakhs. The Company continues to focus on judicious management of its Working Capital, Receivables, Inventories, while other Working Capital parameters were kept under strict check through continuous monitoring.

Capital Expenditure Outlay:

During the year under review, the Company has incurred Capex of ₹ 10,414.95 Lakhs (including work-in-progress).

Deposits:

During the year under review, the Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Companies Act, 2013.

Particulars of Loans, Guarantees or Investments:

During the year under review, Company has not provided any loan but it has provided Guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of Guarantees provided and Investments made by the Company are given in the Notes to the Financial Statements.

Internal Financial Control and Audit:

The Company has in place adequate internal financial controls with reference to the Financial Statements. The Statutory Auditors of the Company have audited such controls with reference to the Financial Reporting and their Audit Report is annexed as Annexure A to the Independent Auditors' Report under the Standalone Financial Statements and the Consolidated Financial Statements which forms part of the Integrated Annual Report.

Related Party Transactions:

All the Related Party Transactions entered during the financial year were on an Arm's Length basis and were in the Ordinary Course of Business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel (KMP) which may have a potential conflict with the interest of the Company at large.

Prior Omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were placed before the Audit Committee and the Board of Directors for their approval on quarterly basis. The details of Related Party Transactions entered by the Company are disclosed in Form AOC-2 – as per Annexure **A**.

The Policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company viz. https://aiaengineering.com/wp-content/uploads/2026/02/Policy-Related-Party-Transactions.pdf.

Credit Rating:

CRISIL has reaffirmed the Long Term rating and the Short Term rating of the Company as CRISIL AA+/Stable and CRISIL A1+ respectively.

Dun & Bradstreet Information India Private Limited (D&B) has evaluated the Company during September, 2024 and reassigned a Dun Bradstreet Rating of 5A I, which indicates that overall status of the Company is Strong.

5. HUMAN RESOURCES:

Among the various resources essential for the success of any organisation, human capital stands as one of the most impactful. Recognising its significance, your Company dedicates considerable time and effort to nurturing and developing this invaluable asset, ensuring its optimal contribution to the Company's growth and success.

Every asset requires careful management, maintenance and development—human resources are no exception. Given its critical importance, Company continuously seeks innovative and efficient approaches to talent management. To achieve this, your Company collaborates with leading global agencies and consultants, ensuring access to top-tier professionals in its domain.

Securing exceptional talent is just the beginning; fostering growth through structured training is equally vital. Company upholds a corporate philosophy of continuous improvement, offering comprehensive orientation programs and periodic skill enhancement initiatives. To facilitate this, it has established a dedicated training and development cell that systematically tailors programs based on individual skill mapping.

Employee safety and well-being are foundational to our corporate ethos. Company prioritises both physical and mental health by promoting safe work practices and championing holistic wellness. Regular wellness sessions, such as expert-led yoga workshops, underscore its commitment to the overall well-being of its workforce.

Just like any asset, employees have a lifecycle and optimising it is a scientific and strategic endeavor. Your Company meticulously structures each stage—onboarding, training, career progression and succession planning—to maximise value. Objective performance appraisal system of the Company ensures fairness, accountability and meaningful growth opportunities for all team members.

At the heart of its organisational philosophy lies continuous refinement of HR practices. Through collaboration with leading consultants, Company remains at the forefront of talent acquisition, organisational structuring, and human resource management. While honoring the core values, Company embraces modern strategies and innovations to enhance operational efficiency, leveraging its carefully curated talent pool to propel its growth trajectory.

Effective 21 November 2025, the Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes referred to as "New Labour Codes". The Company has assessed its employee benefit obligations in accordance with the revised definition of wages and FAQs issued by The Ministry of Labour & Employment. Accordingly, an incremental liability of ₹ 433.35 lakhs towards gratuity has been recognised during the year ended 31 March 2026.

6. MATERIAL CHANGES, TRANSACTIONS AND COMMITMENTS:

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the close of Financial Year on 31 March, 2026 to which the Financial Statements relates and the date of this Report.

Effective 21 November 2025, the Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes referred to as "New Labour Codes". The Company has assessed its employee benefit obligations in accordance with the revised definition of wages and FAQs issued by The Ministry of Labour & Employment.

Accordingly, an incremental liability of ₹ 433.35 lakhs towards gratuity has been recognised during the year ended 31 March 2026.

7. BUSINESS PROSPECTS:

Company manufactures a range of Hi-chrome consumable wear parts like Grinding Media, Mill Liners, and Castings collectively referred to as Mill internals that are used in the process of Crushing and Grinding in Cement, Mining and Thermal Power industries.

With a strong foundation in areas of engineering, metallurgy and comminution technology, the Company has since last few years focused on Mining Industries as a pillar of growth. The Serviceable Addressable market opportunity is in excess of 2 million tonnes per annum in the segments of Gold, Copper and Iron Ore Mining where the Company is focused on- and the penetration of High Chrome mill internals is not more than 25-30%, which offers a significant headroom for conversion of Mines into High Chrome based solutions offered by the Company. However, since last few years, the Company has been facing several challenges in the form of competition from local Players, trade barriers like Anti-dumping duties and general resistance to change. To overcome these challenges, the Company has made considerable transformative efforts over last few years to radically change its approach to induce the Mines in converting to the Company's solutions.

Company's solutions contemplate to enhance grinding efficiency, operational reliability, recovery of metal, resulting in total value of performance for Mining Industries worldwide where grinding capacity is severely constrained due to deteriorating quality of ore bodies both in terms of metal content and grindability due to higher hardness.

Unlike traditional wear parts suppliers, Company has emerged as a strategic performance partner for mining industries. The Company's focus is now shifted to provide end-to-end solutions for grinding mills, enabling its customers to improve grinding efficiency through highly reliable replacement parts (mill internals). Company's core strength lies in designing application-specific grinding solutions, tailored to customer's unique operating conditions and performance objectives, which require high reliability and process improvement focused on increase in output, recovery and energy saving. The Company is now offering a complete package of tailor made solutions for SAG mills and Ball Mills- primarily involving designing and supplying a combination of Mill Liners (Metal, Rubber and Composite Liners), along with a Unique New Generation Discharge System, which ensures strong improvement in the operating efficiencies of the Mills, resulting into a significant savings in the Power costs and a remarkable improvement in the recoveries of metals. The Grinding efficiency improvement (increased output/reduction in energy consumption) is done through NewGen discharge system and lining system. The Company has, over last 3 years, modified grinding mills in iron ore, copper and gold in more than 12 mills located in mines in different geographies. With 100% success rate, the Company now is at an advance stage of conducting similar trials in some of the largest Copper and Gold Mines in Chile, Peru and Ghana, which will establish the uniqueness of the solutions offered by the Company on the Global Mining map. As a natural corollary, the Company expects to increase the sale of Grinding media also in this space- as a cross-selling proposition. The Company's Key differentiators vis-à-vis the competition are Ability to offer total solution for Mill Grinding Efficiency and Reliability; a Comprehensive Product portfolio including Mill Liners, New Generation Discharge System, and Grinding Media, Manufacturing Excellence, Global Supply Chain & Execution, and a Global Service Network.

The cement industry continues to be closely aligned with global infrastructure development trends. In several developed economies, infrastructure spending has largely plateaued, leading to relatively stable cement production levels and, consequently, steady demand for the Company's products. However, high-growth markets such as India continue to witness significant government-led investments in infrastructure, which are expected to drive higher cement consumption and increased demand for the Company's wear parts and related solutions. The Company also continues to enjoy its dominant position in the Thermal Power Industry in India, which is also now poised to grow, given the impetus on this sector as well now being considered in wake of significant increase in the Demand for Power expected due to massive investment planned in the Data Centers in India.

The Company remains confident of its long-term growth prospects, supported by continued customer acquisition and increasing opportunities within the mining segment. The Company believes that its differentiated product portfolio, efficient manufacturing facilities in India, strong global sales and technical support network, international office and warehouse infrastructure, and ongoing product development initiatives collectively provide a distinct competitive advantage. These capabilities position the Company well to achieve sustained growth and further strengthen its presence in global markets.

8. FUTURE EXPANSION:

Company's robust liquidity framework enables it to maintain financial flexibility while pursuing growth opportunities. Despite challenges such as disturbed geo political scenario, Company has consistently focused on generating net cash flow from operations. In FY 2025-26, the Company generated net cash of ₹ 612.54 Crore from operations ensuring adequate resources to fund reinvestments and mitigate financial risks. Company's internal accruals supports strategic investments and sustainable expansion.

The Company's current capacity stands at 4,36,000 MT per annum (After Closure of Welcast Plant at Bangalore).

Company is reviewing implementation of manufacturing plants at China and Ghana in phased Manner since last one year. However, considering current Geo Political Scenario, Company is acting cautiously on subject matter. Same process would be expedited in second half of FY 2026-27 hoping overall Geo Political scenario will normalise.

Company has taken up ambitious renewable Power project of INR 30 Cr during FY 2025-26. Said project was expected to start in second half of the fiscal year 2025-26 however same will become operational from beginning 2nd Quarter of fiscal year 2026-27. In fiscal year 2026-27 from second half, it is estimated that 60% to 70% of total power consumption will come from renewable sources.

Company is planning to provide flexibility to its recently commissioned Rubber and Composite Liners manufacturing plant by investing ₹ 25 Crores in FY 2026-27.

9. SUBSIDIARY COMPANIES/ASSOCIATE COMPANY:

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a Statement containing salient features of Financial Statement of Subsidiary Companies in Form AOC 1 is given as Annexure **B**.

The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include financial results of its Subsidiary Companies and Joint Ventures.

The separate Audited Financial statements in respect of each of the Subsidiary Companies are also available on the website of your Company at https://aiaengineering.com/investor-financials/. Vega Industries (Middle East) FZC, UAE has additionally acquired 14% stake in the business of Vega MPS Pty Ltd., Australia making total stake of 70%.

The Board of Directors of Welcast Steels Limited ("WSL"), a Subsidiary Company, in its meeting held on 15 October 2025 had decided to close down its only factory at Bangalore w.e.f. 15 December 2025. Since labour disputes are pending before various courts and other judicial forums, management intends to maintain the status quo.

10. INSURANCE:

The Company has taken adequate insurance coverage of all its Assets and Inventories against various types of risks viz. fire, floods, earthquake, cyclone, etc.

11. INDUSTRIAL RELATIONS (IR):

The Company continues to maintain harmonious industrial relations. Company periodically reviews its HR policies and procedures to aid and improve the living standards of its employees, and to keep them motivated and involved with the larger interests of the organisation. The Company has systems and procedures in place to hear and resolve employees' grievances in a timely manner and provides avenues to its employees for their all-round development on professional and personal levels. All these measures aid employee satisfaction and involvement, resulting in good Industrial Relations.

12. CORPORATE GOVERNANCE:

In line with the Company's commitment to good Corporate Governance Practices, your Company has complied with all the mandatory provisions of Corporate Governance as prescribed in Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR Regulations).

A separate Report on Corporate Governance and Practicing Company Secretary's Report thereon is included as a part of the Annual Report.

13. MANAGEMENT DISCUSSION AND ANALYSIS (MDA):

MDA covering details of Operations, International Markets, Research and Development, Opportunities and Threats etc. for the year under review is given as a separate Statement, which forms part of this Annual Report.

14. RISK MANAGEMENT:

Risk Management Process is navigating a Dynamic Environment. The Company faces diverse risks in its operations and commitments. In response, Company has instituted a robust risk management process that empowers it to identify, assess and mitigate such risks proactively. The Risk Management approach of the Company is pivotal in protecting its stakeholder's interests, ensuring consistent and sustainable growth, augmenting its value and successfully realising its strategic objectives.

Risk Management Process

Risk Identification:

- Identifying potential events impacting the successful implementation of strategies or the achievement of objectives.
- Events can arise from internal or external factors.
- Identified risks are then classified into three categories: Unit risk, Industry risk and Macroeconomic risk.

Risk Assessment and Mitigation

- Perform risk assessment to evaluate the potential impact of identified risks on achieving objectives.
- Risks are classified as Low, Medium or High based on their assessed impact and likelihood.
- To address the risks, mitigation plans are developed with specific timelines for implementation.

Creating and updating Risk Register

- Identified risks and approved mitigation plans are recorded in risk registers.
- Risk registers are reviewed and updated every quarter.

Risk Monitoring

- Monitoring the approved mitigation plan closely.
- Providing regular updates on the progress of its execution.

Review and Reporting

- Periodically identify and report top-priority risks and any significant policy deviations.

Board of Directors

The highest level of authority responsible for overseeing the overall risk management activities of the organisation.

Risk Management Committee (RMC)

Key to guiding the development of the Risk Management framework; monitoring and reviewing the Risk Management Policy and reporting to the Board on Risk Management activities.

Chief Risk Officer (CRO)

The CRO oversees risk management processes at the management level, reviewing reports of Risk Champions for reporting to the RMC, ensuring alignment with the risk management framework objectives, serving as a communication link between the RMC and Risk Champions and recommending framework improvements in line with global best practices.

Risk Champions

Unit heads and Head of Departments designated as Risk Champions monitor the external, macro-economic and industry landscapes, identify and assess risks and develop appropriate mitigation strategies within their respective areas of responsibility.

Risk Coordinators

Individuals designated as Risk Coordinators work closely with Risk Champions to support risk management activities in monitoring risks, implementing mitigation strategies and ensuring effective communication within their designated areas.

Enterprise Risk Management (ERM) Framework

Company's robust ERM Framework guides its practices in identifying, mitigating and monitoring key business risks. Company's risk management framework is aligned with operational and strategic objectives to enhance operational efficiency and safeguard shareholder's value. The framework offers a holistic view of your Company's strategic and operational risk position, facilitating continuous assessment and monitoring of overall risk exposure.

Aligning ERM with COSO framework

Your Company's Risk Management Policy aligns its risk management framework with the globally recognised Committee of Sponsoring Organisations (COSO) Framework for Enterprise Risk Management, integrating risk with strategy and performance. This commitment has competitively positioned the Company in a dynamic market. By incorporating risk into strategy-setting, your Company makes informed decisions, strategically allocate capital, strengthen risk oversight and manage performance effectively. This approach empowers the Company to identify opportunities within its risk appetite, foster resilience and enhance its marketplace reputation.

Internal Control Systems

To supplement its ERM framework, the Company has implemented robust internal control systems to ensure efficiency in operations, optimum utilisation of resources, reliable financial reporting and compliance with all applicable laws & regulations. The internal control system is aligned with the COSO Internal Control Integrated Framework. Well-defined Risk Control Matrices of the Company serve as the primary document for internal control assessment, categorised into entity and process-level controls and IT controls. The design and operating effectiveness of internal controls are evaluated by the Internal Auditors (all controls) as well as by the Statutory Auditors (controls concerning financial statements). The findings are presented to the Audit Committee on a periodic basis.

Key Risks

Please refer to the Management Discussion and Analysis Section of this Report which describes key risks that may impact the operations of the Company.

15. POLICIES:

(a) Vigil Mechanism / Whistle Blower Policy:

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy through which the Company encourages employees to bring to the attention of Senior Management including Audit and Risk Management Committee, any unethical behavior and improper practice and wrongful conduct taking place in the Company. The brief details of such vigil mechanism forms part of the Corporate Governance Report.

(b) Policy on protection of Women against Sexual Harassment at Workplace:

In line with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the Company has adopted a policy for the same. The brief details of the said policy form part of the Corporate Governance Report of this Annual Report. The Company has not received any complaint during the Financial Year 2025-26 in this regard.

(c) Code of Conduct to Regulate, Monitor and Report Trading by Insiders:

In Compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has revised Model Code of Conduct of Insider Trading Regulations from time to time. The Company adopted the Code of Conduct to regulate, monitor and report trading by Designated Person(s) in order to protect the Investor's Interest. The details of the said Code of Conduct forms part of the Corporate Governance Report.

(d) Policy for Business Responsibility and Sustainability Report:

In pursuance of Regulation 34 of SEBI LODR Regulations, top 1000 companies based on market capitalisation (calculated as on March 31 of every financial year) are required to prepare and enclose with its Annual Report, a Business Responsibility and Sustainability Report describing the initiatives taken by them from an environmental, social and governance perspectives. A separate report on Business Responsibility and Sustainability Report is annexed herewith as Annexure **C**.

(e) Dividend Distribution Policy:

The Board of Directors had approved the Dividend Distribution Policy in line with SEBI LODR Regulations. The Policy is hosted on website of the Company at https://aiaengineering.com/wp-content/uploads/2025/04/Dividend-Distribution-Policy.pdf.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

(a) Board of Directors and KMP:

Mr. Rajendra S. Shah, Chairman and Non-Executive Director of the Company has resigned as the Chairman & Non-Executive, Non-Independent Director of the Company with from close of business hours on 20th April, 2026 and Mr. Bhadresh K. Shah, Managing Director of the Company became the Chairman of the Company with effect from 21 April, 2026. Now the Board of Directors of the Company is led by the Chairman & Managing Director and comprises nine other Directors, including one Whole-Time Director, five Independent Directors (including one Woman Independent Director) and three Non-Executive Directors (other than Independent Directors).

All the Independent Directors of the Company have furnished declarations that they meet the criteria of Independence as prescribed under the Companies Act, 2013 and SEBI LODR Regulations.

Considering the integrity, expertise and experience (including the proficiency), the Board of Directors recommends the reappointment of Mrs. Bhumika Shyamal Shodhan (DIN: 02099400), Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible, offered herself for re-appointment.

The Board of Directors also recommends the reappointment of Mr. Bhadresh Kantilal Shah (DIN:00058177) as Managing Director of the Company for a period of five years with effect from 01 October, 2026.

Mr. Udayan Dileep Choksi (DIN: 02222020) has been appointed as an Independent Director with effect from 20 September, 2025 for a first consecutive term of five years which is approved by shareholder on 35 Annual General Meeting dated 15 September, 2025.

Mr. Nitin Chandrashanker Shukla (DIN: 00041433) has been appointed as an Independent Director of the Company with effect from 30 January, 2026. Appointment of Mr. Nitin Chandrashanker Shukla has been approved by shareholders on 14 March, 2026.

Mr. Malay Jaynedra Dalal (DIN: 01896746) has been appointed as an Independent Director of the Company with effect from 20 April, 2026 subject to the approval of shareholders.

The Board of Directors is satisfied about the integrity, expertise and experience (including proficiency) of all Independent Directors appointed by the Company.

As required under SEBI LODR Regulations amended from time to time, the information on the particulars of the Director proposed for appointment/reappointment has been given in the Notice of the Annual General Meeting.

(b) Meetings:

During the year under review, six Board Meetings and four Audit Committee Meetings were convened and held. The detail of composition of Audit Committee is as under:-

Mr. Piyush B. Shah, Chairman

Mrs. Janaki U. Shah, Member

Mr. Sanjay S. Majmudar, Member

Mr. Udayan D. Choksi, Member

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

The details of Composition of all the Committees and dates of the meetings are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI LODR Regulations.

(c) Committees of the Board of Directors:

In compliance with the requirement of applicable laws and as part of the best governance practice, the Company has following Committees of the Board as on 31 March, 2026.

(i) Audit Committee

(ii) Stakeholders Relationship Committee

(iii) Nomination and Remuneration Committee

(iv) Corporate Social Responsibility Committee

(v) Risk Management Committee

The details with respect to the aforesaid Committees are given in the Corporate Governance Report.

(d) Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Board has carried out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

(e) Familiarisation Program for Independent Directors:

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their Appointment Letter alongwith necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarised and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. The details of such familiarisation programmes for Independent Directors is posted on the website of the Company and can be accessed at https://aiaengineering.com/wp-content/uploads/2026/06/Independent-Director-Familiarization-Program-2025-26.pdf.

(f) Nomination and Remuneration Policy:

The Board has on the recommendation of the Nomination & Remuneration Committee framed a Policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report which is a Part of the Board's Report. The detailed Policy is placed on the website of the Company at https://aiaengineering.com/wp-content/uploads/2025/04/Nomination-Remuneration-Policy-.pdf.

(g) Directors' Responsibility Statement:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Clause (c) of Sub-Section (3) of Section 134 of the Companies Act, 2013, which states that—

i. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

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

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

iv. the Directors have prepared the Annual Accounts on a going concern basis;

v. the Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and

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

17. AUDITORS:

Statutory Auditors:

BSR & Co. LLP, Chartered Accountants (Firm Registration 101248W/W-100022) were re-appointed as Statutory Auditors of the Company for a period of five years from the conclusion of 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting.

The Report given by the Auditors on the Financial Statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Internal Auditors:

The Board of Directors at the recommendations of the Audit Committee appointed Talati & Talati LLP, Chartered Accountants as Internal Auditors of the Company for the F.Y. 2026-27.

On the recommendation of the Audit Committee, Board of Directors has also appointed Sharp & Tannan Associates, Chartered Accountants, as Internal Auditors to carry out Internal Audit for the Procurement, Store Management and Finance & Accounts Functions of the Company for the F.Y. 2026-27.

Cost Auditors:

Pursuant to and in compliance with the provisions of Section 148(1) of the Act and Rules framed thereunder, the Company has maintained the cost accounts records.

The Cost Auditors has filed the Cost Audit Report with Ministry of Corporate Affairs for the Financial Year ended 31 March, 2025 on 21 August, 2025.

The Board of Directors on the recommendation of the Audit Committee has appointed Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to conduct the audit of the cost accounting records of the Company for the F.Y. 2026-27. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the members of the Company for their ratification at the ensuing Annual General Meeting. Accordingly, a resolution seeking members' ratification to the remuneration payable to Kiran J. Mehta & Co., Cost Accountants, Ahmedabad is included in the Notice convening the 36th Annual General Meeting.

Secretarial Auditors:

pursuant to Regulation 24A of SEBI LODR Regulations, the Company has appointed, Mr. Tushar M. Vora, Practicing Company Secretary (Peer Review No. 7768/2026), Ahmedabad as Secretarial Auditors of the Company for a term of five years of the Company to hold office from 01 April, 2025 to 31 March, 2030 to conduct Audit of the Company's Secretarial and other related records.

The Report on the Secretarial Audit for the year ended 31 March, 2026 is annexed herewith as Annexure **D** to this Board's Report. There was no qualification / observation in the report.

18. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The additional information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith to this report.

19. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company prepared in accordance with relevant Indian Accounting Standards (Ind AS) viz. Ind AS-27, Ind AS-28 and Ind AS-110 issued by the Ministry of Corporate Affairs, form part of this Annual Report.

20. ANNUAL RETURN:

In accordance with the provisions of Section 92(3) of the Companies Act, 2013, Annual Return of the Company as on 31 March, 2026 is hosted on website of the Company at https://aiaengineering.com/wp-content/uploads/2026/07/Annual-Return.pdf.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, the amount required to be spent on CSR activities during the year under review, was ₹ 2,419.48 Lakhs and the Company has spent ₹ 2,419.48 Lakhs during the Financial Year ended 31 March, 2026. The requisite details of CSR activities carried by the Company pursuant to Section 135 of the Companies Act, 2013 is annexed as Annexure **E**.

The composition and other details of the CSR Committee is included in the Corporate Governance Report which form part of the Board's Report.

22. PARTICULAURS OF EMPLOYEES:

The information required pursuant to Section 197 of Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed as Annexure **F**. The Statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. However, in terms of Section 136 of the Act, the Annual Report is being sent to the shareholders and others entitled thereto, excluding the said annexure, which is available for inspection by the shareholders at the Registered Office of your Company during business hours on working days of your Company. If any shareholder is interested in obtaining a copy thereof, such shareholder may write to the Company Secretary in this regard.

23. ENVIRONMENT, HEALTH AND SAFETY:

Environmental management efforts continue to focus on resource efficiency, circular economy practices, waste minimisation, and emissions reduction. Commitment towards reducing the overall environmental footprint is driven through responsible operational practices, adoption of cleaner technologies and continuous process improvement across manufacturing operations. These efforts are further reinforced through the implementation of certified environmental management systems at the Moraiya and Kerala (Grinding Media) facilities under ISO 14001.

Key environmental initiatives include:

- **Circular Economy:**

➢ **Elimination of plastic below 50 microns** across operations and corporate locations, with the initiative also being extended to suppliers through procurement and purchase order requirements.

- **Waste to Wealth:** Multiple initiatives have been undertaken towards transforming industrial waste into reusable resources through recycling, recovery, and co-processing solutions.
  - **Co-processing of oily sludge:** A co-processing approach has been adopted wherein oily sludge generated from operations is pre-processed and utilised as an alternate fuel source. This practice supports environmentally responsible waste management through conservation of natural resources, reduction in fossil fuel consumption and avoidance of emissions associated with conventional disposal practices and additional fuel usage.
  - **Waste Sand Recovery and Reuse:** Waste sand is recovered and reused through partnerships with the cement industry, wherein processed waste sand is utilised in cement manufacturing, thereby supporting circular utilisation of industrial by-products.
  - **Sand Reclamation and Reuse:** Approximately 90% of sand is reused through thermal and mechanical reclamation systems, significantly reducing fresh sand consumption and minimising operational sand waste generation.
  - **Slag Recovery and Reuse:** Slag generated during manufacturing operations is recovered and reused, accounting for approximately 4% of the total material recovered and reused during operations.
  - **Use of Recycled Scrap as Raw Material:** The Company extensively utilises discarded scrap as a key raw material input across manufacturing operations, supporting resource conservation and circular material utilisation.
  - **Composting of Organic Waste:** Food waste generated from canteen operations is composted and converted into organic manure for beneficial reuse.
  - **Manufacturing Sustainable Bricks:** Approximately 55,000 bricks have been manufactured using waste sand, dust, and plastic waste, promoting innovative reuse of low-value waste streams.
- **Enhanced resource efficiency:** Resource-efficient technologies, process optimisation, and improved raw material utilisation continue to remain focus areas for reducing overall resource consumption and improving operational efficiency.
  - **Induction Furnace-Based Melting Process:** Our melting operations are primarily based on induction furnaces powered by electricity.
  - **Use of Piped Natural Gas (PNG)**: Piped Natural Gas (PNG) has been progressively adopted in place of conventional fossil fuels (LDO) across operations to reduce Scope 1 emissions and improve fuel efficiency.
  - **Installation of Variable Frequency Drives (VFDs):** Variable Frequency Drives (VFDs) have been installed in the dust collection system at the Moraiya facility to optimise power consumption and improve operational efficiency.
  - **Auxiliary Power Monitoring During Shutdown:** Auxiliary power control and monitoring measures have been implemented during shutdown periods through chiller-related optimisation initiatives to reduce unnecessary power consumption.
  - **Optimisation of Furnace Cooling Pump Operations:** Operational improvements have been implemented in the IT furnace cooling pump systems, resulting in significant reduction in power consumption during cold start conditions.
  - **Reduction in Non-Essential Lighting Consumption:** Measures have been undertaken across plant locations to minimise non-essential lighting usage during non-operational hours.
- **Climate Change and Emissions Management:**
  - **GHG Emissions Accounting:** Since 2021, greenhouse gas emissions across Scope 1, Scope 2 and relevant Scope 3 categories have been estimated and monitored. Renewable energy expansion targets have also been established to progressively reduce emissions intensity over the years.
  - **Oil Waste as an Alternate Fuel:** Oil (oil sludge) waste generated from operations is reprocessed and utilised as an alternate fuel source, resulting in reduction of emissions associated with conventional disposal methods while enabling recovery and reuse of energy generated through the process. This transition has contributed to greenhouse gas emission reduction of approximately 27 MT CO_2e, while also supporting resource conservation through reduced fossil fuel consumption and avoidance of additional CO_2 emissions of approximately 14 MT.
  - **Reuse of Hot Water from Induction Furnace:** As part of the circular resource utilisation approach, hot water recovered from induction furnace operations is further reused in the LPG vaporiser system, enabling recovery and reuse of process heat, improving resource efficiency and resulting in estimated greenhouse gas emission savings of approximately 221 MT CO_2e annually.
  - **Focus on Local Procurement:** Increasing focus is being placed on local procurement within Gujarat to reduce transportation and distribution-

related emissions associated with supply chain operations.

- **Other Low-carbon initiatives:** As part of its broader sustainability and ecosystem conservation efforts, the organisation continues to undertake plantation drives and promote lower-carbon operational practices, including the use of electric vehicles. As part of a larger programme to plant **1,00,000 trees**, total **30,026 saplings** are planted and are being maintained across locations, supporting biodiversity enhancement, ecosystem restoration, and long-term carbon sequestration.

- **Renewable Energy Expansion:**
- Since 2019, investments have been made in renewable power generation infrastructure as part of the long-term decarbonisation strategy. Continued focus on renewable energy capacity expansion and adoption of lower-carbon fuel alternatives is expected to progressively increase the share of renewable electricity consumption to approximately 50% over the next year.
- **Water Conservation and Management:** Multiple initiatives focused on efficient water utilisation, wastewater recovery and long-term water sustainability have been implemented across operations.
- **Dry Cooling Tower Systems:** Dry cooling tower systems have been adopted in place of conventional wet cooling systems to reduce freshwater consumption.
- **Zero Liquid Discharge (ZLD) Operations:** Facilities operate under a 100% Zero Liquid Discharge (ZLD) framework, enabling treatment, recovery, and reuse of wastewater within operations. Investments have also been made in Sewage Treatment Plants (STPs) and related treatment infrastructure to further improve water recycling efficiency, with planned investments aimed at strengthening and expanding these initiatives.
- **Groundwater Recharge and Rainwater Harvesting:** Multiple groundwater recharge and rainwater harvesting structures have been established to support groundwater replenishment and maintain groundwater levels in surrounding areas.

HEALTH & SAFETY:

A proactive and prevention-focused approach towards health and safety continues to remain integral to operations, with consistent efforts towards building a strong zero-harm safety culture based on responsibility, awareness, and safe working practices. The approach is focused on the prevention of incidents, reducing occupational risks and protecting the physical and mental well-being of employees, contractors, and visitors across locations.

Key health and safety initiatives include:

- **Safety Governance Framework:** Established safety governance mechanisms to ensure compliance with legal requirements and internal safety standards across operations.
- **Training and Awareness Program:** Regular safety training, awareness sessions and behavior-based safety initiatives conducted across locations to strengthen safety consciousness among employees.
- **Employee Participation in Safety:** Continued focus on creating a culture where employees actively participate in and take ownership of workplace safety practices.
- **Safety Audits and Risk Assessments:** Periodic safety audits, hazard identification exercises, risk assessments, and emergency preparedness drills conducted across facilities.
- **Occupational Health and Well-being:** Regular health camps, medical check-ups, and wellness initiatives, including stress management programmers, undertaken to support employee health and well-being.
- **ISO 45001 Certified Operations:** The Moraiya and Kerala (Grinding Media) facilities are certified under ISO 45001, supporting a structured approach towards occupational health and safety management across operations.

SUSTAINABILITY & SOCIAL RESPONSIBILITY:

The Company's approach towards sustainability is holistic, integrating environmental, economic, and social considerations into its operations for long-term value creation. The well-being and safety of the workforce and surrounding communities continue to remain important priorities across operations. Company believes that collaborative engagement and shared responsibility are essential for sustainable growth and continue to contribute towards building a knowledge-based and inclusive society through the following initiatives:

- **Collaboration with universities** to foster innovation and R & D through joint projects and applied learning. Established Skill Development Centre at GPERI, Mehsana, (Gujarat Technological University - AIA Foundry) to enhance industry-readiness among youth.
- Establishment of **in-house Knowledge Center** to enhance the knowledge of workforce.

- **Evaluate the ESG health of the business partners:** Company evaluates the ESG performance and ethical practices of its significant upstream vendors through structured supplier assessment mechanisms and have also initiated ESG assessments for downstream value chain partners. These initiatives are aimed at strengthening sustainability awareness, responsible business practices, and ESG alignment across the broader value chain.
- Strategic **CSR investments** are aimed at healthcare, education, livelihood, and community infrastructure development.
- **Low-Carbon Product Solutions**: Company supports customers in their Net Zero transition journey through sustainable and efficiency-enhancing products. Continuous improvements in manufacturing processes and resource efficiency have also contributed towards reducing the emissions intensity associated with products over the years.

Local Procurement and Responsible Sourcing: Continued focus on local procurement and responsible sourcing practices to reduce supply chain-related environmental impacts and strengthen regional economic participation.

24. FRAUDS:

During the Financial Year ended on March 31, 2026, the statutory auditors, the cost auditors and the secretarial auditors have not reported to the Audit Committee, under section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

25. SECRETARIAL STANDARDS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

26. GENERAL DISCLOSURES:

During the Financial Year ended on March 31, 2026, the Company has not-

(i) issued any shares, warrants, debentures, bonds or any other convertible or non-convertible securities,

(ii) issued any shares with differential voting rights,

(iii) issued any sweat equity shares, and

(iv) made any changes in voting rights.

In terms of Section 134(3) of the Act read with Rule 8(5) of the Accounts Rules, for the Financial Year ended on March 31, 2026:

(i) there were no proceedings initiated / pending against the Company under the Insolvency and Bankruptcy Code, 2016 which can materially impact the business of the Company,

(ii) there were no instances where the Company required the valuation for a one-time settlement or while taking the loan from the Banks or Financial institutions, and

(iii) no significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in the future.

The equity shares of the Company were not suspended for trading during the Financial Year ended on March 31, 2026.

Disclosure pertaining to explanation for any deviation or variation in connection with certain terms of public issue, right issue, preferential issue, etc. is not applicable to the Company.

There were no revisions of the financial statements and the Board's Report during the Financial Year ended on March 31, 2026.

The Company has complied with the applicable provisions of The Maternity Benefit Act, 1961.

In terms of Section 134(3)(l) of the Act, apart from what is mentioned in this report, there are no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of this report.

27. ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the assistance and co-operation received from the Company's customers, vendors, bankers, auditors, investors and Government bodies during the year under review. Your Directors place on record their appreciation of the contributions made by employees at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of the Board,

Bhadresh K. Shah
Chairman & Managing Director
(DIN: 00058177)

Place: Ahmedabad
Date: 26 May, 2026

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

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

A) CONSERVATION OF ENERGY:

1. Effective usages of Machines leading to energy savings of 65,825 Units.
2. Technology upgradation as mentioned below leading to energy savings of 56,130 Units.
3. Direct Energy like Piped Natural Gas (PNG) & Liquid Petroleum Gas (LPG) is used in the heat treatment process at all our foundry units. Company has also installed flue gas recuperates on all the gas (PNG) fired Heat Treatment Furnaces to improve furnace efficiency and recover heat from the flue gases, which is further used in preheating the combustion air supply to the burners.

Renewable Energy:

The Company has installed 11 Wind Energy Turbines at Kutch and Jamjodhpur sites and 3 sets of Hybrid (Wind+Solar) at Amreli, Gujarat which have total installed capacity of 37.38 MW of renewable energy. In Financial Year 2025-26, the Company was able to generate 88,377,702 MW through renewable energy sources.

(I) POWER & FUEL CONSUMPTION:

Particulars		For the Year ended 31 March, 2026	For the Year ended 31 March, 2025
Electricity			
a)	Purchased Units (In Lakhs)	3,083.88	2,949.54
	Total Amount (₹ Lakhs)	22,216.88	22,013.41
	Rate/Unit (₹)	7.20	7.46
b)	Own Power Generation		
	Through Diesel Generator Unit	1,97,047	1,61,625
	Unit per Litre of Diesel Oil	1.95	2.09
	Cost/Unit (₹)	46.07	43.38
c)	Power Generation through Steam Turbine/Generator Units		
	Units per Ltr. of Fuel/Oil/Gas	NA	NA
	Cost/Unit (₹)	NA	NA
d)	Coal (Specify Quantity and where used)		
	Quantity (in Tons)	NA	NA
	Total Amount (₹)	NA	NA
	Average Rate(₹)	NA	NA
e)	Light Diesel Oil/C-9 Plus		
	Quantity (in Ltrs)	-	1,00,840
	Total Amount (₹ Lakhs)	-	55.09
	Average Rate/ Ltr. (₹)	-	54.63
f)	PNG Consumption		
	Quantity Unit (SCM)(In Lakhs)	98.75	94.35
	Total Amount (₹ Lakhs)	5,254.78	5,030.83
	Rate/SCM (₹)	53.21	53.32
g)	LPG Consumption		
	Quantity in Tons	3,394.16	2,991.32
	Total Amount (₹ Lakhs)	1,914.64	1,869.74
	Rate/Kg (₹)	56.41	62.51

(II) CONSUMPTION PER UNIT OF PRODUCTION:

Particulars	For the Year ended 31 March, 2026	For the Year ended 31 March, 2025
Product:		
Casting (Tonnes)	2,50,566	2,38,757
Electricity per Ton of Castings (Units)	1,231.55	1,235.37

(B) TECHNOLOGY ABSORPTION:

RESEARCH & DEVELOPMENT (R. & D.)

a) Specific areas in which R. & D. carried out by the Company

- Development of new rubber compound for manufacturing of liners for ball mills used in mining industry.
- Development of new alloys for Liner castings used in mining industry.
- Development of new alloys for Grinding Media used in mining industry.
- Effect of using High Chrome Media in place of Steel Forged Balls on improvement in mineral recoveries.

b) Benefits derived as a result of the above R. & D.

- Rubber liners manufactured with new compound are expected to show improvement in wear life.
- New alloys for Liner castings are expected to show improvement in wear life.
- New alloys of Grinding Media are expected to be more cost effective at customer's end.
- Improvement in mineral recovery by replacing Forged Balls by High Chrome Media will add value at customer's end.

c) Future plans of action

Continue to introduce solutions which are cost effective and add value at customer's end.

d) Expenditure on R. & D.

1. Capital - Nil
2. Recurring - Nil
3. Total - Nil
4. Total R & D expenditure as percentage of total turnover - Nil

(C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief made towards technology absorption, adaptation and innovation
   - Absorption of Technology for manufacturing of grinding media using metallic mould line.
2. Benefits derived as a result of the above efforts
   - Grinding media manufactured using new metallic mould show improved metallurgical structure and expected to show superior performance in the field as compared to grinding media manufactured by using conventional technology.
3. Imported technology

   Metallic mould line for manufacturing of grinding media imported from China.

(D) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lakhs)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
i) Total Foreign Exchange used	27,718.68	30,901.14
ii) Total Foreign Exchange earned	2,19,063.82	1,99,686.19

For and on behalf of the Board,

Place: Ahmedabad
Date: 26 May, 2026

Bhadresh K. Shah
Chairman & Managing Director
(DIN: 00058177)

ANNEXURE - A

FORM NO. AOC-2

[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rules 8 (2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of Contracts / Arrangements entered into by the Company with the Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain Arm's Length transactions under third proviso thereto:

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

i)	Name (s) of the Related Party and nature of Relationship	None
ii)	Nature of contract/arrangement/transactions	
iii)	Duration of contract/arrangements/transactions	
iv)	Salient Terms of contract/arrangements/transactions including the value if any	
v)	Justification for entering into such contracts or arrangements or transactions	
vi)	Date(s) of approval by the Board	
vii)	Amount paid as Advances, if any	
viii)	Date on which the special resolution was passed in general meeting under first proviso to Section 188 of Companies Act, 2013	

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS:

i)	Name (s) of the Related Party and nature of Relationship	Vega Industries (Middle East) FZC, a Wholly-Owned Subsidiary of the Company.	Vega Middle East (DFTZ) FZE, a Wholly-Owned Subsidiary of the Company.
ii)	Nature of contract/ arrangement/ transactions	Distribution Agreement	Distribution Agreement
iii)	Duration of contract / arrangements / transactions	Till the Agreement is mutually terminated	Till the Agreement is mutually terminated
iv)	Salient Terms of contract/ arrangements/ transactions including the value if any	Vega Industries (Middle East) FZC is a Global Distributor for the operations of the Company in the International Market including helping in developing and formulating the global market strategy, identifying and tracking the customers leads and converting the same into offers and firm orders, co-ordinating with the Company to ensure timely delivery of orders and also providing the support in relation to inventory and debtors management.	Vega Middle East (DFTZ) FZE is a Global Distributor for the operations of the Company in the International Market including helping in developing and formulating the global market strategy, identifying and tracking the customers leads and converting the same into offers and firm orders, co-ordinating with the Company to ensure timely delivery of orders and also providing the support in relation to inventory and debtors management.
v)	Justification for entering into such contracts or arrangements or transactions	In order to optimise the Company's sales outside India, Vega Industries (Middle East) FZC acts as Global Distributor of the Company for Sales to end Customers.	In order to optimise the Company's sales outside India, Vega Middle East (DFTZ) FZE acts as Global Distributor of the Company for Sales to Sub-Distributers.
vi)	Date(s) of approval by the Board	Being wholly owned subsidiary, approval of the Board is not required under Section 188(1) of the Companies Act, 2013.	Being wholly owned subsidiary, approval of the Board is not required under Section 188(1) of the Companies Act, 2013.
vii)	Amount paid as Advances, if any	NIL	NIL

For and on behalf of the Board,

Place: Ahmedabad
Date: 26 May, 2026

Bhadresh K. Shah
Chairman & Managing Director
(DIN: 00058177)

ANNEXURE - B

FORM NO. AOC-1

[Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies Act, 2013 and

Rule 5 of Companies (Accounts) Rules, 2014

Statement containing sailent features of the Financial Statement of Subsidiaries/Associate Companies/Joint Venture

Part - A : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakhs)

Name of the Subsidiary	Welcast Steels Limited - Ahmedabad	AIA CSR Foundation-Ahmedabad	Vega Industries (Middle East) FZC - UAE	Vega Middle East (DFTZ) FZE - UAE	Vega Industries Limited - UK	Vega Industries Limited - USA	Vega Steel Industries (RSA) Proprietary Limited - South Africa	Wuxi Vega Trade Co. Limited - China	PT Vega Industries Indonesia - Indonesia	VEGA Industries Chile SPA - Chile	AIA Ghana Limited- Ghana	VEGA Industries Australia Pty Limited - Australia	Vega Industries Peru Limited, Peru
The date since when subsidiary was acquired	28 September, 2005	23 October, 2015	20 December, 2003	2 July, 2024	31 October, 2004	31 October, 2004	25 March, 2009	28 August, 2010	31 July, 2015	22 May, 2017	01 March, 2018	12 June, 2018	31 July, 2023
Reporting period for the subsidiary concerned, if different from the Holding Company's period.	31 March, 2026	31 March, 2026	31 March, 2026	31 March, 2026	31 March, 2026	31 March, 2026	31 March, 2026	31 March, 2026	31 March, 2026	31 March, 2026	31 March, 2026	31 March, 2026	31 March, 2026
Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of the Foreign Subsidiary.	INR	INR	USD	USD	GBP	USD	ZAR	CNY	IDR	CLP	USD	AUD	SOL
			BS 93.8627	BS 93.8627	BS 125.4100	BS 93.8627	BS 5.4910	BS 13.6195	BS 0.0055	BS 0.1011	BS 93.8627	BS 64.3336	BS 26.8732
			PL 88.6245	PL 88.6245	PL 119.2528	PL 88.6245	PL 5.1353	PL 12.4108	PL 0.0053	PL 0.0968	PL 88.6245	PL 58.3844	PL 25.9964
Share Capital	63.84	1.00	305.05	6.39	11.72	46.93	0.015	281.59	187.73	99.49	938.63	0.07	387.50
Reserves & Surplus	3,378.11	-	17,340.30	7,408.96	1,014.94	4,231.76	86.29	781.64	(1,465.12)	(2,493.92)	(2,567.89)	1,454.75	(437.48)
Total Assets	3,560.05	627.12	62,721.13	1,21,208.36	1,374.63	37,456.12	1,584.13	6,394.08	1,532.92	20,710.58	37,398.61	6,467.28	6,932.02
Total Liabilities	118.10	626.12	45,075.83	1,13,793.03	347.98	33,177.44	1,497.82	5,330.86	2,810.30	23,105.00	39,027.86	5,012.47	6,982.00
Investments	2,381.00	-	17,469.40	-	-	-	-	-	-	-	-	-	-
Turnover	4,897.35	-	1,34,986.73	1,34,194.37	433.63	55,084.39	2,446.39	15,051.12	2,044.55	14,954.32	31,005.88	11,551.13	3,574.43
Profit Before Taxation	(487.49)	-	9,139.50	5,184.83	18.37	408.71	49.87	568.09	131.28	(1,801.29)	443.25	42.00	(68.49)
Provision for Taxation	42.73	-	613.27	-	5.34	106.33	7.86	147.95	-	-	124.45	12.65	-
Profit After Taxation	(530.22)	-	8,526.23	5,184.83	13.04	302.38	42.01	420.13	80.28	(1,307.20)	318.80	29.35	(68.49)
Proposed Dividend			-	-	-	-	-	-	-	-	-		
% of Shareholding	74.85%	100%	100%	100% by VEGA ME	100% by VEGA ME	100% by VEGA ME	74.63% by Vega ME	100% by VEGA ME	99% by VEGA ME & 1% by AIA	100% by VEGA ME	100% by VEGA ME	100% by VEGA ME	99% by VEGA ME & 1% by AIA

Part – B: Associates & joint ventures

Name of Associates / Joint Ventures	VEGA MPS PTY LIMITED	Clean Max Meridius Private Limited	Torrent Urja 16 Private Limited
Latest Audited/Unaudited Balance Sheet Date	31.03.2026	31.03.2026	31.03.2026
Shares of Associates / Joint Ventures held by the Company on the year end			
I. No.	210 Equity Shares	24,478 Equity Shares	32,99,997 Equity Shares
II. Amount of Investment in Associate / Joint Venture	₹ 11,411.33 Lakhs	₹ 50.29 Lakhs	₹ 30.40 Lakhs
III. Extent of holding %	70% by Vega Industries (Middle East) FZC – UAE	26%	26%
Description of how there is significant influence	As per Section 2(6) of Companies Act, 2013	As per Section 2(6) of Companies Act, 2013	As per Section 2(6) of Companies Act, 2013
Reason why the Associate / Joint Venture is not consolidated	AIA does not have any control in management	AIA does not have any control in management	AIA does not have any control in management
Net Worth attributable to Shareholding as per latest audited Balance Sheet	₹ 14,129 Lakhs	-	-
Profit / Loss for the year			
I. Considered in Consolidation	Yes	NA	NA
II. Not considered in Consolidation	NA	NA	NA

(a) Names of Associates or Joint Ventures which are yet to commence operations: NIL

(b) Names of Associates or Joint Ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

BHADRESH K. SHAH
Chairman & Managing Director
(DIN: 00058177)

SANJAY S. MAJMUDAR
Non-Independent, Non-Executive Director
(DIN: 00091305)

VIREN K.THAKKAR
Chief Financial Officer

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place: Ahmedabad
Date: 26 May, 2026

Place: Ahmedabad
Date: 26 May, 2026

ANNEXURE - D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2026

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

To,

The Members,

AIA Engineering Limited

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

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

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

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company: -

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

   (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

   (i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

We have also examined compliance with the applicable clauses of

1. Revised Secretarial Standards issued by the Institute of Company Secretaries of India.

2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

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

We further report that having regard to the compliance system and process prevailing in the Company and on examination of the relevant documents and records thereof on test-check basis, the Company has complied with the provision of (1) Water (Prevention & Control of Pollution) Act 1974, (2) The Air (Prevention & Control of Pollution) Act 1981, (3) The Hazardous Wastes (Management & Handling) Rules 1989, as amended up to 2008, (4) Noise Pollution

(Regulation & Control) Rules 2000 as are specifically applicable to the Company.

We further report that

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

b) Adequate notice is given at least seven days in advance to all directors to schedule the Board Meetings. As informed to us, the Company has also provided agenda and detailed notes on agenda to the directors reasonably in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period**,** the following major events took place having bearing on the Company's affairs:

1. Shareholders' approval by way of special resolution at 35th Annual General Meeting for appointment of Independent Director namely - Mr. Udyan Dileep Choksi (DIN: 02222020) on 15 September, 2025.
2. Shareholders' approval by way of special resolution passed through postal ballot for appointment of Mr. Nitin C. Shukla (DIN: 00041433) as an Independent Director on 14 March, 2026.

FOR **TUSHAR VORA & ASSOCIATES**
Company Secretaries

TUSHAR M VORA
Proprietor
FCS No. 3459; C P No.: 1745
P R No.: 7768/2026
UDIN: F003459H000485875

Place: Ahmedabad
Date: 26 May, 2026

Annexure A

To

The Members

AIA Engineering Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as considered appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification as done on test basis is to reasonably ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. In respect of laws, rules and regulations other than those specifically mentioned in our report above, we have limited our review, analysis and reporting up to process and system adopted by the Company for compliance with the same and have not verified detailed compliance, submissions, reporting under such laws etc. nor verified correctness and appropriateness thereof including financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards and its proper and adequate presentation and submission in prescribed formats is the responsibility of management. Our examination was limited to the verification of procedures on test basis and not its one to one contents.
6. The Secretarial Audit report is neither an assurance as to compliance in totality or the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR **TUSHAR VORA & ASSOCIATES**
Company Secretaries

TUSHAR M VORA
Proprietor
FCS No. 3459; C P No.: 1745
P R No.: 7768/2026
UDIN: F003459H000485875

Place: Ahmedabad
Date: 26 May, 2026

ANNEXURE - E

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT
FOR THE FINANCIAL YEAR 2025-26

1. Brief outline on CSR Policy of the Company:

   Company's vision on CSR is to enhance the quality of life and the economic wellbeing of communities around our operations.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Bhadresh K. Shah - Chairman	Managing Director	4	4
2.	Mr. Yashwant M. Patel	Whole-Time Director	4	3
3.	Mr. Sanjay S. Majmudar	Non – Independent Director	4	4
4.	Mr. Rajendra S. Shah	Non – Independent Director	4	4
5.	Mrs. Khushali S. Solanki	Non – Independent Director	4	4
6.	Mrs. Bhumika S. Shodhan	Non – Independent Director	4	4
7.	* Mr. Rajan R. Harivallabhdas	Independent Director	2	2
8.	** Mr. Piyush B. Shah	Independent Director	2	2

*Mr. Rajan R. Harivallabhdas ceased as a member of the Committee with effect from 20 September, 2025.

** Mr. Piyush B. Shah appointed as a member of the Committee with effect from 20 September, 2025.

3. Web-link where the composition of CSR Committee, CSR Policy approved by the Board are disclosed on website of the Company

Web-link where the composition of CSR Committee on the website of the Company	https://aiaengineering.com/bod/
Web-link where the CSR Policy on the website of the Company	https://aiaengineering.com/wp-content/uploads/2025/04/CSR-Policy.pdf

4. Provide the executive summary alongwith web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of Sub-Rule (3) of Rule (8), if applicable: NOT APPLICABLE

5. a. Average Net Profit of the Company as per Section 135(5): ₹ 1,20,974.16 Lakhs

   b. Two percent of average Net Profit of the Company as per Section 135 (5): ₹ 2,419.48 Lakhs

   c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL

   d. Amount required to be set off for the financial year, if any: NIL

   e. Total CSR obligation for the financial year: ₹ 2,419.48 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing project and other than Ongoing project): ₹ 2,419.48 Lakhs.

   (b) Amount spent in Administrative Overheads: NIL

   (c) Amount spent on Impact Assessment, if applicable: Not Appliable

   (d) Total amount spent for the Financial Year (a+b+c): ₹ 2,419.48 Lakhs

   (e) CSR amount spent or unspent for the Financial Year

Total amount spent for the F. Y. (in ₹ Lakhs)	Amount Unspent (in ₹ Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
2,419.48	NOT APPLICABLE		NOT APPLICABLE		

   (f) Excess amount for set-off, if any:

Sr. No.	Particulars	Amount ₹ in Lakhs
i.	Two percent of average net profit of the Company as per Section 135(5)	₹ 2,419.48 Lakhs
ii.	Total amount spent for the Financial Year	₹ 2,419.48 Lakhs
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Sub-Section (6) of Section 135 (in ₹ Lakhs)	Balance Amount in Unspent CSR Account under Sub-Section (6) of Section 135 (in ₹ Lakhs)	Amount Spent in the Financial Year (in ₹ Lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Sub-Section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹ Lakhs)	Deficiency, if any
					Amount (in ₹ Lakhs)	Date of Transfer		
1	2022-23	-	-	-	-	-	-	-
2	2023-24	-	-	-	-	-	-	-
3	2024-25	-	-	-	-	-	-	-

8. Whether any capital asset have been created or acquired through Corporate Social Responsibility amount in the Financial Year

☐ Yes ☑ No

If yes, enter the number of capital assets created/acquired:

Not Applicable

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year.

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property	Pincode of the property or asset(s)	Date of Creation	CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number if Applicable	Name	Registered Address
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Sub-Section (5) of Section 135:

Not Applicable

For and on behalf of the Board

Bhadresh K. Shah
Managing Director and
CSR Committee - Chairman
(DIN: 00058177)

Sanjay S. Majmudar
CSR Committee - Member
(DIN: 00091305)

Place: Ahmedabad
Date: 26 May, 2026

ANNEXURE - F

Particulars of Remuneration as per Section 197 (12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014

1) The ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year.

Name of the Director	Ratio of remuneration of each director to the median remuneration of the employees
Mr. Bhadresh K. Shah	19.46
Mr. Yashwant M. Patel	5.31
Mr. Rajendra S. Shah	0.42
Mr. Sanjay S. Majmudar	4.50
Mr. Rajan Harivallabhdas	0.35
Mrs. Khushali S. Solanki	3.50
Mrs. Bhumika S. Shodhan	0.42
Mrs. Janaki Udayan Shah	0.46
Mr. Piyush B. Shah	0.46
Mr. Udayan D. Choksi	0.21
Mr. Nitin C. Shukla	-

2) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year.

Name of the Director, CFO and Company Secretary	% increase in remuneration in the Financial Year
Mr. Bhadresh K. Shah	(8.04)
Mr. Yashwant M. Patel	-
Mr. Rajendra S. Shah	-
Mr. Sanjay S. Majmudar	(1.53)
Mr. Rajan Harivallabhdas	(44.44)
Mrs. Khushali S. Solanki	(28.57)
Mrs. Bhumika S. Shodhan	(14.29)
Mrs. Janaki Udayan Shah	(18.75)
Mr. Piyush B. Shah	62.50
Mr. Udayan D. Choksi	-
Mr. Nitin C. Shukla	-
Mr. Viren K. Thakkar – Chief Financial Officer	4.25
Mr. S. N. Jetheliya, Company Secretary	3.27

Note - Remuneration paid to all Non-Executive Directors except Mr. Sanjay Majmudar and Mrs. Khushali Solanki comprises sitting fees only. Hence, the decrease in the remuneration of Non-Executive Directors is due to decrease in number of meetings held and attended during the Financial Year 2025-26.

3) The percentage increase in the median remuneration of employees in the Financial Year was 8.96%.

4) There were 1,272 permanent employees on the rolls of the Company as on 31 March, 2026.

5) Average increase in the salaries of employees other than the managerial personnel in the last financial year was 8.96% whereas the average increase in the managerial remuneration was (6.42)%.

6) The members have at the 31st Annual General Meeting of the Company held on 03 September, 2021 approved the payment of remuneration by way of commission to the Non-Executive Directors. The performance of the Company in terms of sales and profitability are the key parameters apart from contributions of the Directors at the Board and the Committee meetings.

7) The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board,
Bhadresh K. Shah
Chairman & Managing Director
(DIN: 00058177)

Place: Ahmedabad
Date: 26 May, 2026

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance aims at assisting the management of the Company in the efficient conduct of the business and in meeting its responsibilities to all the Stakeholders. The Company always strives to achieve optimum performance at all levels by adhering to good Corporate Governance practices, such as:

- Fair and Transparent business practices.
- Effective management control by Board.
- Adequate representation of Promoters and Independent Directors on the Board.
- Monitoring of executive performance by the Board.
- Compliance of Laws.
- Transparent and timely disclosure of financial and management information.
- Helping back to the society at large.

Your Company believes that good Corporate Governance is essential for achieving long-term corporate goals of the Company and for meeting the needs and aspirations of its stakeholders, including shareholders. The Company's Corporate Governance philosophy has been further strengthened through the Model Code of Conduct for the Directors/ Designated Persons of the Company for prevention of Insider Trading. The said Code of Conduct for prevention of the Insider Trading has also been amended from time to time in line with the amended Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 in this regard.

We take pleasure in reporting that your Company has complied in all respects with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as applicable, with regard to Corporate Governance.

I. BOARD OF DIRECTORS

(A) COMPOSITION OF BOARD:

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirement of provisions of Corporate Governance. As on 31 March, 2026, the Board is headed by the Non-Executive Chairman Mr. Rajendra S. Shah. The strength of the Board of Directors is 10 which include 1 Executive - Promoter Director, 1 Executive – Whole-Time Director, 4 Independent Directors and 4 Non-Independent - Non-Executive Directors in terms of the SEBI LODR Regulations. However, Mr. Rajendra S. Shah, Non-Executive Chairman has resigned from the Chairmanship and Directorship of the Company with effect from close of business hours on 20th April, 2026 and Mr. Bhadresh K. Shah, Executive – Promoter Director appointed as Chairman of the Company with effect from 21 April, 2026. Mr. Malay J. Dalal has been appointed as Non-Executive, Independent Additional Director of the Company from 20 April, 2026 subject to the approval of shareholders. Accordingly, as on 21 April, 2026, the strength of the Board of Directors is 10 which include 1 Chairman & Managing Director - Promoter Director, 1 Executive – Whole-Time Director, 5 Independent Directors and 3 Non-Independent - Non-Executive Directors which meets the criteria mentioned in the SEBI LODR Regulations. Board represents a balanced mix of professionalism, knowledge and expertise.

Pursuant to the provisions of Section 149 (1) of the Companies Act, 2013 and SEBI LODR Regulations, Mrs. Khushali Samip Solanki (Non-Independent Non-Executive), Mrs. Bhumika Shyamal Shodhan (Non-Independent Non-Executive) and Mrs. Janaki Udayan Shah (Independent Non-Executive) are the three Women Directors on the Board of the Company.

(B) DETAILS OF BOARD MEETINGS:

The Board of Directors oversees management performance so as to ensure that the Company adheres to the highest standards of Corporate Governance. The Board provides leadership and guidance to the management and evaluates the effectiveness of management policies. Board Meeting dates are finalised in consultation with all the Directors and Agenda of the Board Meetings are circulated well in advance before the date of the meeting. Board Members express opinions and bring up matters for discussions at the meetings. Copies of Minutes of the various Committees of the Board, and Compliance Report in respect of various laws and regulations applicable to the Company are tabled at Board Meetings.

The Board periodically reviews the items required to be placed before and in particular reviews and approves Quarterly/Half yearly Un-audited Financial Statements and the Audited Annual Financial Statements, Business Plans, Annual Budgets and Capital Expenditure. The agenda for the Board Meetings covers items set out as guidelines in SEBI LODR Regulations to the extent these are relevant and applicable. All agenda items are supported by the relevant information, documents and presentations to enable the Board to take informed decisions.

Company's Board met 6 times during the Financial Year under review on 23 May, 2025, 2 July, 2025, 29 July, 2025, 13 August, 2025, 7 November, 2025 and 30 January, 2026. The Company holds one Board Meeting in each quarter and the gap between any two Board meetings was not more than One Hundred and Twenty days as prescribed under the SEBI LODR Regulations.

Details of the Directors, their positions, attendance record at Board Meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited, Foreign Companies and Alternate Directorships) and the Memberships/Chairmanships of Board Committees (only Audit Committee and Stakeholders Relationship Committee) other than your Company as on 31 March, 2026 are as follows:

Name of the Board Member	**Category**	**Attendance at the Board of Directors Meeting held on**						**Attended AGM held on 15 September, 2025**
		23 May, 2025	**02 July, 2025**	**29 July, 2025**	**13 August, 2025**	**07 November, 2025**	**30 January, 2026**	
Mr. Rajendra S. Shah (Chairman) #	Non-Independent Non-Executive	√	√	√	√	√	√	√
Mr. Bhadresh K. Shah (Managing Director)*	Executive Director - Promoter	√	√	√	√	√	√	√
Mr. Sanjay S. Majmudar	Non-Independent Non-Executive	√	√	√	√	√	√	√
Mr. Yashwant M. Patel – (Whole-Time Director)	Executive Director	L.A.	√	√	√	√	√	√
Mrs. Khushali S. Solanki	Non-Independent Non-Executive	√	L.A.	√	√	√	√	√
Mrs. Bhumika S. Shodhan	Non-Independent - Non-Executive	√	√	√	√	√	√	√
Mr. Rajan R. Harivallabhdas $	Independent Director	√	√	√	√	N.A.	N.A.	√
Mrs. Janaki Udayan Shah	Independent Director	√	√	√	√	L.A.	√	√
Mr. Piyush B. Shah	Independent Director	√	√	√	√	√	L.A.	√
Mr. Udayan D. Choksi	Independent Director (Appointed on 20.09.2025)	N.A.	N.A.	N.A.	N.A.	√	√	N.A.
Mr. Nitin C. Shukla	(Independent Director (Appointed on 30.01.2026)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

L.A. means Leave of Absence

N.A. - Not Applicable

#Mr. Rajendra S. Shah resigned from the Chairmanship & Directorship of the Company with effect from close of business hours on 20th April, 2026.

*Mr. Bhadresh K. Shah, Managing Director appointed as the Chairman of the Company effective from 21 April, 2026.

$Mr. Rajan R. Harivallabhdas ceased to be Independent Director with effect from 24 September, 2025 due to expiry of his term as an Independent Director.

As on 31 March, 2026, none of the Directors are related to each other except Mr. Bhadresh K. Shah, Mrs. Khushali S. Solanki and Mrs. Bhumika S. Shodhan. Mr. Bhadresh K. Shah is the father of Mrs. Khushali S. Solanki and Mrs. Bhumika S. Shodhan.

Number of Directorships & Committee Memberships/Chairmanships in other Public Companies (other than your Company) (excluding Private & Foreign Companies):

Name of the Director	Other Directorships		Committee Memberships*	Committee Chairmanships*
	Listed	Unlisted		
Mr. Rajendra S. Shah	3	1	3	-
Mr. Bhadresh K. Shah	2	1	3	-
Mr. Sanjay S. Majmudar	4	-	4	1
Mr. Yashwant M. Patel	-	-	-	-
Mrs. Khushali S. Solanki	1	-	-	-
Mrs. Bhumika S. Shodhan	-	-	-	-
Mrs. Janaki U. Shah	-	-	-	-
Mr. Piyush B. Shah	1	-	2	-
Mr. Udayan D. Choksi	3	-	1	3
Mr. Nitin C. Shukla	3	-	3	1

*Memberships and Chairmanships of the Audit Committee and Stakeholders Relationship Committee in Public Limited Companies only have been considered.

Details of Directors who are the Directors of other Listed Companies alongwith Category:

Name of the Director	Name of Listed Company	Category of Directorship
Mr. Rajendra S. Shah	Transformers & Rectifiers (India) Limited Harsha Engineers International Limited Ratnamani Metal & Tubes Limited	Independent Executive Director – Chairman Independent
Mr. Bhadresh K. Shah	Welcast Steels Limited Zydus Lifesciences Limited	Non – Independent, Non-Executive Independent
Mr. Sanjay S. Majmudar	Welcast Steels Limited M & B Engineering Limited Ashima Limited Senores Pharmaceuticals Limited	Non – Independent, Non-Executive Non – Independent, Non-Executive Non – Independent, Non-Executive Non – Independent, Non-Executive
Mr. Yashwant M. Patel	--	--
Mrs. Khushali S. Solanki	Welcast Steels Limited	Non – Independent, Non-Executive
Mrs. Bhumika S. Shodhan	--	--
Mrs. Janaki U. Shah	--	--
Mr. Piyush B. Shah	Welcast Steels Limited	Independent
Mr. Udayan D. Choksi	M & B Engineering Limited Apcotex Industries Limited Senores Pharmaceuticals Limited	Independent Independent Independent
Mr. Nitin C. Shukla	Gujarat Alkalies and Chemicals Limited ACC Limited Gujarat Industries and Power Company Limited	Independent Independent Independent

Chart/Matrix setting out the skills/expertise/competence of the Board of Directors

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

Skills/Expertise/Competencies		Director who possess such skills/expertise/ competencies
Strategic Leadership	Significant leadership experience to think strategically and develop.	All Directors
Industry Experience	Experience and/or knowledge of the industry in which the Company Operates.	Mr. Rajendra S. Shah, Mr. Bhadresh K. Shah, Mr. Yashwant M. Patel, Mr. Piyush B. Shah, Mr. Nitin C. Shukla

Skills/Expertise/Competencies		Director who possess such skills/expertise/ competencies
Financial Expertise	Qualification and/or experience in accounting and/or finance coupled with ability to analyse key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.	Mr. Rajendra S. Shah, Mr. Bhadresh K. Shah, Mr. Sanjay S. Majmudar, Mr. Piyush B. Shah, Mr. Udayan D. Choksi, Mrs. Janaki U. Shah, Mrs. Khushali S. Solanki Mr. Nitin C. Shukla
Governance, Risk and Compliance	Knowledge and experience of best practices in governance structures, policies and processes including establishing risk and compliance frameworks, identifying and monitoring key risks.	All Directors
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective.	Mrs. Janaki Udayan Shah, Mrs. Khushali S. Solanki, Mrs. Bhumika S. Shodhan

(C) CONFIRMATION OF INDEPENDENT DIRECTORS:

The Board of Directors of the Company confirms that the Independent Directors fulfil the conditions specified in SEBI LODR Regulations and are also independent of the management of the Company. A certificate from Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by SEBI /Ministry of Corporate Affairs or any such Statutory Authority is enclosed separately.

Pursuant to a Notification dated 22 October, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors have completed the Registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

(D) NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

Non-Executive Directors including Independent Directors are paid sitting fees in accordance with the applicable laws. The Company is paying sitting fees of ₹ 40,000 for attending a Board Meeting and ₹ 20,000 for attending an Audit Committee Meeting.

During the year, in addition to sitting fees, Mr. Sanjay S. Majmudar has been paid ₹ 22.50 Lakhs as a remuneration by way of Commission for the Financial Year 2024-25 for availing the Investors' Relationship Services from him.

In addition to sitting fees, Mrs. Khushali S. Solanki has been paid ₹ 18.00 Lakhs as a remuneration by way of Commission during the Financial Year 2025-26 for her role in Finance & Accounts functions of the Company and advising in Banking & Investment matters.

(E) CODE OF CONDUCT:

Company's Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company www.aiaengineering.com.

The Code lays down the standard of conduct which is expected to be followed by the Board Members and the Senior Management of the Company in particular on matters relating to integrity at the work place, in business practices and in dealing with Stakeholders.

All Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

(F) PROHIBITION OF INSIDER TRADING:

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has framed a Code of Conduct to avoid insider trading. The Code of Conduct is applicable to all the promoters, directors, designated persons and their immediate relatives, connected persons and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company. The Company installed a Software to monitor the insider trading in the equity shares of the Company mainly during the trading window closure and the reversal of the transactions, by the designated persons.

(G) VIGIL MECHANISM / WHISTLE BLOWER POLICY:

In compliance with Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI LODR Regulations, the Company has formulated a Vigil Mechanism/Whistle Blower Policy (Mechanism) for its Stakeholders, Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

This Mechanism also provides for adequate safeguards against victimisation of Director (s) / Employee (s) / Stakeholders who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. No person has been denied access to the Audit Committee.

The Policy is available on the website of the Company www.aiaengineering.com. Any Stakeholder, who comes across any instances of unethical matters, can report the same by sending an email to snj@aiaengineering.com and by sending letters to the address mentioned in the said Policy.

(H) POLICY ON PROTECTION OF WOMEN AGAINST SEXUAL HARASSMENT AT WORK PLACE:

The Company is committed to create a healthy and conducive working environment that enables women employees to work without fear of prejudice, gender bias and sexual harassment and/or any such orientation in implicit or explicit form. Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the Company has adopted a "Policy on Protection of Women against Sexual Harassment at Work Place" and formed a Committee as prescribed in the Regulation. Through this Policy, the Company seeks to provide protection to its women employees against sexual harassment at work place and thereby provide mechanism for redressal of complaints related to matters connected therewith or incidental thereto. During the year, no complaint was received under the Policy.

(I) FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their Appointment Letters along with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarised and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. Site visits to various plant locations are organised for the Directors to enable them to understand the operations of the Company. The details of such familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed https://aiaengineering.com/wp-content/uploads/2026/06/Independent-Director-Familiarization-Program-2025-26.pdf

II. COMMITTEES OF THE BOARD:

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory Committees viz:

a) Audit Committee;

b) Nomination and Remuneration Committee;

c) Stakeholders Relationship Committee;

d) Corporate Social Responsibility Committee; and

e) Risk Management Committee

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Each of these Committees has been mandated to operate within a given framework. Minutes of the meetings of each of these Committees are tabled regularly at the Board Meetings.

a) AUDIT COMMITTEE:

The Company has formed a qualified and independent Audit Committee which acts as a link between the Statutory and Internal Auditors and the Board of Directors. The very purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for Internal financial controls, governance and reviewing the Company's

Statutory and Internal Audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and the SEBI LODR Regulations.

The terms of reference of the Audit Committee cover the matters specified for Audit Committee in the SEBI LODR Regulations, Section 177 of the Companies Act, 2013 and other Regulations are as under:

Brief description of Terms of Reference:

(i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

(ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

  (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013;

  (b) Changes, if any, in accounting policies and practices and reasons for the same;

  (c) Major accounting entries involving estimates based on the exercise of judgement by management;

  (d) Significant adjustments made in the financial statements arising out of audit findings;

  (e) Compliance with listing and other legal requirements relating to financial statements;

  (f) Disclosure of any related party transactions;

  (g) Modified Opinion(s) in the draft audit report.

(v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilised for purposes other than those stated in the offer document / prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(vii) Review and monitor the auditor's independence and performance and effectiveness of audit process;

(viii) Approval or any subsequent modification of transactions of the Company with related parties;

(ix) Scrutiny of inter-corporate loans and investments;

(x) Valuation of undertakings or assets of the Company, wherever it is necessary;

(xi) Evaluation of internal financial controls and risk management systems;

(xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xiv) Discussion with internal auditors of any significant findings and follow up there on;

(xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;

(xvii) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors;

(xviii) Reviewing the functioning of the Whistle Blower mechanism;

(xix) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(xx) Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

(xxi) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

(xxii) Reviewing the Management Discussion and Analysis of financial condition and results of operations;

(xxiii) Reviewing the appointment, removal and terms of remunerations of the Chief Internal Auditor;

(xxiv) Reviewing and discuss with the management the status and implications of major legal cases;

(xxv) Reviewing the statements of significant related party transactions, management letters etc;

(xxvi) Recommending the Board, the appointment of a Cost Accountant within the meaning of the Cost and Works Accountants Act, 1959 to conduct audit of cost records of the Company in compliance with the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder;

(xxvii) Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time at least once in a financial year and shall verify that the system for internal control are adequate and are operating effectively.

(xxviii) carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee supervises the Financial Reporting & Internal Control process and ensures the proper and timely disclosures to maintain the transparency, integrity and quality of financial control and reporting. The Company continues to derive benefits from the deliberations of the Audit Committee Meetings as the members are experienced in the areas of Finance, Accounts, Taxation and the Industry.

During Financial Year 2025-26, four (4) Audit Committee Meetings were held on 23 May, 2025, 13 August, 2025, 07 November, 2025, and 30 January, 2026. Necessary quorum was present in all the meetings. The time gap between any two Audit Committee Meetings was not more than four months.

The Composition of the Audit Committee as on 31 March, 2026 and the details of members participation at the Meetings of the Committee are as under:

Composition, Name of Members and Chairperson of Audit Committee are:

1. Mr. Piyush B. Shah – Chairman
2. Mr. Sanjay S. Majmudar – Member
3. Mrs. Janaki U. Shah – Member
4. Mr. Udayan D. Choksi – Member

Meeting and Attendance during the year:

Name of the Member / Chairman	Category	23 May, 2025	13 August, 2025	07 November, 2025	30 January, 2026
Mr. Rajan R. Harivallabhdas –Chairman#	Independent	√	√	N.A.	N.A.
Mr. Sanjay S. Majmudar	Non-Executive, Non-Independent	√	√	√	√
Mrs. Janaki U. Shah	Independent	√	√	L.A.	√
Mr. Piyush B. Shah Chairman*	Independent	√	√	√	L.A.
Mr. Udayan D. Choksi %	Independent	N.A.	N.A.	√	√

N.A. – Not Applicable

#Mr. Rajan R. Harivallabhdas ceased to be chairman of the Audit Committee.

*Mr. Piyush B. Shah has been appointed as Chairman of the Audit Committee with effect from 20 September, 2025.

%Mr. Udayan D. Choksi has been appointed as a Member of the Audit Committee with effect from 20 September, 2025.

Chairman of the Audit Committee attended the last Annual General Meeting (AGM) of Shareholders of the Company.

All the members of the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

Statutory Auditors, Internal Auditors and their representatives are permanent invitees to the Audit Committee Meetings. They have attended all the Meetings during the year under review. The Chief Financial Officer and other Executives of the Company are also invited to attend the Audit Committee Meetings.

Mr. S. N. Jetheliya, Company Secretary of the Company acts as the Secretary of the Committee.

In accordance with the circular dated January 7, 2026 issued by the National Financial Reporting Authority and upon recommendation of the Audit Committee in consultation with the Statutory Auditors, the Board adopted a framework to ensure effective two-way communication between 'Those Charged with Governance' ("TCWG") and the Statutory Auditors.

b) NOMINATION AND REMUNERATION COMMITTEE:

The terms of reference of the Nomination and Remuneration Committee cover the matters specified in SEBI LODR Regulations and Section 178 of the Companies Act, 2013 are as under:

(i) identify persons who are qualified to become Directors and who may be appointed in Senior Management;

(ii) recommend to the Board their appointment and removal;

(iii) carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval;

(iv) devise a policy on Board diversity;

(v) formulate the criteria for determining qualifications, positive attributes and independence of a Director;

For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director.

The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(a) use the services of an external agencies, if required;

(b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(c) consider the time commitments of the candidates.

(vi) recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel and Other Employees;

(vii) administer, monitor and formulate detailed terms and conditions of the Employees Stock Option Scheme including:

(a) The quantum of options to be granted under Employees Stock Option Scheme per employee and in aggregate;

(b) The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;

(c) The exercise period within which the employee shall exercise the option and that the option would lapse on failure to exercise the option within the exercise period;

(d) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

(e) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

(f) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as right issues, bonus issues, merger, sale of division and others;

(g) The granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options.

(viii) carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

(ix) perform such other functions as may be necessary or appropriate for the performance of its duties.

(x) recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration Committee has considered the following at the time of formulation Remuneration Policy of the Company:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmark;

(c) remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

(d) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;

(e) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

(f) percentage increase in the median remuneration of employees in the financial year;

(g) the number of permanent employees on the roll of the Company;

(h) the explanation on the relationship between average increase in remuneration and company performance;

(i) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

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

(k) comparison of the remuneration of each Key Managerial Personnel against the performance of the Company;

(l) the key parameters for any variable component of remuneration availed by the Directors;

(m) the ratio of the remuneration of the highest paid Director to that of the employee who are not Directors but receive remuneration in excess of the highest paid Director during the year;

The Composition of the Nomination and Remuneration Committee as on 31 March, 2026 and the details of members participation at the Meetings of the Committee are as under:

Composition, Name of Members and Chairperson of Nomination and Remuneration Committee are:

1. Mr. Piyush B. Shah – Chairman
2. Mrs. Sanjay S. Majmudar – Member
3. Mrs. Janaki U. Shah – Member

Meeting and Attendance during the year:

Name of the Member / Chairman	Category	Attendance at the Nomination and Remuneration Committee Meetings held on	
		23 May, 2025	30 January, 2026
Mr. Rajan R. Harivallabhdas – Chairman#	Independent	√	N.A.
Mrs. Janaki U. Shah	Independent	√	√
Mr. Piyush B. Shah$	Independent	N.A.	L.A.
Mrs. Khushali S. Solanki#	Non-Executive- Non - Independent	√	N.A.
Mr. Sanjay S. Majmudar$	Non-Executive, Non-Independent	N.A.	√

L.A. – Leave of Absence

N.A. – Not Applicable

#Mr. Rajan R. Harivallabhdas and Mrs. Khushali S. Solanki were ceased to be the members of the Nomination and Remuneration Committee with effect from 20 September, 2025.

$Mr. Sanjay S. Majmudar and Mr. Piyush B. Shah have been appointed as the members of the Nomination and Remuneration Committee with effect from 20 September, 2025.

c) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The terms of reference of the Stakeholders Relationship Committee cover the matters as under:

(i) resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meetings etc.;

(ii) review of measures taken for effective exercise of voting rights by stakeholders;

(iii) review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

(iv) review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend / annual reports/statutory notices by the shareholders of the Company;

Composition, Name of Members and Chairperson of Stakeholders Relationship Committee are:

1. Mr. Piyush B. Shah – Chairman
2. Mr. Bhadresh K. Shah – Member
3. Mr. Yashwant M. Patel – Member

Mr. S. N. Jetheliya, Company Secretary acts as the Compliance Officer of the Committee.

The Composition of the Stakeholders Relationship Committee as on 31 March, 2026 and the details of members participation at the Meetings of the Committee are as under:

Meetings and attendance during the year:

Name of the Member / Chairman	Category	Attendance at the Stakeholders Relationship Committee Meetings held on		
		23 May, 2025	13 August, 2025	07 November, 2025
Mr. Piyush B. Shah – Chairman	Independent	√	√	√
Mr. Bhadresh K. Shah	Executive	√	√	√
Mr. Yashwant M. Patel	Executive	L.A.	√	√

L.A. – Leave of Absence

Number of Shareholders complaints received during the Financial Year:

During the period under review, Company has not received any complaint from Shareholders and there is no outstanding complaint as on 31 March, 2026.

The Committee ensures that the Shareholders'/Investors' grievances and correspondences are attended and resolved expeditiously.

d) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

In compliance with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors of the Company has constituted a CSR Committee. The Committee is governed by its Charter. The terms of reference of the Committee inter alia comprises of the following:

- To review, formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company specified in Schedule VII of the Companies Act, 2013 and Rules made thereunder;
- To provide guidance on various CSR activities and recommend the amount of expenditure to be incurred on the activities;
- To monitor the CSR Policy from time to time and may seek outside agency advice, if necessary.

The Composition of the Corporate Social Responsibility Committee as on 31 March, 2026 and the details of members participation at the Meetings of the Committee are as under:

Composition, Name of Members and Chairperson of Corporate Social Responsibility Committee are:

1. Mr. Bhadresh K. Shah - Chairman
2. Mr. Sanjay S. Majmudar - Member
3. Mr. Yashwant M. Patel - Member
4. Mr. Rajendra S. Shah - Member
5. Mrs. Khushali S. Solanki - Member
6. Mrs. Bhumika S. Shodhan - Member
7. Mr. Piyush B. Shah - Member

Meeting and Attendance during the year:

Name of the Member / Chairman	Category	Attendance at the Corporate Social Responsibility Committee Meetings held on			
		23 May, 2025	13 August, 2025	07 November, 2025	29 January, 2026
Mr. Bhadresh K. Shah - Chairman	Executive	√	√	√	√
Mr. Sanjay S. Majmudar	Non-Executive, Non-Independent	√	√	√	√
Mr. Yashwant M. Patel	Executive	L.A.	√	√	√
Mr. Rajendra S. Shah	Non-Executive, Non-Independent	√	√	√	√
Mrs. Khushali S. Solanki	Non-Executive, Non-Independent	√	√	√	√
Mrs. Bhumika S. Shodhan	Non-Executive, Non-Independent	√	√	√	√
Mr. Rajan R. Harivallabhdas *	Independent	√	√	N.A.	N.A.
Mr. Piyush B. Shah #	Independent	N.A.	N.A.	√	√

L.A. means Leave of Absence.

N.A. – Not Applicable

*Mr. Rajan R. Harivallabhdas ceased to be the member of the Corporate Social Responsibility Committee of the Company with effect from 20 September, 2025.

#Mr. Piyush B. Shah has been appointed as a member of the Corporate Social Responsibility Committee of the Company with effect from 20 September, 2025.

e) RISK MANAGEMENT COMMITTEE:

SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 has amended the Regulation 21 of SEBI LODR Regulations making it compulsory to have Risk Management Committee for top 1000 listed companies. However, the Company is having a Risk Management Committee since 2014.

Corporate Risk Evaluation and Management is an ongoing process within the Organisation. The Company has a well-defined Risk Management framework to identify, monitor and minimising/mitigating risks as also identifying business opportunities. The terms of reference of the Committee inter alia comprises of the following:

(1) To formulate a detailed Risk Management Policy which shall include:

  (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

  (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

  (c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management framework has been developed and approved by the senior management in accordance with the business strategy.

The key elements of the framework include:

- Risk Structure;
- Risk Portfolio;
- Risk Measuring & Monitoring and
- Risk Optimising.

The implementation of the framework is supported through criteria for Risk assessment, Risk forms & MIS.

The Composition of Risk Management Committee and its meeting and attendance during the year are as under:

Name of the Member/Chairman	Category	Attendance at the Risk Management Committee Meetings held on	
		22 May, 2025	7 November, 2025
Mr. Bhadresh K. Shah - Chairman	Executive	√	√
Mr. Yashwant M. Patel	Executive	L.A.	√
Mr. Sanjay S. Majmudar	Non-Executive, Non-Independent	√	√
Mrs. Khushali S. Solanki	Non-Executive, Non-Independent	√	√
Mrs. Bhumika S. Shodhan	Non-Executive, Non-Independent	√	√
Mr. Piyush B. Shah	Independent	√	√

L.A. means Leave of Absence

The Risk Management Committee has appointed a Risk Council which comprises of Senior Management Personnel/ Employees of the Company. The Risk Council is responsible for day-to-day oversight of risk management including identification, impact assessment, monitoring, mitigation and reporting. The Risk Council also keeps the Risk Management Committee and the Board updated from time to time, on the enterprise risks and actions taken.

III. INDEPENDENT DIRECTORS' METTING:

As per Secretarial Standard (SS) 1 issued by the Institute of Company Secretaries of India and relevant provisions of the Companies Act, 2013 and Rules made thereunder, the Independent Directors should meet once in a calendar year.

During the year under review, the Independent Directors met on 23 May, 2025, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeline of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

IV. SUBSIDIARY COMPANIES:

Company has three Material Subsidiary Companies i.e. Vega Industries (Middle East) FZC. UAE, Vega Middle East (DFTZ) FZE. UAE and Vega Industries Limited, USA whose net worth exceeds 10% of the consolidated net worth of the Holding Company in the immediately preceding Accounting Year or has generated 10% of the consolidated income of the Company during the previous Financial Year. The Company has complied with all compliances related to its Material Subsidiary.

The Company has also formed a Policy on Material Subsidiary which has been placed at the website of Company https://aiaengineering.com/wp-content/uploads/2025/04/Policy-for-determining-Material-Subsidiaries.pdf.

The Company does not have any Unlisted Material Indian Subsidiary.

V. RELATED PARTY TRANSACTIONS:

All transactions entered into with Related Parties as defined under the Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI LODR Regulations during the Financial Year 2025-26 were in the Ordinary Course of Business and at Arms' Length basis. Suitable disclosures as required under Indian Accounting Standards (Ind AS-24) have been made in the Notes to the Financial Statements. The Company has also formed a Policy on Related Party Transactions which has been placed at the website of Company https://aiaengineering.com/wp-content/uploads/2026/02/Policy-Related-Party-Transactions.pdf.

VI. DISCLOSURES:

(A) MATERIAL SIGNIFICANT RELATED PARTY TRANSACTIONS:

The Company has not entered any transaction with related parties i.e. Directors or Management, its subsidiaries or relatives, conflicting with the Company's interest at large. The Register of Contracts containing transactions in which Directors are interested is placed before the Audit Committee / Board regularly for their approval. The details of Related Party Transactions are disclosed in Financial Section of this Annual Report.

(B) DISCLOSURE OF ACCOUNTING TREATMENT:

These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The previous year figures have been regrouped/reclassified or restated as per Ind AS, so as to make the figures comparable with the figures of current year. The significant Accounting Policies which are consistently applied have been set out in the Notes to the Financial Statements.

(C) POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS, KEY MANAGERIAL PERSSONEL (KMP), SENIOR MANAGEMENT PERSSONEL AND THEIR REMUNERATION:

The Nomination and Remuneration Committee has adopted a Policy which, inter alia, deals with the manner of Selection of Board of Directors, KMP, Senior Management Personnel and their remuneration.

1. Criteria for Selection of Non-Executive Directors:

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself with regard to the independence nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. Nomination and Remuneration Committee ensures that the candidate identified for appointment / re-appointment as an Independent Director is not disqualified for appointment / re-appointment under Section 164 of the Companies Act, 2013.

d. Nomination and Remuneration Committee considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

   i. Qualification, expertise and experience of the Directors in their respective fields;

   ii. Personal, Professional or business standing;

   iii. Diversity of the Board.

e. Board of Directors takes into consideration the performance evaluation of the Directors and their engagement level.

2. Remuneration:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses, if any, for participation in the Board / Committee Meetings as detailed hereunder:

i. A Non-Executive Director shall be entitled to receive sitting fees for each of the meeting of Board or Committee of the Board attended by him as approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

ii. A Non-Executive Director may be paid Commission of such sum as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee;

iii. The total remuneration by way of commission payable to the Non-Executive Directors (including Independent Directors) shall not exceed 1.00% per annum of the Net Profit of the Company subject to the approval of the members of the Company;

iv. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, pursuant to the provisions of Companies Act, 2013 and SEBI LODR Regulations.

3. Remuneration Policy for the Senior Management Employees:

I. In determining the remuneration of the Senior Management Employees, the Nomination and Remuneration Committee shall ensure / consider the following:

- the relationship of remuneration and performance benchmark;
- the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- the remuneration including annual increment and performance bonus is decided based on the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

II. The Managing Director carries out the individual performance review based on the standard appraisal matrix and takes into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the Nomination and Remuneration Committee for its review and approval.

4. Performance Evaluation:

In compliance with the provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration, the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

The details of remunerations paid to the Managing Director and Whole-Time Director during the Financial Year 2025-2026 is given below:

(₹ Lakhs)

Name of the Director and Designation	Salary	Perquisites	Total
Mr. Bhadresh K. Shah, Managing Director	102.00	7.92	109.92
Mr. Yashwant M. Patel, Whole-Time Director	30.00	0.32	30.32

The Company does not have any stock option plan or performance linked incentive for the Executive Directors.

The details of Sitting Fees paid to the Non-Executive Directors for attending Board and Committee Meetings during the Financial Year 2025-2026 is given below:

(In ₹)

Sr. No.	Name of the Director	Sitting Fees Paid
1.	Mr. Rajendra S. Shah	2,40,000
2.	Mr. Sanjay S. Majmudar*	3,20,000
3.	Mr. Rajan R. Harivallabhdas	2,00,000
4.	Mrs. Khushali S. Solanki**	2,00,000
5.	Mrs. Bhumika S. Shodhan	2,40,000
6.	Mrs. Janaki U. Shah	2,60,000
7.	Mr. Piyush B. Shah	2,60,000
8.	Mr. Udayan D. Choksi	1,20,000

*In addition to sitting fees, ₹ 22.50 Lakhs has been paid as remuneration by way of Commission for availing the Investors' Relationship services from him during the Financial Year 2024-25.

** In addition to sitting fees, ₹ 18.00 Lakhs has been paid as remuneration by way of Commission during the Financial Year 2025-26 for her role in Finance & Accounts function of the Company and advising in Banking & Investment matters.

The Directors' Remuneration Policy of your Company confirms to the provisions under Companies Act, 2013. The Board determines the remuneration of the Non-Executive Directors.

(D) MANAGEMENT

(i) Management Discussion and Analysis Report:

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms a part of this Report.

(ii) Disclosure of Material Financial and Commercial Transactions:

As per the disclosures received from the Senior Management, no Material Financial and Commercial transactions that may have a potential conflict with the interest of the Company at large were taken place during the year under review.

(E) SHAREHOLDERS:

(i) Disclosures regarding appointment or re-appointment of Directors:

Mrs. Bhumika Shyamal Shodhan (DIN: 02099400), Director of the Company will retire by rotation at the ensuing 36th Annual General Meeting of the Company and being eligible, has offered herself for re-appointment.

Mr. Bhadresh Kantilal Shah (DIN: 00058177), is being re-appointed as the Managing Director of the Company for a period of five years with effect from 01 October, 2026 subject to the approval of shareholders.

The brief resume and other information of the above Directors, as required to be disclosed under this section is provided in the Notice of the Annual General Meeting.

(ii) Quarterly/Half Yearly results are forwarded to the Stock Exchanges where the Equity Shares of the Company are listed and the same are also posted on Company's website: www.aiaengineering.com.

(iii) Shareholding of Directors as on 31 March, 2026 is as under:

Name of Director	Number of Shares
Mr. Bhadresh K. Shah	5,45,68,663
Mr. Yashwant M. Patel	NIL
Mr. Rajendra S. Shah	947
Mr. Sanjay S. Majmudar	NIL
Mr. Piyush B. Shah	NIL
Mr. Udayan D. Choksi	NIL
Mrs. Khushali S. Solanki	9,857
Mrs. Bhumika S. Shodhan	9,852
Mrs. Janaki U. Shah	NIL
Mr. Nitin C. Shukla	NIL

(F) NON-COMPLIANCE BY THE COMPANY:

There was no non-compliance during the year and no penalty has been imposed or strictures have been passed on the Company by the SEBI and Registrar of Companies (ROC). The Company has complied with all the mandatory requirements of the SEBI LODR Regulations. Further, during the last three years, no penalties were imposed or strictures were passed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets.

VII. CEO /CFO CERTIFICATION:

The Managing Director and the Chief Financial Officer of the Company have certified to the Board that the Financial Results of the Company for the year ended 31 March, 2026 do not contain any false or misleading statements or figures and do not omit any material facts which may make the statements or figures contained therein misleading as required under Regulations 33 of SEBI LODR Regulations.

VIII. SENIOR MANAGEMENT:

Following are the senior management personnel of the Company:

Sr. No.	Name	Designation
1.	Mr. Viren K. Thakkar	Chief Financial Officer
2	Mr. S. N. Jetheliya	Company Secretary
3	Mr. Chetan V. Shah	Business Head
4	Mr. Vinod Kumar	Assistant Vice President
5	Mr. P. P. Jain	Controller (QA)
6	Mr. B. K. Reddy	Vice President (Development)
7	Mr. Achyut C. Parikh	Assistant Vice President (Administration & Legal)
8	Mr. Anurag Kothawala	Vice President - Commercial
9	Mr. Snehal Pancholi	Vice President - I.T. & HR
10	Mr. Kushal Bhupendra Shah	General Manager - Technical Services
11	Mr. Kunal D. Shah	Executive Director (Corporate Affairs)
12	Mr. Nilkamal Vakil	Executive Director (Commercial)
13	Mr. Amar Patil	Assistant Vise President (Overseas)
14	Mr. Amit Bhatt	Assistant General Manager (Planning)
15	Mr. H.T. Desai	Consultant
16	Mr. Sanjeev Srivastav	Consultant

Mr. Amar Patil has been appointed as Assistant Vice President (Overseas) on 03 April, 2025 and Mr. B. F. Shah – Executive Director (Commercial) resigned with effect from 17 March, 2026.

IX. MEANS OF COMMUNICATION:

The Quarterly and Half Yearly results are published in widely circulating national and local dailies in English and Gujarati. These results are not sent individually to the shareholders but are displayed on the Company's website: www.aiaengineering.com. The Company holds meetings with the Investors and Analysts.

X. General Body Meetings: (Last three years disclosures)

Annual General Meeting:

The particulars of the last three Annual General Meetings held are given hereunder:

Location, date and time of last 3 Annual General Meetings:

Financial Year	Date	Venue	Time
2024-25	15 September, 2025	Through Video Conferencing / other Audio-Visual Means ("OAVM").	11.00 A.M.
2023-24	09 September, 2024	Through Video Conferencing / other Audio-Visual Means ("OAVM").	11.00 A.M.
2022-23	19 September, 2023	Through Video Conferencing / other Audio-Visual Means ("OAVM").	10.00 A.M.

The following Special Resolutions were passed by the members during the past 3 Annual General Meetings:

Annual General Meeting held on 15 September, 2025:

1. Appointment of Mr. Udayan Dileep Choksi as an Independent Director for a first term of five years with effect from 20^{th} September, 2025.

Annual General Meeting held on 9 September, 2024:

1. Re-appointment of Mrs. Janaki Udyan Shah as an Independent Director for a second term of five years with effect from 12th August, 2024.

POSTAL BALLOT:

Special Resolution passed through Postal Ballot (by way of remote e-Voting) during the year 2025-26:

During the year 2025-26, the Company obtained the approval of the Shareholders by means of a Special Resolution through Postal Ballot Process through remote e-Voting for the appointment of Mr. Nitin Chandrashanker Shukla as an Independent Director. Tushar Vora & Associates, Practicing Company Secretaries represented by its Proprietor – Mr. Tushar M. Vora was appointed as Scrutiniser and they conducted the Postal Ballot process through remote e-Voting, in a fair and transparent manner. The resolution was carried by requisite majority and deemed to have been passed on the last date of the e-Voting i.e. March 14, 2026. The result of the Postal Ballot was declared on Monday, March 16, 2026 and also posted on the website of the Company www.aiaengineering.com.

XI. GENERAL SHAREHOLDERS' INFORMATION:

Day, Date and Time of 36th AGM	: Tuesday, 15 September, 2026 at 11.00 a.m.
Venue of AGM	: Through Video Conferencing
Financial Year	: 01 April 2025 to 31 March, 2026
Record Date	: Saturday, 05 September, 2026
Registered Office Address	: 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad 382 415
Dividend Payment Date	: On or before 14 October, 2026
Compliance Officer	: Mr. S. N. Jetheliya, Company Secretary
Email for redressal of Investors' Complaints	: ric@aiaengineering.com
Website	: www.aiaengineering.com

Financial Calendar (subject to change) for Financial Year 2026-27:

First Quarter Results	: On or before 14 August, 2026
Second Quarter/Half Yearly Results	: On or before 14 November, 2026
Third Quarter Results	: On or before 14 February, 2027
Audited Results for the Financial Year 2026-27	: On or before 30 May, 2027

(a) Listing on Stock Exchanges:

Name and Address of the Stock Exchange	Script Code
BSE Limited 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001	532683
National Stock Exchange of India Limited Exchange Plaza, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051	AIAENG

The listing fees for the Financial Year 2026-27 have been paid to both the Stock Exchanges.

(b) SHARE TRANSFER SYSTEM/ DIVIDEND AND OTHER RELATED MATTERS:

i. Share Transfers:

In terms of amended Regulation 40 of SEBI LODR Regulations with effect from 1 April, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, with effect from 24 January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/consolidation of securities, transmission/ transposition of securities. SEBI has further clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

ii. Simplified Norms for processing Investor Service Request:

SEBI vide its Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 06 February, 2026, has made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. The concerned Members are therefore urged to furnish

PAN, KYC and Nomination/ Opt out of Nomination by submitting the prescribed forms duly filled by e-mail from their registered e-mail id to investor.helpdesk@in.mpms.mufg.com or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to MUFG Intime India Private Limited at 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College, Off C.G. Road, Ellisbridge, Ahmedabad 380 006.

As advised by SEBI, MUFG Intime India Private Limited has launched "SWAYAM" portal exclusively for the Investors serviced by MUFG Intime India Private Limited. 'SWAYAM' is a secure, user-friendly web-based application, developed by "MUFG Intime India Private Limited", our Registrar and Share Transfer Agents, that empowers shareholders to effortlessly access various services. We request you to get registered and have first-hand experience of the portal.

iii. Physical Shareholding:

The Company hereby informs the Members that as per SEBI Circular, effective from 01.04.2019 physical shares will not be transferred unless and until they are dematerialised.

iv. Dividend:

a. Payment of dividend through National Electronic Clearing Services (NECS)/National Automated Clearing House (NACH):

The Company provides facility for remittance of dividend to the Members through NECS. To facilitate dividend payment through NECS/NACH, members who hold Shares in demat mode should inform their Depository Participant and members holding Shares in physical form should inform the Company of the core banking account number allotted to them by their bankers. In cases where the core banking account number is not intimated to the Company / Depository Participant, the Company will issue Demand Drafts to the Members.

b. Unclaimed Dividends:

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven consecutive years to the Investor Education & Protection Fund established by the Government of India. During the year under review, the Company has transferred to the said Fund ₹ 1,00,352 (Interim Dividend) for the Financial Year ended 31 March, 2018 which has remained unpaid.

v. Shares in respect of which dividend has not been claimed/encashed for 7 consecutive years transferred to IEPF Account:

During the Financial Year 2025-26, the Company has transferred 113 Equity Shares to IEPF Authority pertaining to shareholders who have not claimed/encashed dividend for 7 consecutive years since the Financial Year 2017-18.

vi. Reconciliation of Share Capital Audit:

As required by the Securities and Exchange Board of India (SEBI), a Quarterly Reconciliation of Share Capital is being carried out by an independent Practicing Company Secretary with a view to reconcile the Total Share Capital admitted with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] and held in physical form, with the Issued and Listed Capital of the Company. The Practicing Company Secretary's Certificate with regard to this is submitted to BSE Limited and the National Stock Exchange of India Limited and is placed at the meetings of Stakeholders Relationship Committee and the Board of Directors.

(c) Registrar & Transfer Agents:

MUMBAI OFFICE:
MUFG Intime India Private Limited
(Earlier known as Link Intime India Pvt. Ltd.)
C 101, 247 Park, L B S Marg,
Vikhroli (W),
Mumbai 400 083,

Phone No. 022-49186270 Fax No. 022-49186060
E-mail: investor.helpdesk@in.mpms.mufg.com

AHMEDABAD BRANCH OFFICE:
MUFG Intime India Private Limited
(Earlier known as Link Intime India Pvt. Ltd.)
5th Floor, 506 to 508, Amarnath Business Centre -1,
Besides Gala Business Centre,
Nr. St. Xavier's College Corner, Off. C. G. Road
Ellisbridge, Ahmedabad 380 006
Phone – 079-26465179
E-mail: investor.helpdesk@in.mpms.mufg.com

(d) Distribution of Shareholding:

(i) Shareholding pattern as on 31 March, 2026:

Category	No. of Shares held		Total No. of Shares	% of holding
	Physical	Electronic		
Promoters Shareholding	-	5,45,88,377	5,45,88,377	58.50
Mutual Funds	-	1,87,93,754	1,87,93,754	20.14
Alternative Investment Fund	-	4,54,654	4,54,654	0.49
Financial Institutions /Non Nationalised Bank	-	10	10	0.00
Foreign Portfolio Investor (Corporate) - I	-	1,54,55,314	1,54,55,314	16.56
Foreign Portfolio Investor (Corporate) – II	-	2,10,829	2,10,829	0.23
Insurance Companies	-	12,99,754	12,99,754	1.39
Central Government	-	3,963	3,963	0.00
Key Managerial Personnel	-	6,000	6,000	0.01
Directors and their relatives (excluding independent Directors and nominee Directors)	-	50	50	0.00
NRIs	-	1,94,678	1,94,678	0.21
Other Corporate Bodies	-	1,56,360	1,56,360	0.17
Body Corporate – Limited Liability Partnership	-	24,084	24,084	0.03
NBFC registered with RBI	-	9,018	9,018	0.01
Indian Public	11	20,05,312	20,05,323	2.15
Clearing Members	-	2,668	2,668	0.00
Hindu Undivided Family	-	1,13,097	1,13,097	0.12
Trusts	-	89	89	0.00
IEPF	-	2,348	2,348	0.00
Total	**11**	**9,33,20,359**	**9,33,20,370**	**100.00**

(ii) Distribution of Shareholding as on 31 March, 2026:

No. of Equity Shares	No. of folios	% of total folios	No. of Shares	% of holding
1 to 500	59,967	98.75	17,34,768	1.86
501 to 1000	285	0.47	2,03,591	0.22
1001 to 2000	117	0.19	1,68,953	0.18
2001 to 3000	66	0.11	1,64,574	0.18
3001 to 4000	36	0.06	1,26,884	0.14
4001 to 5000	25	0.04	1,14,137	0.12
5001 to 10000	63	0.10	4,55,804	0.49
10001 & above	167	0.28	9,03,51,659	96.82
Grand Total	**60,726**	100.00	**9,33,20,370**	**100.00**
Shareholders in Physical Mode	3	0.01	11	0.00
Shareholders in Electronic Mode	60,723	99.99	9,33,20,359	100.00

(e) Dematerialisation of Shares & Liquidity:

The Shares of the Company are compulsorily traded in DEMAT form on the Stock Exchanges where they are listed. The Shares can be dematerialised with any one of the Depositories viz. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).

As on 31 March, 2026, 9,33,20,359 Equity Shares are in Dematerialised Form representing 99.99% of the total 9,33,20,370 Equity Shares of the Company. The ISIN allotted to the Company's scrip is INE212H01026. The Shares of the Company are actively traded at BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE).

(f) Outstanding GDRs / ADRs /Warrants or any Convertible Instruments, conversion date and likely Impact on Equity:

The Company has not issued GDRs / ADRs / Warrants or any convertible instruments.

(g) Commodity Price Risk/Foreign Exchange Risk and Hedging:

In the ordinary course of business, the Company is exposed to risks resulting from exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. The Company's risk management activities are subject to the management direction and control of Treasury Team of the Company under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board. The Company ensures appropriate financial risk governance framework through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The decision of whether and when to execute derivative financial instruments will be governed by the risk management policy framework while also considering the prevailing market conditions and the relative costs of the instruments.

(h) The total fee paid to the Statutory Auditors of the Company during the year under review is ₹ 63.22 Lakhs.

(i) Details of Material Subsidiary:

Vega Industries (Middle East) FZC, UAE, Vega Middle East (DFTZ) FZE, UAE and Vega Industries Ltd., USA are material subsidiaries of the Company which were incorporated in UAE and USA on 10 September, 2002, 2 July, 2024 and 12 October, 2001 respectively.

The Statutory Auditors of the Vega Industries (Middle East) FZC, UAE, Vega Industries Ltd., Vega Middle East (DFTZ) FZE, UAE and Vega Industries Ltd., USA, material subsidiaries of the Company have been appointed on 26 June, 2025, 26 June, 2025 and 29 February, 2024 respectively.

(j) Plant Locations:

A) GVMM INDUSTRIAL ESTATE, ODHAV ROAD, ODHAV, AHMEDABAD 382 415

Sr. No.	Plot No.	UNIT No.
1.	235 to 237, 248 to 250	1
2.	271-276	2
3.	115, 116, 92B to 94	3
4.	81, 82	4
5.	161 to 163	5
6.	231, 232	6
7.	299, 300, 325, 326,	9
8.	122	10
9.	127 to 130, 129A, 130E, 130E1	12
10.	119, 316 to 319	30

B) GIRNAR SCOOTER COMPOUND, ODHAV, AHMEDABAD 382 415

Sr. No.	Plot No.	UNIT No.
1.	14	13

C) KUNJAD, KATHWADA ROAD, TALUKA-DASCROI, AHMEDABAD 382 430

Sr. No.	Block No.	UNIT No.
1.	535, 533p(Old)	14

D) MAHAGUJARAT INDUSTRIAL ESTATE, BAVLA ROAD, VILLAGE MORAIYA, POST- CHANGODAR, AHMEDABAD 382 213 (M1)

Sr. No.	Plot No.	UNIT No.
1.	70-77, 4 & 8	7
2.	S.P. No.39, 40, 345, 346, 423/p, 9, 10	

E) STEEL TOWN INDUSTRIAL ESTATE, PART 1, VILLAGE – MORAIYA, TALUKA – SANAND, AHMEDABAD – 382 213 (M1)

Sr. No.	Plot No.	UNIT No.
1.	S. P. No. A-20	28

F) 20TH MILE STONE, SARKHEJ-BAVLA ROAD, CHANGODAR, AHMEDABAD 382 213 (M2)

Sr. No.	Plot No.	UNIT No.
1.	18/P	8

G) GIDC ESTATE, KERALA - GIDC, BAVLA, TALUKA – DHOLKA, AHMEDABAD – 382 220

Sr. No.	Plot No.	UNIT No.
1.	103, 104, 105, 115 to 118, 210/A	K1
2.	302, 303, 312, 313	K3
3.	403, 404, 405	K4

H) MOUJE VILLAGE- KERALA, TALUKA – BAVLA, KERALA AHMEDABAD – 382 220

Sr. No.	Plot No./ Block /Survey No.	UNIT No.
1.	Block No. 22, 23, 81	K2
2.	SN 25, 26, 24, 30, 32, 80, 82, 83, 84	
3.	Re. SN.33 & 34	
4.	Block /SN 40, Block / SN 42	
5.	Plot No. 1513-1514	

I) MIDC INDUSTRIAL AREA, HINGNA, NAPUR – 440 016

Sr. No.	Plot No.	UNIT No.
1.	L-3	11

J) THATHAMANGALAM VILLAGE, KARIAMANICKAM ROAD, S. PUDUR, SAMAYAPURAM, TRICHY 621 115

Sr. No.	Plot No.	UNIT No.
1.	SF No. 514, 5A1, 5A2, 5A3	23

(k) Address for Correspondence:

a) For Transfer / Dematerialisation of Shares, change of address of members and other queries:

MUMBAI OFFICE:
MUFG Intime India Private Limited
(Earlier known as Link Intime India Pvt. Ltd.)
C 101, 247 Park, L B S Marg,
Vikhroli (W),
Mumbai 400 083

Phone No. 022-49186270 Fax No. 022-49186060
E-mail: rnt.helpdesk@in.mpms.mufg.com

AHMEDABAD BRANCH OFFICE:
MUFG Intime India Private Limited
(Earlier known as Link Intime India Pvt. Ltd.)
5th Floor, 506 to 508, Amarnath Business Centre -1,
Besides Gala Business Centre,
Nr. St. Xavier's College Corner, Off. C. G. Road,
Ellisbridge, Ahmedabad 380 006
Phone – 079-26465179
E-mail: investor.helpdesk@in.mpms.mufg.com

b) For any query relating to Dividend, Annual Reports etc. :

Mr. S. N. Jetheliya, Company Secretary & Compliance Officer.

Registered Office:
AIA Engineering Limited
115, GVMM Estate, Odhav Road, Odhav,
Ahmedabad-382 415
Phone No. 079-22901078-81
Fax No. 079-22901077
E-mail: ric@aiaengineering.com

Corporate Office:
11-12, Sigma Corporates
B/h. HOF Showroom, Sindhu Bhavan Road,
Off. S. G. Highway, Bodakdev,
Ahmedabad-380 054
Phone No. 079-66047800 Fax No. 079-22901077
E-mail: ric@aiaengineering.com

NON-MANDATORY REQUIREMENTS:

a) Chairman of the Board

A Non-Executive Chairman headed the Board of the Company till 20 April, 2026.

b) Shareholders' Rights

As the Quarterly and Half Yearly results are published in leading Newspapers having nationwide circulation, the same are not sent to the Shareholders of the Company individually. However, the Quarterly and Half Yearly Financial Results are uploaded on the Website of the Company.

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

(Refer Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

AIA ENGINEERING LIMITED

Ahmedabad

The Corporate Governance Report prepared by AIA Engineering Limited ("the Company"), contains details as specified in Regulations 17 to 27, Sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), to the extent applicable, with respect to Corporate Governance for the year ended March 31, 2026. This report is required by the Company for submission to the Shareholders of the Company.

Management's Responsibility

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulations.

The procedures selected depend on the auditor's judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

Based on the procedures performed by us as referred above and according to the information and explanations given to us, we are of the opinion that the Company has complied with all the mandatory requirements of Corporate Governance as specified in Regulations 17 to 27, Sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V to the extent applicable to the Company, during the period covering financial year 2025-26.

Other Matters and Restriction on use

This report 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 report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without my prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **Tushar Vora & Associates**
Company Secretaries

TUSHAR M.VORA
Proprietor
C.O.P. No.: 1745

Place: Ahmedabad
Date: 26 May, 2026

UDIN: F003459H000485941

AIA ENGINEERING LIMITED

DECLARATION

In compliance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Bhadresh K. Shah, Managing Director of the Company hereby declares on the basis of information furnished to me that all Board Members and Senior Managerial Personnel have affirmed in writing the Compliance of their respective Code of Conducts adopted by the Board for the Financial Year 2025-26.

(Bhadresh K. Shah)
Managing Director
DIN: 00058177

Place: Ahmedabad
Date: 20 April, 2026

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

AIA ENGINEERING LIMITED

115, G.V.M.M. Estate, Odhav Road,

Odhav, Ahmedabad – 382 415

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AIA Engineering Limited having CIN L29259GJ1991PLC015182 and having registered office at 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad- 382 415 (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 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/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Bhadresh Kantilal Shah	00058177	11 March, 1991
2.	Mrs. Bhumika Shyamal Shodhan	02099400	07 November, 2014
3.	Mrs. Khushali Samip Solanki	07008918	07 November, 2014
4.	Mr. Rajendra Shantilal Shah	00061922	13 September, 2024
5.	Mr. Sanjay Shaileshbhai Majmudar	00091305	13 September, 2024
6.	Mr. Yashwant Manubhai Patel	02103312	12 November, 2010
7.	Mrs. Janaki Udayan Shah	00343343	26 March, 2019
8.	Mr. Piyush B. Shah	00155760	09 September, 2024
9.	Mr. Udayan Dileep Choksi	02222020	20 September, 2025
10.	Mr. Nitin Chandrashanker Shukla	00041433	30 January, 2026

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

For Tushar Vora & Associates
Company Secretaries

TUSHAR M.VORA
Proprietor
C.P. No.: 1745
UDIN: F003459H000485919

Place: Ahmedabad
Date: 26 May, 2026

MANAGING DIRECTOR / CFO CERTIFICATION

To,

The Board of Directors,

AIA Engineering Limited,

Ahmedabad-382 415

We, the undersigned, in our capacities as the Managing Director and Chief Financial Officer of AIA Engineering Limited ("the Company") to the best of our knowledge and belief certify that:

(a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31 March, 2026 and based on our knowledge and belief, we 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 Indian Accounting Standards, applicable Laws & Regulations.

(b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.

(c) We accept responsibility for establishing & maintaining Internal Controls for financial reporting and we have evaluated the effectiveness of the Internal Control System of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system, if any, and that we have taken the required steps to rectify these deficiencies.

(d) We have indicated, based on our evaluation, wherever applicable, 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 has been disclosed in the notes to the financial statements; and

  (iii) instances of fraud which we have become aware and the involvement therein, if any, of management or an employee having significant role in the Company's internal control system over financial reporting.

Bhadresh K. Shah
Chairman & Managing Director
DIN: 00058177

Place: Ahmedabad
Date: 26 May, 2026

Viren K. Thakkar
Chief Financial Officer

Place: Ahmedabad
Date: 26 May, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

CAVEAT

Shareholders are cautioned that certain data and information external to the Company is included in this section. Though these data and information are based on sources believed to be reliable, no representation is made on their accuracy or comprehensiveness. Further, though utmost care has been taken to ensure that the opinions expressed by the management herein contain their perceptions on most of the important trends having a material impact on the Company's operations, no representation is made that the following presents an exhaustive coverage on and of all issues related to the same. The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Shareholders are hence cautioned not to place undue reliance on these statements and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events, or otherwise.

NOTE

Except stated otherwise, all figures, percentages, analysis, views and opinions are on consolidated financial statements of AIA Engineering Limited and its wholly owned subsidiaries (jointly referred as AIA or Company, hereinafter). Financial information presented in various sections of the Management Discussion and Analysis is classified under suitable heads, which may be different from the classification reported under the Consolidated Financial Statements. Some additional financial information is also included in this section, which may not be readily available from the Consolidated Financial Statements. Previous year's figures have been regrouped, wherever necessary, to make it comparable with the current year.

GLOBAL ECONOMY

The global economic outlook for the 2026-27 fiscal period is one of cautious resilience, overshadowed by significant headwinds, primarily stemming from the Iran-US conflict and resulting geopolitical fragmentation.

As per IMF Baseline estimates, Global growth is projected to slow below pre-pandemic averages- and is expected to be less than 3%, while inflation is expected to remain elevated- Global headline Inflation likely to be around 4.4%- due to commodity market pressures and uncertainty. The US GDP growth, as per IMF estimates is likely to be around 2%, while Eurozone GDP growth is estimated to be practically Flat.

Assuming the Iran-US conflict remains limited in duration and scope, the war has already introduced a drag on global activity and heightened inflation, leading to downgraded growth forecasts. If the conflict is prolonged or expands, a "severe scenario" could push global growth down to 2% in 2027.

The conflict has caused acute supply shortages and currency volatility, echoing the 1970s energy crisis. Brent crude surged to around USD 80–82 per barrel in March 2026 and was recently around USD 104 per barrel. The effective closure or major disruption of the Strait of Hormuz is a critical risk, impacting Global supplies- Over 20% of the world's LNG, 45% of global Sulphur exports (affecting fertilisers and mining), and 30% of global Methanol production.

The world is facing a severe inflationary and Fiscal pressure. High crude prices and geopolitical uncertainty are cited as top worries for financial stability. Defense spending increases prompted by geopolitical tensions will boost short-term activity but also bring inflationary pressures, weaken fiscal sustainability, and risk crowding out social spending. Central banks, including the European Central Bank (ECB) and the Bank of Japan (BOJ), are facing mounting inflationary fears and tightening policy, with the ECB postponing planned interest rate reductions.

Further, elevated tariff barriers—particularly those introduced since 2025, which pushed average tariff rates to their highest levels in decades—continue to distort trade flows and fragment global supply chains. Despite some gradual adjustment, these trade frictions have redirected trade patterns and weakened export momentum across several economies. At the same time, the ongoing conflict involving Iran has introduced significant downside risks to global growth. Disruptions in key energy transit routes such as the Strait of Hormuz have constrained oil supply, raised transportation and production costs, and dampened industrial activity worldwide.

Despite these challenges, Advanced economies are likely to experience only a gradual recovery, reflecting still-tight financial conditions and heightened uncertainty. In contrast, emerging market and developing economies are expected to continue driving global growth, supported by relatively resilient domestic demand and partial reorientation of trade flows.

INDIAN ECONOMY

Growth in India is projected to moderate to **6.5 % in 2025**, following a downward revision by the Reserve Bank of India, reflecting heightened external risks, particularly from trade tensions owing to Geopolitical uncertainties, Iran-US Conflict and tariff-related uncertainties linked to policies associated with Mr. Donald Trump. These factors are expected to weigh on export performance and overall economic activity, even as domestic demand remains relatively resilient.

Growth is expected to be domestically driven and structurally supported by strong Domestic Demand led by private consumption, continued Public and Private Investments, Continued Impetus on Manufacturing and Services, Increasing Export focus and Financial resilience.

The Key challenges and Downside Risks remain in the form of an extended West Asia Conflict resulting into Spiraling Oil prices- increasing inflation and weakening Rupee.

However, we remain cautiously optimistic that in spite of all these external adversities, Indian Economy should still manage to grow at over 6 % in FY 2026-27.

OUTLOOK AND PROSPECTUS

Company manufactures a range of Hi-chrome consumable wear parts like Grinding Media, Mill Liners, and Castings -collectively referred to as "Mill internals" that are used in the process of Crushing and Grinding in Cement, Mining and Thermal Power industries.

With a strong foundation in areas of engineering, metallurgy and comminution technology, the Company has since last few years focused on Mining Industries as a pillar of growth. The Serviceable Addressable market opportunity is in excess of 2 million tonnes per annum in the segments of Gold, Copper and Iron Ore Mining where the Company is focused on- and the penetration of High Chrome mill internals is not more than 25-30%, which offers a significant headroom for conversion of Mines into High Chrome based solutions offered by the Company. However, since last few years, the Company has been facing several challenges in the form of competition from local Players, trade barriers like Anti-dumping duties and general resistance to change without substantial value addition in milling process. To overcome these challenges, the Company is in the process of making transformative efforts over last few years to change its approach to induce the Mines in converting to the Company's solutions.

Company's solutions contemplate to enhance grinding efficiency, operational reliability, recovery of metal, resulting in total value of performance for Mining Industries worldwide where grinding capacity is severely constrained due to deteriorating quality of ore bodies both in terms of metal content and grindability due to higher hardness.

Company's core strength lies in designing application-specific grinding solutions, tailored to customer's unique operating conditions and performance objectives, which require high reliability and process improvement capability focused on increase in output, recovery and energy saving. The Company is now offering a complete package of tailor-made solutions for SAG mills and Ball Mills-primarily involving designing and supplying a combination of Mill Liners along with a Unique New Generation Discharge System, with a focus on strong improvement in the operating efficiencies of the Mills, which should result in a significant savings in the Power costs and improvement in the recoveries of metals. The Company has, over last 3 years, successfully modified grinding mills in iron ore, copper and gold in more than 12 small to medium sized mills located in mines in different geographies. The Company now is conducting similar trials in some of the largest Copper and Gold Mines in Chile, Peru and Ghana, which, if successful, should establish the uniqueness of the solutions offered by the Company on the Global Mining map. The Company's Key differentiators vis-à-vis the competition will be Ability to offer total solution for Mill Grinding Efficiency and Reliability; a Comprehensive Product portfolio including Mill Liners, New Generation Discharge System, and Grinding Media, Manufacturing Excellence, Global Supply Chain & Execution, and a Global Service Network.

The cement industry continues to be closely aligned with global infrastructure development trends. In several developed economies, infrastructure spending has largely plateaued, leading to relatively stable cement production levels and, consequently, steady demand for the Company's products. However, high-growth markets such as India continue to witness significant government-led investments in infrastructure, which are expected to drive higher cement consumption and increased demand for the Company's wear parts and related solutions. The Company also continues to enjoy its dominant position in the Thermal Power Industry in India, which is also now poised to grow, given the impetus on this sector as well now being considered in wake of significant increase in the Demand for Power expected due to massive investment planned in the Data Centers in India.

The Company remains confident of its long-term growth prospects, supported by continued customer acquisition and increasing opportunities within the mining segment. The Company believes that its differentiated product portfolio, efficient manufacturing facilities in India, strong global sales and technical service network, international office and warehouse infrastructure, and ongoing product development initiatives collectively provide a distinct competitive advantage. These capabilities position the Company well to achieve sustained growth and further strengthen its presence in global markets.

SEGMENTWISE PERFORMANCE:

The Company primarily operates in only one Segment i.e. Manufacturing of High Chrome Mill Internals. In Fiscal Year 2025-26, 64.45% of its Total Sales came from outside India while balance 35.55 % came from within India.

CAPEX PLAN:

Our robust liquidity framework enables us to maintain financial flexibility while pursuing growth opportunities. Despite challenges such as disturbed geo political scenario, we have consistently focused on generating net cash flow from operations. In FY26, we generated net cash of ₹ 612.54 Crore from operations ensuring adequate resources to fund reinvestments and mitigate financial risks. Our internal accruals supports strategic investments and sustainable expansion.

The Company's current capacity stands at 4,36,000 MT per annum (After Closure of Welcast Plant at Bangalore).

Company is reviewing implementation of manufacturing plants at China and Ghana in phased Manner since last one year. However, considering current Geo Political Scenario, Company is acting cautiously on subject matter. Same process would be expedited in second half of FY 2026-27 hoping overall Geo Political scenario will normalise.

Company has taken up ambitious Green Energy project of ₹ 30 Crores during FY 2025-26. Said project consists of hybrid 33 MW which includes Wind Power and Solar power was expected to start in second half of the fiscal 2025-26 however same will become operational from beginning 2nd Quarter of fiscal 2026-27. With these new hybrid project overall green energy will increased by 30% to 40% of overall energy requirement during the year. In fiscal year 2026-27 from Second Half, it is estimated that 60% to 70% of total power consumed will come from Green Energy.

Company is planning to provide flexibility to its recently commissioned Rubber and Composite Liners manufacturing plant by investing ₹ 25 Crores in FY 2026- 27.

RISKS AND CONCERNS:

Key risks that the Company faces are around stability in the mining market particularly copper and gold, financial risks, Trade Barriers by various Countries, disruption in supply chain and disruption and uncertainty in business due to volatile Geo-Political scenarios.

Financial Risks: The Company operates across the globe and risks associated with fluctuation in foreign currencies and tax landscape of respective foreign countries may impact the Company's operations.

Presence in different geographies exposes the Company to high volatility in currencies of different countries due to higher export in turnover and import of raw material. Given the increase in oil prices due to war like scenario, the Dollar remained strong against most currencies through out the year.

The Company has potential tax exposure resulting from application of varying laws and interpretations in relation to various business transactions. Although the Company carries out cross-border transactions between affiliates on the basis of internationally accepted practices, tax authorities in various jurisdictions may have different views or interpretations and subsequently challenge the amount of profits taxed in their jurisdiction, resulting in increased tax liability, including interest and penalties, that may drive up the tax expense of the Company.

Proactive and Adoptive Hedging Policy which is aligned with market best practices and Dynamic Pricing Mechanism are in place to limit impact of exchange volatility on receivables, payables and forecasted revenue. The Company has also taken adequate measures to ensure compliance to the laws of respective countries.

Credit Risk on Investment Portfolio: Company deploys its investible surplus in Government securities, State Government securities, AAA Corporate bonds, Commercial Papers, Fixed Deposits and Debt mutual funds. Corporate bonds and Debt Mutual Fund investments bear credit risk.

Direct investments are restricted to Board approved select AAA rated corporates. Debt Mutual Fund investments are managed and monitored based on a Internal Risk Management Framework.

Geopolitical Risks: Since the Company operates across the globe, dynamic changes in geopolitical situations of countries may adversely impact operations of the Company. There could be possibilities of war, terror attacks, political unrest and government default in some of the geographies in which the Company has operations. Recently, the Company witnessed situations like war in IRAN -USA-Israel, the middle-east, US trade policy changes and supply chain disruptions. These may have an adverse impact on the operations of the Company. It may impact the Company's growth, delay its cash inflows, increase procurement costs and increase foreign currency volatility. The Company manages risk through continuous evaluation of economic developments in such geographies, securing receivables through LCs / Bank Guarantee, hedging foreign currencies and entering into contracts with price adjustment. Overall, the Company keeps the exposure to such geographies to a minimum level. Company has taken up comprehensive credit insurance policy to mitigate risks around financial conditions of export customers.

To mitigate disruption in supply chain, Company is planning production well in advance to compensate delay in logistic, maintaining higher inventory at warehouse of country having disrupted supply chain. Logistic team is putting efforts on midterm contract with shipping line to keep cost under cap. Sales team is also working with Customers to fix contract on FOB Plus Actual Freight.

Compliance Risks:

The Company operates in different geographies, each having its own regulatory landscape, which continuously evolves, changes, and undergoes increased scrutiny from the regulators. Any non-compliance with regulations or scrutiny process can result in dilution of financial position or jeopardise Company's reputation.

Regulatory risks are managed through a strong governance mechanism based on the philosophy of 'zero tolerance to non-compliance'. This is implemented through:

- Assessment of regulatory and compliance requirements on regular basis.
- Robust internal controls.

Environmental, Social and Governance Risks:

Commercial activities may cause adverse impact on the environment and thereby impact society at large. Climate-related events such as weather pattern changes, rising sea water levels may cause disruption in manufacturing and supply chain cycles, resulting in financial losses. To sustain growth in a continuously evolving global ecosystem with unpredicted externalities, it is important to implement ESG measures. Failure to limit our environmental impact may have negative consequences on our reputation, operations and long-term sustainability of our Company's performance.

Sustainable value creation can no longer be agnostic of ESG risks, which has now evolved as a new yardstick in addition to profitability and capital efficiency returns. The Company has developed a structured ESG framework and strategy, based on international standards. The Company has designed a multi-fold strategy, with four core ESG pillars, i.e. Responsible Consumption, Responsible Practices, Responsible Communication and Responsible Supply Chain, that will enable it to navigate its growth in a manner that maximises stakeholder value, consistently and sustainably.

Cyber Security and Data Privacy Risk

The Corporate sector continues to be targeted by cyber criminals which may cause significant disruption to business operations. The Company depends upon complex and interdependent information technology systems, including internet and cloud-based systems, to support business processes. Moreover, there are dependencies on outsourced and collaborative systems, which require exchanging data and information. The size, complexity and interconnectivity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion, computer viruses and other cyber-attacks. Failure to protect personal data and comply with data privacy regulations of countries in which the Company operates may attract financial penalties, intervention by regulators and reputational loss.

The Company has recognised framework, which includes Information security policy, secured IT system, robust access control and restricted administrator privilege to restrict unauthorised access. Adequate e-mails protection, multi-factor authentications, and laptop encryptions are also implemented. Independent vulnerability assessment and penetration tests (VAPT) are performed yearly to identify gaps in controlled framework and enhance effectiveness of controls.

An IT disaster recovery plan is also in place for our key applications. It aims to minimise impacts from any unanticipated events and breakdowns. The Company continuously invests in information technology to reduce risks and has also opted for significant cyber security insurance cover.

Business Continuity Risks

Potential disruption or failure of the Company's operations due to unexpected events including natural disasters, supply chain disruptions, security breaches or cyberattacks, financial crisis, regulatory changes or pandemics may lead to business continuity risks. It can have significant impacts on a company's financial performance, reputation and ability to continue operations. The Company has identified key business, operational, strategic business continuity risks and have instituted various measures including alternate sourcing strategies, carrying adequate inventories, digital interventions, periodic review BCP (Business Continuity Plan) and DRP (Disaster Recovery Plan), training on Emergency Response Plan etc. to ensure timely availability and management of operations in times of disruptions.

Trade Barriers in various Countries:

Major portion of the sales is exports in number of the Countries. Competitors having capacity to manufacture either high chrome ball or forged ball in those countries are filing applications for Anti Dumping duty against our imports in the Countries. This is hampering our volume of the Business in those countries and finally our overall volume. There is major shift in over all global scenario. Instead of Free Trade between Countries Globally now many of the Countries have started protecting their local industries. Countries like Mexico and United State of America has imposed import duty on imports our products.

However, to overcome these threats Company has engaged resources to offer to its customers a solution based approach with mill internals as explained above under "Outlook and Prospectus".

We continuously defend our position with support of local Consultants. We continuously following fair price and fair margin policy on our products to avoid Ant-Dumping measures, which has helped us in Brazil and CANADA. However, many a time Local Government protect local manufacturer and we are losing our market share in those Countries.

INTERNAL CONTROL SYSTEM AND THE ADEQUACY:

The Company has a robust system of internal controls comprising authority levels and powers, supervision, checks and balances, policies and procedures. The system is reviewed and updated on an on-going basis. The Company continuously upgrades its internal control systems by taking measures such as strengthening of IT infrastructure and use of external management assurance services. The Company has in place a well-defined internal audit system whereby the internal audit is performed across locations of the Company and the results of the audit findings are reviewed by the audit committee.

FINANCIAL PERFORMANCE REVIEW:

The financial performance of the Company as a whole (on Consolidated basis) is as under:-

I. Consolidated Performance:

An analysis of the Consolidated performance of the Company is given below:

- **Physical Production:**

  The production achieved is as under:

(Qty in M.T.)

Product	2025-26	2024-25
High Chrome Mill Internals	255,820	248,200

- **Sales Turnover:**

  The Comparative position of Sales Turnover achieved by the Company is as under:

(₹ in Lakhs)

Particulars	2025-26	2024-25
Sales in India (35.55%) (P.Y. 35.39%)	154,834.03	149,590.99
Sales Outside India (64.45%) (P.Y. 64.61%)	280,714.25	273,071.28
Total	**435,548.28**	**422,662.27**

- **Key Performance Indicators:**

  An analysis of the key indicators as percentage to Revenue is given below:

(₹ in Lakhs)

Particulars		2025-26	2024-25
1	Revenue from Operations	441,986.40	428,744.39
2	Cost of Materials Consumed (Including change in Inventories)	169,529.79	173,770.39
	- % of revenue from operations	38.36%	40.53%
3	Employee Benefit Expense	19,861.65	18,547.87
	- % of revenue from operations	4.49%	4.33%
4	Other Expenses	126,965.85	121,504.51
	- % of revenue from operations	28.73%	28.34%
5	EBIDTA	174,425.79	149,259.54
	- % of revenue from operations	39.46%	34.81%
6	Finance Costs	3,650.72	2,109.13
	- % of revenue from operations	0.83%	0.49%
7	Depreciation and Amortisation Expense	11,269.43	10,307.39
	- % of revenue from operations	2.55%	2.40%
8	Profit Before Tax	159,505.64	136,843.02
	- % of revenue from operations	36.09%	31.92%
9	Profit After Tax (Including Other Comprehensive Income and after Minority Interest)	1,24,723.83	1,03,829.79
	- % of revenue from operations	28.22%	24.22%

II Standalone Performance

The analysis of Standalone performance of the Company is given below:

- **Sales Turnover:**

  The Comparative position of Sales Turnover achieved by the Company is as under:

(₹ in Lakhs)

Particulars	2025-26	2024-25
Sales in India (40.81%) (P.Y. 41.72%)	150,920.43	142,925.13
Sales Outside India (59.19%) (P.Y. 58.28%)	218,933.60	199,639.28
Total	**369,854.03**	**342,564.41**

- **Key performance indicators:**

  An analysis of the key indicators as percentage to Revenue is given below:

(₹ in Lakhs)

Particulars	2025-26	2024-25
1 Revenue from Operations	376,285.62	348,644.76
2 Cost of Materials Consumed(including change in inventories and purchase of stock in trade)	163,677.81	157,071.40
- % of revenue from operations	43.50%	45.05%
3 Employee Benefit Expense	13,858.26	12,999.49
- % of revenue from operations	3.68%	3.73%
4 Other Expenses	84,622.10	81,865.34
- % of revenue from operations	22.49%	23.48%
5 EBIDTA	175,582.69	144,216.19
- % of revenue from operations	46.66%	41.36%
6 Finance Costs	3,643.49	2,101.66
- % of revenue from operations	0.97%	0.60%
7 Depreciation and Amortisation Expense	11,039.09	10,068.21
- % of revenue from operations	2.93%	2.89%
8 Profit Before Tax	160,900.11	132,046.32
- % of revenue from operations	42.76%	37.87%
9 Profit After Tax (Including Other Comprehensive Income)	128,592.53	102,093.51
- % of revenue from operations	34.17%	29.28%

DETAILS OF SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS & RETURN ON NET WORTH

Pursuant to amendment made in Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 details of significant changes (i.e. change of 25% or more as compared to the immediately previous Financial Year) in Key Financial Ratios and any changes in Return on Net Worth of the Company including explanations therefor are given below:

Standalone

Sr. No.	Particulars	2025-26	2024-25	Change	Change in %	Explanations
1	Debtors Turnover (Days)	182.94	145.10	37.84	26.1%	Due to increase in Debtors Outstanding
2	Inventory Turnover (Days)	64.64	69.81	(5.17)	(7.4%)	
3	Interest Coverage Ratio	36.15	58.52	(22.37)	(38.20)	Due to Increase in Finance Cost
4	Current Ratio	30.42	9.15	21.27	232.49%	Due to repayment of borrowings
5	Debt Equity Ratio	-	0.07	(0.07)	(100.0%)	Due to repayment of borrowings
6	Operating Profit Margin (%)	32.55%	25.34%	0.07	28.5%	Due to increase in profit
7	Net Profit Margin (%)	34.53%	29.82%	0.05	15.8%	
8	Return on Net worth (%)	17.55%	15.52%	0.02	13.1%	

Consolidated

Sr. No.	Particulars	2025-26	2024-25	Change	Change in %	Explanations
1	Debtors Turnover (Days)	97.94	71.39	26.55	37.4%	Due to increase in Debtors Outstanding
2	Inventory Turnover (Days)	95.24	95.92	(0.68)	(0.7%)	
3	Interest Coverage Ratio	32.92	66.48	(33.56)	(50.5%)	Due to increase in Finance Cost
4	Current Ratio	19.09	8.17	10.92	133.7%	Due to repayment of borrowings
5	Debt Equity Ratio	-	0.07	(0.07)	(100.0%)	Due to repayment of borrowings
6	Operating Profit Margin (%)	30.47%	26.28%	0.04	16.0%	
7	Net Profit Margin (%)	29.16%	25.10%	0.04	16.2%	
8	Return on Networth (%)	16.99%	15.62%	0.01	8.8%	

INDEPENDENT AUDITOR'S REPORT

To the Members of

AIA ENGINEERING LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of AIA Engineering Limited (the "Company") which comprise the standalone balance sheet as at 31 March 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 31 March 2026, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTER

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

REVENUE RECOGNITION FROM SALE OF PRODUCTS

See Note 3(j) and Note 33 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue of the Company mainly comprises of sale of products (i.e. high chrome mill internals) to its customers. Significant portion of the Company's revenue from sale of products arises from transactions with related parties, mainly a wholly owned overseas subsidiary of the Company. Revenue from sale of goods is recognized when control is transferred to the customer. This requires detailed analysis of each customer contract regarding timing of revenue recognition. Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer. There is also a risk of revenue being overstated through booking fictitious sales from new customers during the year as well as at the reporting period end. Accordingly, revenue recognition is a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessing the Company's accounting policies for revenue recognition by comparing with the applicable accounting standards; • Testing the design, implementation and operating effectiveness of key internal controls over recognition of revenue from sale of products; • Testing of revenue recognized during the year by selecting samples, through statistical sampling, and verifying the underlying customer contracts and proof of dispatch/delivery in accordance with the contractual terms agreed with the customers; • Testing of revenue recognized near the year-end, through specific testing of high value samples and statistical sampling, to verify only revenue pertaining to current year is recognized based on underlying documents along with terms and conditions set out in customer contracts; • Understanding the Company's process for identifying, recording and disclosing related parties and related party transactions; • Testing the underlying data for ascertaining arm's length pricing and sighting the approvals of the Audit Committee for related party transactions; • Evaluating the adequacy of the standalone financial statement disclosures

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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 standalone 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 on 31 March 2026 and 02 April 2026 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

INDEPENDENT AUDITOR'S REPORT (Contd.)

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - Refer Note 44(a) to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 57(a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 57(a) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 22 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the accounting software.

Further, for the period audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature

INDEPENDENT AUDITOR'S REPORT (Contd.)

being tampered with except for the accounting software relating to payroll process at the service organisation, where we are unable to comment on whether the audit trail feature was tampered with, in absence of the necessary logs being enabled at the service organization basis the comment by independent auditor in their report - refer note 57 (b) to the standalone financial statements.

Additionally, where audit trail (edit log) facility was enabled and operated in the previous years, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

In our opinion and according to the information and explanations given to us, the remuneration paid 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.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

RUPEN SHAH
Partner
Membership No.: 116240
ICAI UDIN:26116240XVPEDT4157

Place: Ahmedabad
Date: 26 May 2026

ANNEXURE A to the Independent Auditor's Report on the Standalone Financial Statements of AIA Engineering Limited for the year ended 31 March, 2026

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts/delivery has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or advance in the nature of loan to companies, firms, limited liability partnership or any other parties. The Company has made investments in, provided loan and guarantees to companies and provided loans to other parties during the year, in respect of which the requisite information is as below. The Company has not provided any loans to firms, limited liability partnership and not made any investments in and not provided any guarantee to firms, limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood guarantee to any other entity as below:

Particulars	Guarantees (Rs. in lakhs)	Loans (Rs. in lakhs)
Aggregate amount during the year		
Subsidiaries	8,752.68	Nil
Others	Nil	12,720.88
Balance outstanding as at balance sheet date		
Subsidiaries	10,615.40	Nil
Others	Nil	12,901.89

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

investments made and the terms and conditions of the grant of loans and guarantees provided during the year are not prejudicial to the interest of the company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instance of loan falling due during the year was renewed:

‘

Name of the parties	Aggregate amount of loans granted during the year (Amount in Lakhs)	Aggregate overdue amount which was renewed during the year (Amount in Lakhs)	Percentage of the aggregate to the total loans granted during the year
S.A.L Steels Limited	12,500.00	12,500.00	100%

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not provided any security as specified under section 185 and 186 of the Companies Act, 2013. In respect of the loans and guarantees given and investments made by the Company, the provisions of section 186 of the Companies Act, 2013, have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amout involved (Rs. in lakhs)	Amunt unpaid (Rs.in lakhs)
Income tax Act, 1961	Income tax, Interest and Penalty	Hon'ble High Court of Gujarat	A.Y. 2006-07 to A.Y. 2014-15, A.Y 2016-17 to A.Y 2018-19, A.Y 2020-21, A.Y 2021-22	28,943.41	28,943.41
Income tax Act, 1961	Income tax, Interest and Penalty	Commissioner of Income-tax, (Appeals) Ahmedabad	A.Y. 2020-21, A.Y. 2022-23, A.Y. 2023-24	7,933.79	7,933.79
Tamil Nadu Value Added Tax Act, 2006	Value Added tax	VAT Tribunal, Madurai	F.Y. 2013-14	18.63	9.47
Finance Act, 1994	Service tax	Commissioner of CGST, Audit, Ahmedabad	F.Y. 2017-18	17.15	17.15
Employees' State Insurance Act, 1948	Employee state Insurance scheme	Hon'ble High Court of Gujarat	F.Y. 2001-02 to 2004-05	9.80	4.90

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint venture as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associate or joint venture (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as defined in the regulations made by the Reserve Bank of India). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

RUPEN SHAH
Partner
Membership No.: 116240
ICAI UDIN:26116240XVPEDT4157

Place: Ahmedabad
Date: 26 May 2026

ANNEXURE B to the Independent Auditor's Report on the standalone financial statements of AIA Engineering Limited for the year ended 31 March, 2026

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

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

OPINION

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

RUPEN SHAH
Partner
Membership No.: 116240
ICAI UDIN:26116240XVPEDT4157

Place: Ahmedabad
Date: 26 May 2026

STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2026

Currency: ₹ in Lakhs

Particulars	Note	As at 31 March, 2026	As at 31 March, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,13,002.77	1,08,599.54
(b) Right of use assets	5	6,462.23	5,778.48
(c) Capital work-in-progress	6	1,461.56	7,687.12
(d) Goodwill	7	460.69	460.69
(e) Other intangible assets	7	506.03	330.29
(f) Financial assets			
(i) Investments	8	1,574.59	1,570.35
(ii) Trade receivables	9	5.83	27.81
(iii) Loans	10	224.02	215.83
(iv) Other financial assets	11	1,011.15	521.22
(g) Other tax assets (net)	12	-	330.16
(h) Other non-current assets	13	2,858.31	2,812.00
Total non-current assets		**1,27,567.18**	**1,28,333.49**
Current assets			
(a) Inventories	14	69,433.51	61,561.48
(b) Financial assets			
(i) Investments	15	4,11,761.21	3,79,174.58
(ii) Trade receivables	16	1,85,370.08	1,36,156.01
(iii) Cash and cash equivalents	17	5,170.32	10,053.11
(iv) Bank balances other than (iii) above	17	740.90	3,927.42
(v) Loans	18	12,986.09	12,920.19
(vi) Other financial assets	19	2,441.64	7,846.47
(c) Other current assets	20	7,514.16	11,310.48
Total current assets		**6,95,417.91**	**6,22,949.74**
Total assets		**8,22,985.09**	**7,51,283.23**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	21	1,866.41	1,866.41
(b) Other equity	22	7,82,415.83	6,68,754.56
Total equity		**7,84,282.24**	**6,70,620.97**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	23	727.71	200.38
(b) Other non-current liabilities	24	514.58	-
(c) Provisions	25	559.37	573.20
(d) Deferred tax liabilities (net)	41 (b)	14,042.56	11,805.39
Total non-current liabilities		**15,844.22**	**12,578.97**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	-	48,500.00
(ii) Lease liabilities	27	298.96	355.26
(iii) Trade payables	28		
Total outstanding dues of micro enterprises and small enterprises		3,616.69	2,113.44
Total outstanding dues of creditors other than micro enterprises and small enterprises		11,075.29	12,177.55
(iv) Other financial liabilities	29	2,860.00	2,513.74
(b) Other current liabilities	30	1,244.56	1,685.72
(c) Provisions	31	605.30	548.22
(d) Current tax liabilities (net)	32	3,157.83	189.36
Total current liabilities		**22,858.63**	**68,083.29**
Total liabilities		**38,702.85**	**80,662.26**
Total equity and liabilities		**8,22,985.09**	**7,51,283.23**

The accompanying notes are integral part of these standalone financial statements. 2 - 57

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 26 May, 2026

BHADRESH K. SHAH
Chairman & Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 26 May, 2026

SANJAY S. MAJMUDAR
Director
(DIN : 00091305)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 26 May, 2026

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2026

Currency: ₹ in Lakhs

Particulars	Note	Year ended 31 March, 2026	Year ended 31 March, 2025
Income			
Revenue from operations	33	3,76,285.62	3,48,644.76
Other income	34	61,455.24	47,507.66
Total income		**4,37,740.86**	**3,96,152.42**
Expenses			
Cost of materials consumed	35	1,63,864.67	1,61,566.82
Changes in inventories of finished goods and work-in-progress	36	(186.86)	(4,495.42)
Employee benefits expense	37	13,858.26	12,999.49
Finance costs	38	3,643.49	2,101.66
Depreciation and amortisation expense	39	11,039.09	10,068.21
Other expenses	40	84,622.10	81,865.34
Total expenses		**2,76,840.75**	**2,64,106.10**
Profit before tax		**1,60,900.11**	**1,32,046.32**
Tax expense	41 (a)		
Current tax		32,371.91	25,462.35
(Excess) / Short provision for tax of earlier years		(1,535.57)	848.92
Deferred tax		2,364.05	3,584.17
Total tax expense		**33,200.39**	**29,895.44**
Profit for the year		**1,27,699.72**	**1,02,150.88**
Other Comprehensive Income / (Loss) ('OCI')			
A Items that will not be reclassified to profit and loss			
(i) Remeasurement of defined employee benefit plans	43 (iv)	322.07	(126.53)
(ii) Income tax relating to items that will not be reclassified to profit and loss		(81.06)	31.85
B Items that will be reclassified to profit and loss	22		
(i) Effective portion of Cash flow of hedge		954.63	(553.36)
(ii) Fair value changes on debt instrument through OCI		(83.62)	603.21
(iii) Income tax relating to items that will be reclassified to Profit and loss		(219.21)	(12.54)
Other comprehensive income / (Loss) for the Year (net of taxes)		**892.81**	**(57.37)**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**1,28,592.53**	**1,02,093.51**
Earnings per equity share of par value ₹ 2 each:			
Basic and diluted	42	136.84	108.96
The accompanying notes are integral part of these standalone financial statements.	**2 - 57**		

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

BHADRESH K. SHAH
Chairman & Managing Director
(DIN : 00058177)

SANJAY S. MAJMUDAR
Director
(DIN : 00091305)

RUPEN SHAH
Partner
Membership No: 116240

VIREN K.THAKKAR
Chief Financial Officer

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 26 May, 2026

Place : Ahmedabad
Date : 26 May, 2026

Place : Ahmedabad
Date : 26 May, 2026

STANDALONE STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH, 2026

A. Equity share capital

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Balance at the beginning of the reporting year	1,866.41	1,886.41
Less : Extinguished pursuant to buyback of shares	-	(20.00)
Balance at the end of the reporting year	**1,866.41**	1,866.41

B. Other equity

Currency: ₹ in Lakhs

Particulars	Reserves and Surplus				Items of Other Comprehensive Income		Total
	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Effective portion of Cash flow of hedge	Debt Instrument Through Other OCI	
Balance as at 01 April, 2024	26,579.52	1,925.74	16,189.27	5,98,662.44	631.90	(291.71)	6,43,697.16
Total Comprehensive income for the year ended 31 March, 2025							
Profit for the year	-	-	-	1,02,150.88	-	-	1,02,150.88
Other Comprehensive income for the year	-	-	-	(94.68)	(414.09)	451.40	(57.37)
Transactions with owners of the Company							
Contributions and distributions							
Dividend	-	-	-	(15,091.26)	-	-	(15,091.26)
Buyback of equity shares	(26,579.52)	-	-	(23,400.48)	-	-	(49,980.00)
Transfer to Capital redemption reserve pursuant to buyback of equity shares	-	20.00	-	(20.00)	-	-	-
Expenses for Buyback of equity shares	-	-	-	(381.55)	-	-	(381.55)
Tax on Buyback of equity shares	-	-	-	(11,583.30)	-	-	(11,583.30)
Balance as at 31 March, 2025	-	1,945.74	16,189.27	6,50,242.05	217.81	159.69	6,68,754.56
Total Comprehensive income for the year ended 31 March, 2026							
Profit for the year	-	-	-	1,27,699.72	-	-	1,27,699.72
Other Comprehensive income for the year	-	-	-	241.01	714.38	(62.58)	892.81
Transactions with owners of the Company							
Contributions and distributions							
Dividend	-	-	-	(14,931.26)	-	-	(14,931.26)
Balance as at 31 March, 2026	**-**	**1,945.74**	**16,189.27**	**7,63,251.52**	**932.19**	**97.11**	**7,82,415.83**

Nature and purpose of reserves:

(a) **Securities premium:** The amount received in excess of face value of the equity shares is recognised in Securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

(b) **Capital redemption reserve:** The Company has recognised Capital redemption reserve on redemption of cumulative redeemable preference shares and buyback of equity shares. This can be utilised in accordance with the provisions of Companies Act, 2013.

(c) **General reserve:** The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income. This can be utilised in accordance with the provisions of Companies Act, 2013.

(d) **Retained earnings:** Retained earnings represents accumulated profit of the Company as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

(e) **Cash flow hedge reserve:** This represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of effective portion of cash flow hedges will be reclassified to statement of profit and loss only when the hedged items affect the profit and loss or upon discontinuation of hedge relationship.

(f) **Debt Instrument Through Other OCI :**This comprises changes in the fair value of debt instruments recognised in other comprehensive income and accumulated within equity. The Company transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

The accompanying notes are integral part of these standalone financial statements. 2 - 57

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

FOR **B S R & CO. LLP**
Chartered Accountants
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RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 26 May, 2026

BHADRESH K. SHAH
Chairman & Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 26 May, 2026

SANJAY S. MAJMUDAR
Director
(DIN : 00091305)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 26 May, 2026

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2026

Currency: ₹ in Lakhs

Particulars		Year ended 31 March, 2026	Year ended 31 March, 2025
A.	**Cash flow from operating activities:**		
	Profit before tax	**1,60,900.11**	**1,32,046.32**
	Adjustments for:		
	Interest income from financial assets measured at FVTOCI	(872.45)	(5,127.79)
	Interest income from financial assets measured at amortised cost	(1,405.29)	(3,469.03)
	Interest income on refund of income tax	(654.66)	-
	Dividend income	(14,863.89)	(14,767.33)
	Gain on sale of current investments measured at FVTPL	(6,139.79)	(1,678.51)
	Gain on sale of current investments measured at FVTOCI	(117.35)	-
	Financial assets at FVTPL - net change in fair value	(19,142.62)	(16,730.26)
	Unrealised gain on foreign exchange fluctuation (net)	(7,996.42)	(394.16)
	Fair value (gain) / loss on interest rate swap	(183.36)	183.36
	Gain on sale of property, plant and equipment / termination of leases (net)	(174.69)	(26.77)
	Government grant income	(90.50)	-
	Bad debts	-	4.88
	Depreciation and amortisation expense	11,039.09	10,068.21
	Finance costs	3,643.49	2,101.66
	Provision for warranties made (net)	113.64	152.17
	Liabilities / provisions no longer required written back	(21.92)	(2.41)
	Allowance for expected credit loss (net)	581.10	68.45
		1,24,614.49	**1,02,428.79**
	Changes in working capital:		
	(Increase) / Decrease in trade receivable	(41,078.51)	2,494.45
	Increase in loans	(43.27)	(385.53)
	(Increase) / Decrease in inventories	(7,872.03)	7,911.06
	Decrease / (Increase) in other financial assets	2,912.46	(2,306.06)
	Decrease in other non current and current assets	3,787.06	100.45
	Increase / (Decrease) in provisions	251.68	(124.88)
	Increase in trade payables	301.61	1,747.20
	Increase / (Decrease) in other financial liabilities	152.09	(50.95)
	Decrease in other liabilities	(1,842.16)	(912.03)
	Cash generated from operations	**81,183.42**	**1,10,902.50**
	Income taxes paid (net of refunds)	(27,464.83)	(25,235.25)
	Net cash generated from operating activities (A)	**53,718.59**	**85,667.25**
B.	**Cash flow from investing activities:**		
	Acquisition of property, plant and equipment, capital work-in-progress, leasehold land and other intangibles	(9,430.52)	(13,112.61)
	Proceeds from sale of property, plant and equipment	301.49	101.04
	Government grant received	111.00	-
	Purchase of investments (net)	(7,029.06)	(75,637.72)
	Redemption of fixed deposits with bank (net)	5,361.22	49,909.24
	Interest received	2,399.67	17,363.54
	Dividend received	14,863.89	14,767.33
	Net cash generated from / (used in) investing activities (B)	**6,577.69**	**(6,609.18)**
C.	**Cash flow from financing activities:**		
	(Repayment of) / Proceeds from current borrowings (net)	(48,500.00)	3,205.03
	Dividends paid (Net of TDS)	(13,604.36)	(13,711.87)
	Buyback of equity shares	-	(50,000.00)
	Expenses for Buyback of equity shares	-	(381.55)
	Tax on Buyback of equity shares	-	(11,583.30)
	Finance costs paid	(3,427.90)	(1,551.36)
	Interest paid on lease liabilities	(60.96)	(64.43)
	Principal repayment of lease liabilities	(384.03)	(350.75)
	Net cash used in financing activities (C)	(65,977.25)	(74,438.23)
D.	**Net (Decrease) / Increase in cash and cash equivalents (A+B+C)**	**(5,680.97)**	**4,619.84**
E.	**Add : Cash and cash equivalents at the beginning of the year**	**10,053.11**	**5,004.76**
F.	**Add : Effects of movements in exchange rates on cash held**	**798.18**	**428.51**
G.	**Cash and cash equivalents at the end of the year (refer note 2 below)**	**5,170.32**	**10,053.11**

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

Note:

1 The standalone statement of cash flows has been prepared in accordance with the 'indirect method' as set out in the Indian Accounting Standard (Ind AS) - 7 - 'Statement of Cash Flows'.

2. Cash and cash equivalents include:

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Balances with banks	5,061.84	10,026.06
Cash on hand	108.48	27.05
	5,170.32	10,053.11

3 Movement in financial liabilities and financial assets arising from financing activities:

Currency: ₹ in Lakhs

Particulars	Current borrowings (Note 26)	Lease liabilities (Note 23 and 27)	Dividends paid (including taxes) (Note 22)	Finance Cost
Balance as at 01 April, 2024	45,294.97	622.18	-	164.53
Proceeds from current borrowings (net)	3,205.03	-	-	-
Dividends paid (Net of TDS)	-	-	(13,711.87)	-
Interest paid	-	(64.43)	-	(1,551.36)
Amount paid during the year	-	(350.75)	-	-
Net movement during the year	3,205.03	(415.18)	(13,711.87)	(1,551.36)
Remeasurement of lease liability	-	284.21	-	-
Charge to statement of profit and loss	-	64.43	-	1,386.83
Balance as at 31 March, 2025	**48,500.00**	**555.64**	**-**	**-**
Repayment of current borrowings (net)	(48,500.00)	-	-	-
Dividends paid (Net of TDS)	-	-	(13,604.36)	-
Interest paid	-	(60.96)	-	(3,427.90)
Amount paid during the year	-	(384.03)	-	-
Net movement during the year	**(48,500.00)**	**(444.99)**	**(13,604.36)**	**(3,427.90)**
Remeasurement of lease liability	-	855.06	-	-
Charge to statement of profit and loss	-	60.96	-	3,427.90
Balance as at 31 March, 2026	**-**	**1,026.67**	**-**	**-**

The accompanying notes are integral part of these standalone financial statements. 2 - 57

As per our report of even date attached

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 26 May, 2026

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

BHADRESH K. SHAH
Chairman & Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 26 May, 2026

SANJAY S. MAJMUDAR
Director
(DIN : 00091305)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 26 May, 2026

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

1. BACKGROUND

AIA Engineering Ltd. (the 'Company') is a public company incorporated and domiciled in India. Its equity shares are listed on the Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') in India. The registered office of the Company is located at 115, G.V.M.M. Estate, Odhav road, Odhav, Ahmedabad – 382410, Gujarat, India.

The Company is primarily involved in the manufacturing of High Chrome Mill Internals.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The standalone financial statements of the Company comprises, the standalone balance sheet as at 31 March 2026, 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 a summary of the material accounting policies and other explanatory information (herein referred to as "standalone financial statements"). These standalone financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of Companies Act, 2013 as per the Companies (Indian Accounting Standards) Rules, 2015 (the 'Act') and other relevant provisions of the Act.

The standalone financial statements are approved for issue by Board of Directors in their meeting held on 26 May, 2026.

Details of the Company's material accounting policies are included in Note 3 of the standalone financial statements.

2.2 Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Employee defined benefit asset / liability	Plan assets measured at fair value less present value of defined benefit obligations

2.3 Use of estimates and judgments

In preparing these standalone financial statements, management has made judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, based on historical experiences and other factors, including expectation of future events that may have an impact on the Company and that are reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

The following areas are subject to estimation uncertainties and the details thereof are included in respective notes:

- **Note 4, 5 and 7 –** estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment and other intangible assets, impairment of goodwill;
- **Note 41 (b) and (c)** recognition of deferred tax;
- **Note 43** measurement of defined benefit obligations: key actuarial assumptions;
- **Notes 25, 31 and 44** – recognition and measurement of provisions and contingencies such as warranty claims: key assumptions about the likelihood and magnitude of an outflow of resources;
- **Notes 9, 16 and 49** –measurement of expected credit loss allowance

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- **Note 23 and 27 –** Lease Liabilities: key assumptions about reasonable certainty of the Company exercising renewal options under the agreement.

2.4 Measurement of fair values

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

The Company has an established control framework with respect to the measurement of fair values. This

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Current/Non-current classification:

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

2.5 Functional and presentation currency

The standalone financial statements are presented in Indian Rupees, the currency of the primary economic environment in which the Company operates. All the amounts are stated in the nearest rupee in lakhs with two decimals.

3. MATERIAL ACCOUNTING POLICIES

a) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising on settlement of transactions and translation of monetary items are recognised in statement of profit and loss. However, foreign currency differences pertaining to qualifying cash flow hedges are recognised in other comprehensive income to the extent the hedges are effective.

b) Financial instruments

Recognition and initial measurement

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

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

Financial assets - classification and subsequent measurement

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

- amortised cost;
- FVTOCI – debt investment;
- FVTOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

period the Company changes its business model for managing financial assets.

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment by investment basis. At present there are no such investments.

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

Financial assets: Business model assessment

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

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

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

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

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

Subsequent measurement and gains and losses for financial assets held by the Company

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Financial assets at FVTOCI	These assets are subsequently measured at fair value. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss above amortised cost is recognised in Other comprehensive income.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

Derecognition

Financial assets

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

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

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Offsetting

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

c) Derivative instruments and hedge accounting

The Company enters into derivative contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial assets measured at amortised cost.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial assets ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a cash flow hedge under Ind AS 109, 'Financial Instruments'.

Recognition and measurement of cash flow hedge:

The Company strictly uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. As per Ind AS 109 - Financial Instruments, foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in hedge reserve (under reserves and surplus) through other comprehensive income and the ineffective portion is recognised immediately in the statement of profit and loss.

The accumulated gains / losses on the derivatives accounted in hedge reserve are transferred to the statement of profit and loss in the same period in which gains / losses on the underlying item hedged are recognised in the statement of profit and loss.

Derecognition:

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in hedge reserve and be reclassified to the statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognised in hedge reserve is transferred to the statement of profit and loss.

d) Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Transition to Ind AS

The cost of property, plant and equipment as at 01 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably

Depreciation

The estimate of the useful life of the assets has been assessed based on technical advice which

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Freehold land is not depreciated.

Company has adopted useful life mentioned in Schedule II as per Companies Act, 2013, to depreciate its assets using the straight-line method as per below:

Block of assets	Useful lives (years)	Useful lives (years) Companies Act
Buildings	10 – 60	3 – 60
Plant and equipments	15 – 22	15 – 22
Furniture and fixtures	10	10
Vehicles	8 – 10	6 – 10
Office equipments	5	5
Others – laboratory equipments	10	10
Others – computer hardware	3 – 6	3 – 6

Leasehold land is amortised over the lease period.

Property, plant and equipment (Continued)

The Company believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

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

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

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

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of profit and loss.

e) Goodwill and Other intangible assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Goodwill is not amortised and is tested for impairment annually.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in Statement of profit and loss.

The estimated useful lives of intangibles are as per below:

Software - 6 years Patents - 20 years

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

Transition to Ind AS

The cost of intangible assets as at 01 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Impairment

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads absorbed based on the normal operating capacity, but excludes borrowing costs.

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

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

g) Impairment

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being significantly past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

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

Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

h) Employee benefits

Defined benefit plans

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

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit and

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in statement of profit and loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for atleast twelve months after the reporting date.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring in accordance with Ind AS 37 and involves payment of termination benefits.

i) Provisions (other than employee benefits), contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Warranties

A provision for warranties is recognised when the underlying products are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities. A liability is recognised at the time the product is sold. The Company does not provide any extended warranties to its customers.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

j) Revenue

Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer, which generally coincides with the delivery of goods to customers, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Other operating revenue – export incentives

Export incentives are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

k) Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

l) Leases

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

1. The contract involves the use of an identified asset.
2. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and,
3. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of right-of-use assets is determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Company's incremental borrowing rates. The lease liability is measured at amortised cost using the effective interest method.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liabilities and right-of-use assets have been separately presented in the standalone balance sheet and lease payments have been classified as cash flows from financing activities.

m) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it related to items recognised directly in equity or in Other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

n) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

o) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. For the disclosure on reportable segments see Note 47.

p) Cash and cash equivalents

Cash and Cash equivalents for the purpose of standalone statement of cash flows comprise cash and bank balances, demand deposits with banks where the original maturity is three months or less and other short-term highly liquid investments not held for investment purposes.

q) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

r) Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

s) GST input credit

Goods and service tax (GST) input credit is accounted on an accrual basis on purchase of eligible inputs, capital goods and services. The balance of GST input credit is reviewed at the end of each year and amount estimated to be un-utilisable is charged to the statement of profit and loss for the year.

t) Investments in subsidiaries

The Company has elected to recognise its investments in subsidiary at cost in accordance with the option available in Ind AS 27, Separate Financial Statements.

u) Government Grants

The Company recognises a government grant in profit or loss as other income when the government grant becomes receivable. Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the government grant. Government grant related to the acquisition of assets are recognised in profit or loss as other income on a systematic basis over the useful life of the asset. Government grant that compensates the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the government grants are met after the related expenses have been recognised.

v) Recent accounting pronouncements

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

A. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Standalone Financial Statements are disclosed below. The Company will adopt this new and amended standard, when it becomes effective.

(i) Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants The amendment requires that if a covenant breach is rectified after the reporting date, the same will be treated as a non-adjusting event and this amendment will be applicable from annual reporting periods beginning on or after the 01 April, 2026.

The amendment does not see any material impact on the Standalone Financial Statements.

B. Standards issued and are effective in reporting period.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f.01 April, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f 01 April, 2025 – The amendment relates to classification of liabilities as current or non -current and noncurrent liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments - Disclosures, applicable w.e.f 01 April, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.
3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The amendments also require companies to provide new disclosures to compensate for potential loss of information resulting from the relief. Such disclosures are to be provided for annual reporting periods beginning on or after 01 April, 2025. These requirements are not applicable to the Company.
4. Other Amendments (Ind AS 115, Ind AS 116): Removed the conflict between Ind AS 109 and Ind AS 115 over the amount at which a trade receivable is initially measured (Ind AS 115 and Ind AS 116). These amendments do not have a material impact on the Company's financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Currency: ₹ in Lakhs

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixture	Vehicles	Office Equipment	Others *	Total
Cost:								
As at 01 April, 2024	5,211.26	47,832.43	1,12,470.13	1,643.54	208.33	583.06	1,977.30	1,69,926.05
Additions during the year	-	4,703.53	9,750.46	407.46	52.13	210.43	454.29	15,578.30
Disposals / adjustments during the year	-	(12.80)	(535.94)	(26.81)	(23.86)	(7.37)	(56.72)	(663.50)
As at 31 March, 2025	5,211.26	52,523.16	1,21,684.65	2,024.19	236.60	786.12	2,374.87	1,84,840.85
Additions during the year	80.97	6,999.10	7,625.80	65.41	-	48.53	214.64	15,034.45
Disposals / adjustments during the year	-	(182.24)	(242.68)	(183.51)	-	(81.30)	(174.34)	(864.07)
As at 31 March, 2026	**5,292.23**	**59,340.02**	**1,29,067.77**	**1,906.09**	**236.60**	**753.35**	**2,415.17**	**1,99,011.23**
Accumulated depreciation:								
As at 01 April, 2024	-	11,443.03	53,270.51	870.33	74.18	350.34	1,244.25	67,252.64
Depreciation for the year	-	1,710.16	7,366.58	141.94	23.38	86.05	249.79	9,577.90
Disposals / adjustments during the year	-	(7.03)	(495.43)	(25.08)	(19.50)	(6.90)	(35.29)	(589.23)
As at 31 March, 2025	-	13,146.16	60,141.66	987.19	78.06	429.49	1,458.75	76,241.31
Depreciation for the year	-	1,858.40	8,106.00	147.47	27.57	93.46	271.61	10,504.51
Disposals / adjustments during the year	-	(147.41)	(227.90)	(169.94)	-	(77.09)	(115.02)	(737.36)
As at 31 March, 2026	**-**	**14,857.15**	**68,019.76**	**964.72**	**105.63**	**445.86**	**1,615.34**	**86,008.46**
Carrying amount:								
As at 31 March, 2025	5,211.26	39,377.00	61,542.99	1,037.00	158.54	356.63	916.12	1,08,599.54
As at 31 March, 2026	**5,292.23**	**44,482.87**	**61,048.01**	**941.37**	**130.97**	**307.49**	**799.83**	**1,13,002.77**

* Others include laboratory equipments and computer hardware.

Notes:

1. There have been no charge over immovable properties of the Company.
2. Refer Note 44 (b) for contractual commitments with respect to property, plant and equipment.
3. The title deeds of all the immovable properties are held in the name of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 5: RIGHT OF USE ASSETS

Currency: ₹ in Lakhs

Particulars	Leasehold Land	Buildings	Total
Cost:			
As at 01 April, 2024	4,801.97	1,907.95	6,709.92
Additions during the year	723.22	284.21	1,007.43
Deductions / adjustments during the year	-	(10.00)	(10.00)
As at 31 March, 2025	**5,525.19**	**2,182.16**	**7,707.35**
Additions during the year	253.11	855.06	1,108.17
Deductions / adjustments during the year	-	(404.45)	(404.45)
As at 31 March, 2026	**5,778.30**	**2,632.77**	**8,411.07**
Depreciation:			
As at 01 April, 2024	211.02	1,331.96	1,542.98
Depreciation for the year	41.40	354.49	395.89
Deductions / adjustments during the year	-	(10.00)	(10.00)
As at 31 March, 2025	**252.42**	**1,676.45**	**1,928.87**
Depreciation for the year	44.96	379.46	424.42
Deductions / adjustments during the year	-	(404.45)	(404.45)
As at 31 March, 2026	**297.38**	**1,651.46**	**1,948.84**
Carrying amount:			
As at 31 March, 2025	5,272.77	505.71	5,778.48
As at 31 March, 2026	**5,480.92**	**981.31**	**6,462.23**

Notes:

1. Lease contracts entered by the Company for land and buildings taken on lease to conduct business activity in ordinary course of business with tenure of leases upto 99 years.
2. Lease rent of ₹ 47.05 Lakhs (PY ₹ 86.58 Lakhs) is recognised in statement of profit and loss towards short term lease and lease of low value assets (refer Note 40).
3. Extension and termination options are included in some lease contracts. These are used to maximise operational flexibility in terms of managing assets and operations.
4. Lease Obligation, interest expense on lease maturity profile of lease obligation and payment of lease obligation are disclosed respectively in lease liabilities (refer note 23 & 27), Finance Costs (refer note 38), Liquidity risk (refer note 49) and Standalone statement of cash flows.
5. The operating lease arrangements are cancellable subject to the stipulated notice period which generally does not exceed 3 months. Thus, management is of the view that there is no obligation to pay the agreed lease rentals in case of termination.

NOTE 6: CAPITAL WORK-IN-PROGRESS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Balance at the beginning of the year	7,687.12	9,216.99
Additions during the year	8,513.28	13,594.14
Capitalisation during the year	(14,738.84)	(15,124.01)
Balance at the end of the year	**1,461.56**	7,687.12

Notes:

1. The year end balance of capital work-in-progress primarily consist of rubber liner capacity expansion at Kerala GIDC, Ahmedabad.
2. Refer Note 44 (b) for contractual commitments with respect to property, plant and equipment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 6: CAPITAL WORK-IN-PROGRESS (CONTD.)

CWIP aging schedule As at 31 March, 2026

Currency: ₹ in Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,461.56	-	-	-	1,461.56
Projects temporarily suspended	-	-	-	-	-
Total	**1,461.56**	**-**	**-**	**-**	**1,461.56**

CWIP aging schedule As at 31 March, 2025

Currency: ₹ in Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,432.33	4,254.79	-	-	7,687.12
Projects temporarily suspended	-	-	-	-	-
Total	**3,432.33**	**4,254.79**	**-**	**-**	**7,687.12**

CWIP - Completion Schedule of capital working in progress as at 31 March, 2026

Currency: ₹ in Lakhs

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in Progress					
Completion is not overdue:					
Kerala Rubber Liner Project	1,209.20	-	-	-	1,209.20
Other Projects	252.36	-	-	-	252.36
Total	**1,461.56**	**-**	**-**	**-**	**1,461.56**

Note: Actual cost of the projects has not exceeded the estimated cost as per original plan.

CWIP - Completion Schedule of capital working in progress as at 31 March, 2025

Currency: ₹ in Lakhs

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in Progress					
Completion is not overdue:					
Kerala Mining Liner Project (Phase III)	7,643.64	-	-	-	7,643.64
Other Projects	43.48	-	-	-	43.48
Total	**7,687.12**	**-**	**-**	**-**	**7,687.12**

Note: Actual cost of the projects has not exceeded the estimated cost as per original plan.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 7: GOODWILL AND OTHER INTANGIBLE ASSETS

Currency: ₹ in Lakhs

Particulars	Other intangibles			Goodwill (refer note (a)
	Software	Patents and Copyrights	Total	
Cost :				
As at 01 April, 2024	1,187.33	121.91	1,309.24	460.69
Additions during the year	85.01	15.50	100.51	-
Disposals / adjustments during the year	(0.68)	-	(0.68)	-
As at 31 March, 2025	1,271.66	137.41	1,409.07	460.69
Additions during the year	278.02	7.97	285.99	-
Disposals / adjustments during the year	(26.43)	-	(26.43)	-
As at 31 March, 2026	**1,523.25**	**145.38**	**1,668.63**	**460.69**
Amortisation:				
As at 01 April, 2024	948.43	36.58	985.01	-
Amortisation for the year	87.78	6.64	94.42	-
Disposal / Adjustments during the year	(0.65)	-	(0.65)	-
As at 31 March, 2025	1,035.56	43.22	1,078.78	-
Amortisation for the year	102.96	7.20	110.16	-
Disposal / Adjustments during the year	(26.34)	-	(26.34)	-
As at 31 March, 2026	**1,112.18**	**50.42**	**1,162.60**	**-**
Carrying Amount				
As at 31 March, 2025	236.10	94.19	330.29	460.69
As at 31 March, 2026	**411.07**	**94.96**	**506.03**	**460.69**

Note (a):

The Company tests goodwill for impairment annually and provides for impairment if the carrying amount of goodwill exceeds its recoverable amount. The recoverable amount is determined based on “value in use” calculations which is calculated as the net present value of forecasted cash flows of cash generating unit (CGU) to which the goodwill is related.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

NOTE 8: INVESTMENTS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Non-current investments		
Investment in equity instruments of		
A. Subsidiaries (measured at cost):		
(i) Fully paid equity shares (quoted)		
477,661 (previous year: 477,661) equity shares of Welcast Steels Limited of ₹10/- each fully paid up	1,341.05	1,341.05
(ii) Fully paid equity shares (Unquoted)		
(a) 32,500 (previous year: 32,500) equity shares of Vega Industries (Middle East) F.Z.C., U.A.E. of face value US$ 10/- each	149.39	149.39
(b) 2,000 (previous year: 2,000) equity shares of PT. Vega Industries Indonesia of face value IDR 13,116/- each	1.30	1.30
(c) 3,691 (previous year: 3,691) equity shares of Vega Industries Peru Limited of face value SOL 1/- each	0.83	0.83
(d) 10,000 (previous year: 10,000) equity shares of AIA CSR Foundation of face value ₹10/- each	1.00	1.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 8: INVESTMENTS (CONTD.)

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
B. Others companies (unquoted)		
Measured at FVTPL		
(a) 25 (previous year: 25) equity shares of Koramangala Properties Limited of face value ₹ 100/- each, fully paid up #	0.03	0.03
(b) Nil (previous year: 3,111) equity shares of Arkay Energy (Rameswarm) Limited of face value ₹ 10/- each, fully paid up #	-	0.31
(c) 24,478 (previous year: 24,478) equity shares of Clean Max Meridius Private Limited of face value ₹ 10/- each, fully paid up	50.09	45.54
(d) 32,99,997 (previous year: 32,99,997) equity shares of Torrent Urja 16 Private Limited of face value ₹ 10/- each, fully paid up	30.40	30.40
(e) 500 (previous year: 500) equity shares of Green Shift Private Limited of face value ₹ 100/- each, fully paid up #	0.50	0.50
	1,574.59	1,570.35
Aggregate amount of quoted investments	**1,341.05**	1,341.05
Aggregate market value of quoted investments	**3,153.76**	5,557.59
Aggregate amount of unquoted investments	**233.54**	229.30

The Company's investment upon sale is only going to fetch the principal amount invested and hence the Company considers cost and fair value to be t'he same.

NOTE 9: TRADE RECEIVABLES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Non-current trade receivables (unsecured)		
Considered good *	5.83	27.81
Significant increase in credit risk	-	-
Credit impaired	508.91	-
	514.74	27.81
Less: Allowance for expected credit loss	(508.91)	-
	5.83	27.81

Refer note 51 for ageing related disclosures.

* Trade receivables are hypothecated to secure working capital facilities from Banks (refer Note 26).

NOTE 10: LOANS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Non-current loans		
Loans to employees		
Secured, considered good	85.00	99.11
Unsecured, considered good	139.02	116.72
	224.02	215.83

NOTE 11: OTHER FINANCIAL ASSETS - NON CURRENT

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Security deposits (unsecured, considered good)	494.94	521.22
Government grant receivable	516.21	-
	1,011.15	521.22

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 12: OTHER TAX ASSETS (NET)

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Advance income tax / tax deducted at source	-	330.16
	-	330.16

NOTE 13: OTHER NON-CURRENT ASSETS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Capital advances	2,520.63	2,479.03
Others		
Balance with government authorities	11.19	6.48
Advance paid under protest	326.49	326.49
	2,858.31	2,812.00

NOTE 14: INVENTORIES *

(valued at lower of cost or net realisable value)

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Raw materials	18,484.23	11,777.03
Raw materials in transit	1,527.34	1,400.75
Work-in-progress	25,040.48	23,065.85
Finished goods	12,438.35	14,226.12
Stores and spares	11,871.66	10,969.78
Stores and spares in transit	71.45	121.95
	69,433.51	61,561.48

* Inventories are hypothecated to secure working capital facilities from Banks (refer note 26).

NOTE 15: INVESTMENTS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Current investments		
Measured at FVTPL		
Investments in mutual funds (quoted)	3,65,708.80	2,71,953.03
Investments in bonds (quoted) *	36,894.89	35,238.14
Investments in government securities (quoted) # **	4,631.36	55,070.95
Investment in Triparty Repo Dealing and Settlement (TREPS)*****	300.00	-
Measured at FVTOCI		
Investment in bonds (quoted) ***	-	7,718.35
Investment in government securities (quoted) # ****	4,226.16	9,194.11
	4,11,761.21	3,79,174.58
Aggregate amount of quoted investments	4,11,761.21	3,79,174.58
Aggregate market value of quoted investments	4,11,761.21	3,79,174.58

Company has availed borrowings under Tri-Party Repo Dealing System by pledging Government securities carrying interest rate ranging from 4.15% to 6.12% (Previous Year 5.90% to 6.98%). (Refer note 26)

* Investments in bonds measured at FVTPL have yield 4.16% to 6.96% (Previous Year 7.20% to 8.10%)

** Investments in government securities measured at FVTPL have yield 6.40% to 7.00% (Previous Year 6.60% to 7.00%)

*** Investments in bonds measured at FVTOCI have yield 6.60% to 6.78% (Previous Year 6.60% to 6.78%)

**** Investments in government securities measured at FVTOCI have yield 7.28% to 7.32% (Previous Year 7.18% to 7.32%)

***** Investments in Triparty Repo Dealing and Settlement (TREPS) have yield 3.30% to 6.00% (Previous Year 5.57% to 5.90%)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 16: TRADE RECEIVABLES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Current trade receivables (unsecured) *		
Considered good #	1,85,535.27	1,36,220.52
Significant increase in credit risk	-	-
Credit impaired	29.11	57.60
	1,85,564.38	1,36,278.12
Less: Allowance for expected credit loss	(194.30)	(122.11)
	1,85,370.08	1,36,156.01

* Trade receivables are hypothecated to secure working capital facilities from Banks (refer note 26).
# Includes trade receivable from related parties (refer note 46 D).
Refer note 52 for ageing related disclosures.
The average credit period on sale of goods is 0 - 180 days.

NOTE 17: CASH AND BANK BALANCES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Cash and cash equivalents		
Balances with banks	5,061.84	10,026.06
Cash on hand	108.48	27.05
	5,170.32	10,053.11
Other bank balances		
Balances with banks in fixed deposits (Original maturity within 3 to 12 months)	-	3,223.29
Balances with bank in fixed deposit as a margin money (Original maturity within 3 to 12 months)	734.71	695.89
Earmarked balances with bank (unpaid dividend) *	6.19	8.24
	740.90	3,927.42

* The Company can utilise these balances towards payment of unpaid dividend only.

NOTE 18: LOANS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Current loans		
Loans to employees		
Secured, considered good	32.07	23.96
Unsecured, considered good	145.80	118.83
Inter corporate deposit (secured), considered good #		
Others	12,808.22	12,777.40
	12,986.09	12,920.19

Amount has been given to a body corporate, for general corporate purpose having original terms of repayment after 3 years from the date of loan given at an interest rate of 10% (Previous Year 10%) per annum which is further renewed with revised repayment due date of 30 June, 2026.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 19: OTHER FINANCIAL ASSETS - CURRENT

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Balances with bank in fixed deposits (Original maturity more than 12 months)	-	2,582.69
Export incentives receivable	1,071.60	1,393.91
Security deposits (unsecured, considered good)	223.25	245.44
Government grant receivable	64.04	-
Contractually Reimbursable Expenses (refer note 46D)	1,082.75	3,624.43
	2,441.64	7,846.47

NOTE 20: OTHER CURRENT ASSETS

(Unsecured, considered good)

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Advances other than capital advances		
Advances to related parties (refer note 46 D)	11.65	11.19
Other advances		
Advances to suppliers	1,996.23	6,400.94
Advances to staff	13.06	36.36
Others		
Balances with government authorities	4,071.78	3,584.46
Prepaid expenses	1,137.88	1,116.54
Prepaid leave encashment (refer note 43)	283.56	160.99
	7,514.16	11,310.48

NOTE 21: SHARE CAPITAL

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Authorised share capital		
230,000,000 (previous year: 230,000,000) equity shares of face value ₹ 2/- each.	4,600.00	4,600.00
	4,600.00	4,600.00
Issued, subscribed and fully paid up share capital		
93,320,370 equity shares (previous year: 93,320,370) of face value ₹ 2/- each, fully paid up	1,866.41	1,866.41
	1,866.41	1,866.41

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at 31 March, 2026		As at 31 March, 2025	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	9,33,20,370	1,866.41	9,43,20,370	1,886.41
Less : Extinguished pursuant to buyback of shares	-	-	(10,00,000)	(20.00)
Shares outstanding at the end of the year	**9,33,20,370**	**1,866.41**	9,33,20,370	1,866.41

(b) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity share having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, which is approved by Board of Directors of the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 21: SHARE CAPITAL (CONTD.)

(c) The details of shareholders holding more than 5% shares are set out below :

Particulars	As at 31 March, 2026		As at 31 March, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Bhadresh K. Shah	5,45,68,663	58.47%	5,45,68,663	58.47%
Nalanda India Equity Fund Limited	86,71,418	9.29%	86,71,418	9.29%
Sbi Equity Hybrid Fund	78,98,403	8.46%	78,89,329	8.45%

(d) Shareholding of Promoters

Shares held by promoters as at 31 March, 2026

Promoter name	No. of Shares	% of total shares	% Change during the year
Bhadresh Kantilal Shah	5,45,68,663	58.47	-
Khushali Bhadreshbhai Shah	9,857	0.01	-
Bhumika Shyamal Shodhan	9,852	0.01	-
Gita Bhadresh Shah	5	0.00	-
Total	**5,45,88,377**	**58.49**	**-**

Shares held by promoters as at 31 March, 2025

Promoter name	No. of Shares	% of total shares	% Change during the year
Bhadresh Kantilal Shah	5,45,68,663	58.47	0.02
Khushali Bhadreshbhai Shah	9,857	0.01	-
Bhumika Shyamal Shodhan	9,852	0.01	-
Gita Bhadresh Shah	5	0.00	-
Total	**5,45,88,377**	**58.49**	**-**

(e) The Board of Directors of the Company, at its meeting held on 07 August, 2024 approved a proposal for buyback of up to 10,00,000 fully paid-up Equity Shares of face value of ₹ 2/- each, representing 1.06% of the total number of equity shares of the Company, at a price of up to ₹ 5,000 per share for an aggregate consideration not exceeding ₹ 500 Crores (excluding transaction cost and any expenses incurred or to be incurred for the Buyback) representing 7.92% and 7.51% of the total paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone financial statements and audited consolidated financial statements of the Company for the year ended on 31 March 2024, respectively. Further, the buy back had been completed and consideration transferred to the participating shareholders on 06 September, 2024.

NOTE 22: OTHER EQUITY

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Reserves and surplus		
(a) Securities premium		
Balance at the beginning of the year	-	26,579.52
Less: Buyback of equity shares	-	(26,579.52)
Balance at the end of the year	-	-
(b) Capital redemption reserve		
Balance at the beginning of the year	1,945.74	1,925.74
Add: Transfer from Retained earnings pursuant to buyback of equity shares	-	20.00
Balance at the end of the year	1,945.74	1,945.74
(c) General reserve		
Balance at the beginning and at the end of the year	16,189.27	16,189.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 22: OTHER EQUITY (CONTD.)

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
(d) Retained earnings		
Balance at the beginning of the year	6,50,242.05	5,98,662.44
Add: Profit for the year	1,27,699.72	1,02,150.88
Less: Buyback of equity shares	-	(23,400.48)
Less: Transfer to Capital redemption reserve pursuant to buyback of equity shares	-	(20.00)
Less: Expenses for Buyback of equity shares	-	(381.55)
Less: Tax on Buyback of equity shares	-	(11,583.30)
Less: Remeasurement of defined benefit plan transferred from OCI	241.01	(94.68)
Less: Dividend on equity shares #	(14,931.26)	(15,091.26)
Balance at the end of the year	7,63,251.52	6,50,242.05
Total reserves and surplus (A)	**7,81,386.53**	6,68,377.06
Other comprehensive income (OCI)		
Items that will not be reclassified to statement of profit and loss		
(a) Remeasurement of defined benefit plan		
Balance at the beginning of the year	-	-
Recognised in statement of profit and loss	322.07	(126.53)
Tax impact on above	(81.06)	31.85
Less: Transferred to retained earnings	(241.01)	94.68
Balance at the end of the year	-	-
Items that will be reclassified to statement of profit and loss		
(b) Cash flow hedge reserve:		
Balance at the beginning of the year	217.81	631.90
Recognised in statement of profit and loss		
Mark to market of hedging designated instruments and effective as hedges of future cash flow	(420.51)	(196.00)
Restatements of trade receivables to the extent of hedging	1,375.14	(357.36)
	954.63	(553.36)
Effect of tax on above		
Tax on Mark to market of hedging designated instruments and effective as hedges of future cash flow (refer note 41(c))	105.84	49.33
Tax on Restatements of trade receivables to the extent of hedging	(346.09)	89.94
Net tax in OCI	(240.25)	139.27
Balance at the end of the year	932.19	217.81
(c) Fair value through other comprehensive income		
Balance at the beginning of the year	159.69	(291.71)
Recognised in statement of profit and loss	(83.62)	603.21
Tax impact on above (refer note 41(c))	21.04	(151.81)
Balance at the end of the year	97.11	159.69
Total other comprehensive income (B)	**1,029.30**	377.50
Total other equity (A+B)	**7,82,415.83**	6,68,754.56

Refer standalone statement of changes in equity for nature and purpose of reserves.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 22: OTHER EQUITY (CONTD.)

Currency: ₹ in Lakhs

# Dividend on equity shares paid during the year:	**As at 31 March, 2026**	**As at 31 March, 2025**
Final dividend for the financial year 2024-25 [₹ 16 (previous year: ₹ 16) per equity share of ₹ 2 each]	14,931.26	15,091.26

Note:

Board of Directors of the Company have proposed final dividend of ₹ 16 per equity share for the financial year 2025-26. Proposed dividend on equity shares are subject to approval at the Annual General Meeting and hence not recognised as a liability as at 31 March, 2026. No interim dividend was declared and paid during the financial year 2025-26.

NOTE 23: LEASE LIABILITIES

Currency: ₹ in Lakhs

Particulars	**As at 31 March, 2026**	**As at 31 March, 2025**
Non-current lease liabilities	727.71	200.38
	727.71	200.38

NOTE 24: OTHER NON-CURRENT LIABILITIES

Currency: ₹ in Lakhs

Particulars	**As at 31 March, 2026**	**As at 31 March, 2025**
Deferred income - Government grant	514.58	-
	514.58	-

NOTE 25: PROVISIONS

Currency: ₹ in Lakhs

Particulars	**As at 31 March, 2026**	**As at 31 March, 2025**
Non-current provisions		
Provision for warranties	559.37	573.20
	559.37	573.20
Movement in provision for warranties		
Balance at the beginning of the year	725.68	710.34
Utilisation during the year	(81.52)	(136.83)
Provision for the year #	184.92	170.88
Written back during the year	(71.28)	(18.71)
Balance at the end of the year	**757.80**	725.68
Non-current	559.37	573.20
Current (refer note 31)	198.43	152.48
	757.80	725.68

The Company provides standard warranty to all its customers for any manufacturing defects in the products sold by the Company. Generally, the time period of warranty is linked to the hours which has been assured by the Company towards performance of the product under normal mill operation. Based on evaluation made by Company's technical team and historic experience of claims, the Company provides for warranty at the rate of 0.05% of sales for the year and is carried in the books for a period upto 4 years.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 26: BORROWINGS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Current borrowings		
Loans from Banks repayable on demand		
Secured	-	-
Unsecured	-	-
Loans from Others repayable on demand		
Secured (Refer note 6 below)	-	48,500.00
	-	48,500.00

Borrowing based on security of current assets:

1. The Company has obtained various borrowings from banks on the basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks are in agreement with the books of accounts.
2. Secured Export Packing Credit ('EPC') facilities are availed from State Bank of India carrying interest rate ranging from 5.95% to 6.00% during the year (Previous Year 5.30% to 7.30%) against first charge over entire current assets of the Company including stock of raw material, work in process, finished goods, stores and spares and goods in transit.
3. Unsecured Export Packing Credit ('EPC') facilities are availed from Citi Bank N.A. carrying interest rate ranging from 5.30% to 6.01% during the year (Previous Year 3.75% to 7.63%).
4. Unsecured Export Packing Credit ('EPC') facilities were availed during the previous year from JP Morgan carrying interest rate ranging from 5.40% to 7.96%.
5. Unsecured Export Packing Credit ('EPC') facilities were availed during the previous year from HDFC Bank Ltd. carrying interest rate of 6.00%.
6. Company has availed borrowings under Tri-Party Repo Dealing System by pledging Government securities carrying interest rate ranging from 4.15% to 6.12% (Previous Year 5.90% to 6.98%).

NOTE 27: LEASE LIABILITIES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Current lease liabilities	298.96	355.26
	298.96	355.26

NOTE 28: TRADE PAYABLES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
(a) Total outstanding dues of micro enterprises and small enterprises #	3,616.69	2,113.44
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Due to related parties (refer Note 46 D)	297.68	389.57
(ii) Due to others	10,777.61	11,787.98
	11,075.29	12,177.55
	14,691.98	14,290.99

Refer note 53 for ageing related disclosures.

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 28: TRADE PAYABLES (CONTD.)

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act):		
(a) Principal amount remaining unpaid to any supplier as at the end of the year-(refer note 29)	3,728.89	2,355.24
Interest due thereon remaining unpaid to any supplier as at the end of the year	-	-
(b) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	0.05	0.66
(c) Amount of interest due and payable For the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

NOTE 29: OTHER FINANCIAL LIABILITIES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Salary, wages and bonus payable (refer note 46 D)	1,608.43	1,529.74
Unpaid dividends *	6.19	8.24
Capital creditors #	523.33	564.26
Amount received under channel financing arrangement	-	101.49
Derivatives	284.53	47.38
Other payables	0.50	262.63
Other payables to related parties (refer Note 46 D)	437.02	-
	2,860.00	2,513.74

* There is no amount due to be transferred to Investor Education and Protection Fund.

The balance includes outstanding dues of micro enterprises and small enterprises of ₹ 112.20 Lakhs as at 31 March, 2026 (₹ 241.80 Lakhs as at 31 March, 2025)

Refer Note 28 for Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

NOTE 30: OTHER CURRENT LIABILITIES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Contract liabilities (refer note 33)		
Customer advances	813.82	916.28
Others		
Deferred income - Government grant	74.10	-
Statutory dues and other payables	356.64	769.44
	1,244.56	1,685.72

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 31: PROVISIONS - CURRENT

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Provision for warranties (refer Note 25)	198.43	152.48
Provision for employee benefits (refer Note 43)		
Gratuity	406.87	395.74
	605.30	548.22

NOTE 32: CURRENT TAX LIABILITIES (NET)

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Provision for income tax (net)	3,157.83	189.36
	3,157.83	189.36

NOTE 33: REVENUE FROM OPERATIONS

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Sale of products		
Export sales	2,18,933.60	1,99,639.28
Domestic sales	1,50,920.43	1,42,925.13
	3,69,854.03	3,42,564.41
Other operating revenue		
Exports incentives	5,263.13	4,980.55
Other sales	1,168.46	1,099.80
	6,431.59	6,080.35
	3,76,285.62	3,48,644.76

Disclosures pursuant to Indian Accounting Standard (Ind AS) 115 - Revenue from Contract with Customers

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Reconciliation of revenue from operations with the contracted price:		
Contracted price	3,70,292.86	3,42,755.46
Adjustments :		
- Discounts	(181.44)	(188.37)
- Sales return	(257.39)	(2.68)
Sale of products	3,69,854.03	3,42,564.41
Other operating revenue	6,431.59	6,080.35
Revenue from operations	**3,76,285.62**	3,48,644.76
Revenue disaggregation by geography:		
India	1,57,352.02	1,49,005.48
Outside India:		
U.A.E.	2,15,761.08	1,75,882.75
Others	3,172.52	23,756.53
	3,76,285.62	3,48,644.76

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 33: REVENUE FROM OPERATIONS (CONTD.)

Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Trade receivables	1,85,375.91	1,36,183.82
Contract assets	-	-
Contract liabilities		
Balance at the beginning of the year	916.28	818.73
Less : Revenue recognised during the year	908.82	747.83
Add : Increase due to cash received during the year	806.36	845.38
Balance at the end of the year	813.82	916.28

NOTE 34: OTHER INCOME

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Interest income under the effective interest method on :		
Financial assets measured at FVTOCI	872.45	5,127.79
Financial assets measured at amortised cost	1,405.29	3,469.03
Interest income on refund of income tax	654.66	-
Dividend Income	14,863.89	14,767.33
Other non-operating income		
Gain on sale of current investments measured at FVTPL	6,139.79	1,678.51
Gain on foreign exchange fluctuation (net)	17,310.70	5,578.48
Gain on sale of current investments measured at FVTOCI	117.35	-
Financial assets at FVTPL - net change in fair value	19,142.62	16,730.26
Net gain on sale of property, plant and equipment / termination of leases	174.69	26.77
Liabilities / provisions no longer required written back	21.92	2.41
Corporate Guarantee Fees	130.21	46.90
Gain on interest rate swap	512.28	-
Government grant income	90.50	-
Miscellaneous receipts	18.89	80.18
	61,455.24	47,507.66

NOTE 35: COST OF MATERIALS CONSUMED

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Opening stock at the beginning of the year	13,177.78	25,934.84
Add: Purchases during the year	1,70,698.46	1,48,809.76
Less: Closing stock at the end of the year	20,011.57	13,177.78
	1,63,864.67	1,61,566.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 36: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Opening stock		
Work-in-progress	23,065.85	22,009.79
Finished goods	14,226.12	10,786.76
	37,291.97	32,796.55
Closing stock		
Work-in-progress	25,040.48	23,065.85
Finished goods	12,438.35	14,226.12
	37,478.83	37,291.97
	(186.86)	(4,495.42)

NOTE 37: EMPLOYEE BENEFITS EXPENSE

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Salaries, wages and bonus	11,984.07	11,586.80
Contribution to provident and other funds	746.75	763.50
Expenses related to post employment defined benefit plans (refer Note 43 (iv))*	728.94	269.21
Staff welfare expenses	398.50	379.98
	13,858.26	12,999.49

*Effective 21 November 2025, the Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes referred to as "New Labour Codes". The Company has assessed its employee benefit obligations in accordance with the revised definition of wages and FAQs issued by The Ministry of Labour & Employment. Accordingly, an incremental liability of ₹ 433.35 Lakhs towards gratuity has been recognised during the year ended 31 March, 2026.

NOTE 38: FINANCE COSTS

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Interest on:		
Bank borrowings measured at amortised cost	3,425.68	1,382.56
Income Tax	154.63	650.40
Lease liabilities	60.96	64.43
Others	2.22	4.27
	3,643.49	2,101.66

NOTE 39: DEPRECIATION AND AMORTISATION EXPENSE

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Depreciation of property, plant and equipment (refer Note 4)	10,504.51	9,577.90
Depreciation of Right of use assets (refer Note 5)	424.42	395.89
Amortisation of intangible assets (refer Note 7)	110.16	94.42
	11,039.09	10,068.21

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 40: OTHER EXPENSES

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Consumption of stores	27,777.08	26,079.21
Power and Fuel	29,386.29	28,918.11
Contract labour charges	9,258.25	8,647.45
Repairs and maintenance		
- Buildings	406.94	362.39
- Plant and machineries	1,013.70	1,061.10
- Others	920.80	898.44
Lease rent (refer Note 5)	47.05	86.58
Insurance	815.30	731.76
Rates and taxes	124.17	69.95
Security expenses	618.37	627.06
Printing, stationery and communication expenses	226.49	190.84
Travelling and conveyance expense	1,402.55	1,371.01
Advertisement and sales promotion	22.91	30.64
Freight outward expenses (Net of Recoveries)	5,199.47	4,861.60
Royalty expenses	377.73	579.72
Commission expenses	1,031.25	1,412.11
Warranty expenses	113.64	152.17
Directors' sitting fees	18.40	21.60
Payments to auditors		
- Statutory audit fees	26.00	23.50
- Quarterly Limited reviews	30.00	30.00
- Certification and other services	2.00	3.00
- Reimbursement of expenses	5.22	4.87
Legal and professional consultancy fees	2,064.96	2,697.99
Bank commission charges	140.72	97.51
Donation	3.34	1.74
Corporate social responsibility expenses (refer Note 54)	2,419.48	2,096.55
Bad debts	-	4.88
Allowance for expected credit loss (net)	581.10	68.45
Fair value loss on interest rate swap	-	183.36
Other miscellaneous expenses	588.89	551.75
	84,622.10	81,865.34

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 41: TAX EXPENSES

Currency: ₹ in Lakhs

	Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
(a)	**Tax expense**		
	Provision for current tax	32,371.91	25,462.35
	(Excess) / Short provision for tax of earlier years	(1,535.57)	848.92
	Net deferred tax (refer note 41(c))	2,364.05	3,584.17
	Tax expense for the year	**33,200.39**	29,895.44
(b)	**Deferred tax**		
	Deferred tax liabilities		
	Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	7,585.79	7,073.15
	Financial assets at FVTPL - net change in fair value	6,872.32	4,698.02
	Hedge reserve balance	-	34.22
		14,458.11	11,805.39
	Deferred tax assets		
	Hedge reserve balance	71.62	-
	Government grant	197.68	-
	Others	146.25	-
		415.55	-
	Deferred tax liabilities (net) (refer Note 41(c))	**14,042.56**	11,805.39

(c) Movement in deferred tax

Currency: ₹ in Lakhs

Particulars	Opening balance as at 01 April, 2025	Statement of profit and loss	Other comprehensive income	Closing balance as at 31 March, 2026
Deferred tax liabilities				
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	7,073.15	512.64	-	7,585.79
Financial assets at FVTPL - net change in fair value	4,698.02	2,195.34	(21.04)	6,872.32
Hedge reserve balance	34.22	-	(34.22)	-
	11,805.39	**2,707.98**	**(55.26)**	**14,458.11**
Deferred tax assets				
Hedge reserve balance	-	-	71.62	71.62
Government grant	-	197.68	-	197.68
Others	-	146.25	-	146.25
	-	**343.93**	**71.62**	**415.55**
Deferred tax liabilities (net)	**11,805.39**	**2,364.05**	**(126.88)**	**14,042.56**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 41: TAX EXPENSES (CONTD.)

Currency: ₹ in Lakhs

Particulars	Opening balance as at 01 April, 2024	Statement of profit and loss	Other comprehensive income	Closing balance as at 31 March, 2025
Deferred tax liabilities				
Difference between written down value of property, plant and equipments and other intangible assets as per books of account and Income-tax, Act 1961	6,565.40	507.75	-	7,073.15
Financial assets at FVTPL - net change in fair value	1,469.79	3,076.42	151.81	4,698.02
Hedge reserve balance	83.55	-	(49.33)	34.22
Deferred tax liabilities (net)	8,118.74	3,584.17	102.48	11,805.39

(d) Effective tax reconciliation

Reconciliation of the tax expense (i.e., current tax and deferred tax) amount considering the enacted Income tax rate and effective Income tax rate of the Company is as follows:

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Profit before tax for the year	1,60,900.11	1,32,046.32
Tax at statutory income tax rate of 25.168% in India	40,495.34	33,233.42
Adjustments (tax effect) :		
Exempted Dividend income from subsidiary not charged to tax	(3,740.88)	(3,716.64)
Income from long term / short term investment taxed at lower rate	(2,667.29)	(1,187.03)
Non-deductible expenses for tax purposes	648.79	716.77
(Excess) / Short provision for tax of earlier years	(1,535.57)	848.92
Tax expense reported in the statement of profit and loss	**33,200.39**	29,895.44

The Company has ongoing disputes with Income tax authorities relating to tax treatment of certain items. These amounts have been disclosed as contingent liabilities (refer Note 44).

NOTE 42: EARNINGS PER SHARE

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Net profit attributable to the equity shareholders (₹ in Lakhs)	1,27,699.72	1,02,150.88
Weighted average number of equity shares outstanding during the year (nos.)	9,33,20,370	9,37,53,247
Nominal value of equity share (₹)	2.00	2.00
Basic and diluted earnings per share (₹)	**136.84**	108.96

NOTE 43: EMPLOYEE BENEFITS

The Company has the following post-employment benefit plans:

A. Defined contribution plan

Contribution to defined contribution plan recognised as expense for the year is as under:

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Employer's contribution to provident fund	575.00	601.37

B. Defined benefit plans

Gratuity: The employees' gratuity fund scheme is funded with Life Insurance Corporation of India and managed by a Trust. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 43: EMPLOYEE BENEFITS (CONTD.)

The benefits in India are governed by the Code of Social Security, 2020. The key features are as under :

Benefits offered	15 / 26 x Salary x Duration of service
Salary definition	Last drawn Qualifying wages
Benefit ceiling	Benefit ceiling of ₹ 20 Lakhs is not applied
Vesting conditions	5 years of continuous service (not applicable in case of death / disability)
Benefit eligibility	Upon death or resignation / withdrawal or retirement
Retirement age	58, 60, 62 , 65 or 80 years

(i) Risks associated to the defined benefit plans:

a. Actuarial risk: Risks due to adverse salary growth / Variability in mortality and withdrawal rates.

b. Investment risk: Risks due to significant changes in discount rate during the inter-valuation year.

c. Liquidity risk: Risks on account of Employees resign/retire from the Company and as result strain on the cash flow arises.

d. Market risk: Risks related to changes and fluctuation of the financial markets and assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

e. Legislative risk: Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

(ii) Reconciliation of opening and closing balances of defined benefit obligation:

Currency: ₹ in Lakhs

Particulars	**Gratuity (funded)**	
	2025-26	**2024-25**
Defined benefit obligation at the beginning of the year	4,117.01	3,659.74
Recognised in statement of profit and loss:		
Current service cost	278.40	260.05
Past service cost	433.35	-
Interest cost	258.60	250.23
Actuarial (gain) / loss recognised in other comprehensive income:		
Due to change in financial assumptions	(179.29)	166.83
Due to change in demographic assumptions	-	(15.42)
Due to experience adjustments	(96.02)	(3.43)
Benefits paid from plan assets	(225.89)	(200.99)
Benefits paid by company	(146.88)	-
Defined benefit obligation at the end of the year	**4,439.28**	4,117.01

(iii) Reconciliation of opening and closing balances of fair value of plan assets:

Currency: ₹ in Lakhs

Particulars	**Gratuity (funded)**	
	2025-26	**2024-25**
Fair value of plan assets at the beginning of the year	3,721.27	3,402.48
Interest income	241.41	241.07
Return on plan assets excluding amounts included in interest income	46.76	21.45
Contributions by the employer	248.86	257.26
Benefits paid	(225.89)	(200.99)
Fair value of plan assets at the end of the year	**4,032.41**	3,721.27
Actual return on plan assets	**288.17**	262.52

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 43: EMPLOYEE BENEFITS (CONTD.)

(iv) Expense recognised during the year:

Currency: ₹ in Lakhs

Particulars	Gratuity (funded)	
	2025-26	**2024-25**
Current service cost	278.40	260.05
Net interest cost	17.19	9.16
Past service cost	433.35	-
Net cost recognised in statement of profit and loss	**728.94**	269.21
Components of actuarial (gains) / losses :		
Due to change in financial assumptions	(179.29)	166.83
Due to experience adjustments	(96.02)	(3.43)
Due to change in demographic assumptions	-	(15.42)
Return on plan assets excluding amounts included in interest income	(46.76)	(21.45)
Net cost recognised in other comprehensive (income) / expense	**(322.07)**	126.53

(v) Reconciliation of fair value of assets and obligations:

Currency: ₹ in Lakhs

Particulars	Gratuity (funded)	
	2025-26	**2024-25**
Present value of obligation	4,439.28	4,117.01
Fair value of plan assets	4,032.41	3,721.27
Net defined benefit liability at end of the year	**406.87**	395.74

(vi) Composition of plan assets:

Currency: ₹ in Lakhs

Particulars	Gratuity (funded)	
	2025-26	**2024-25**
Investment funds		
Insurance policies	100%	99%
Others	0%	1%
Total	**100%**	100%

(vii) Key actuarial assumptions:

Currency: ₹ in Lakhs

Particulars	Gratuity (funded)	
	2025-26	**2024-25**
Financial assumptions		
Discount rate	7.25%	6.70%
Expected rate of return on plan assets	7.25%	6.70%
Salary growth rate	8.50%	8.50%
Weighted average duration	7.12	8.35
Demographic assumptions		
Withdrawal rate		
Age band		
25 & below	13.00%	13.00%
25 to 35	7.00%	7.00%
35 to 45	4.00%	4.00%
45 to 55	3.00%	3.00%
55 & above	3.00%	3.00%
Mortality table	Indian assured lives mortality (2012-14)	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 43: EMPLOYEE BENEFITS (CONTD.)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

(viii) Sensitivity analysis:

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

Impact on defined benefit obligations - Gratuity:

Particulars	Increase in assumption		Decrease in assumption	
	2025-26	2024-25	2025-26	2024-25
Discount rate				
Change in assumption by 0.50%	(3.42%)	(4.05%)	3.66%	4.36%
Salary growth rate				
Change in assumption by 0.50%	3.59%	4.25%	(3.38%)	(3.99%)
Withdrawal rate				
Change in assumption by 10%	(0.16%)	(0.30%)	0.17%	0.30%

The Methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior year.

(ix) Maturity profile of the defined benefit obligation:

Currency: ₹ in Lakhs

Particulars	Gratuity (funded)	
	2025-26	2024-25
Age wise distribution of defined benefit obligation		
Age in years		
Less than 25	4.05	3.38
25 to 35	197.10	203.67
35 to 45	1,230.32	1,228.23
45 to 55	1,334.29	1,344.96
above 55	1,673.52	1,336.77
	4,439.28	4,117.01
Past service wise distribution of defined benefit obligation		
Service year in years		
0 to 4	104.84	71.17
4 to 10	320.25	283.73
10 to 15	466.17	581.17
15 and above	3,548.02	3,180.94
	4,439.28	4,117.01

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 43: EMPLOYEE BENEFITS (CONTD.)

C. Other long-term employee benefits

Leave encashment: The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The benefits are governed by the Company's leave policy. The key features are as under :

Salary for encashment	Last drawn basic salary for staff and Qualifying wages for workers
Salary for availment	Cost to company
Benefit event	Death or resignation or retirement or availment
Maximum accumulation	98
Benefit formula	(Leave days) x (Basic salary) / (Leave denominator)
Leave denominator	30
Leave credited annually	30
Retirement age	58, 60, 62 , 65 or 80 years

Key actuarial assumptions:

Particulars	**Leave encashment (funded)**	
	2025-26	**2024-25**
Financial assumptions		
Discount rate	7.25%	6.70%
Expected rate of return on plan assets	7.25%	6.70%
Salary growth rate	8.50%	8.50%
Demographic assumptions		
Withdrawal rate		
Age band		
25 & below	13.00%	13.00%
25 to 35	7.00%	7.00%
35 to 45	4.00%	4.00%
45 to 55	3.00%	3.00%
55 & above	3.00%	3.00%
Mortality table	**Indian assured lives mortality (2012-14)**	

Leave encashment expenses recognised during the year in the standalone statement of profit and loss amounts to ₹ 115.08 Lakhs (previous year ₹ 201.47 Lakhs)

D. Company's estimate of contributions expected to be paid during financial year 2026-27 is as under:

(i) Defined contribution plan:	
(a) Employer's contribution to provident fund	12% of salary
(ii) Defined benefit plan:	
(a) Gratuity	406.87
(iii) Other long-term employee benefits	
(a) Leave encashment	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 44: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
(a) Contingent liabilities		
Claims against the Company not acknowledged as debts:		
Central Excise, Service tax and Goods and Services tax	17.15	228.62
Income tax		
In High Court (Decision is received in favour of company in ITAT and Income Tax Department has appealed decision of ITAT in High Court)	28,943.41	11,473.81
In Income Tax Appellate Tribunal (ITAT)	-	17,469.60
In Commissioner of Income-tax (CIT)	7,933.79	4,129.01
Total Income tax	**36,877.20**	33,072.42
Sales tax / VAT	21.70	21.70
Guarantees:		
Outstanding bank guarantees	18,492.07	15,562.71
Outstanding corporate guarantees given to customers / Subsidiaries	11,307.12	2,373.24
Letter of Credit	1,542.97	142.28
Others matters including claims related to ESIC, Electricity and Ex-employees	599.26	599.26
	68,857.47	52,000.23
(b) Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	1,645.66	2,120.02
	1,645.66	2,120.02

Notes:

(i) Most of the issues of litigation pertaining to Central Excise/ Service tax / Income tax (including transfer pricing matters) are based on interpretation of the respective law & rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. Further, in several matters, the management has successfully defended their case at lower forums of adjudication. Accordingly, the management do not envisage any material impact on the standalone financials statements of the Company. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

(ii) Sales tax/VAT related litigation/demand primarily pertains to non submission of required declaration forms in time due to non-receipt of the same from customers and / or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.

(iii) Amounts mentioned above do not include possible interest / penalty from the date of the contested order till the balance sheet date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 45: ANTI- DUMPING DUTY

Brazil : Ministry of Development, Industry, Trade and Services Foreign Trade – Department of Trade Defense, Brazil (DECOM) on completion of the sun set review of Anti Dumping Duty decided in favour of the Company and issued an order to terminate the antidumping duty with effect from 13 June, 2024. Further, the Sun Set Review completed during the year on 02 December, 2025 for countervailing duty and same is reduced to 4.69% from 6.40% earlier.

USA : During the previous year ended 31 March, 2025, the Company and VEGA USA (wholly owned subsidiary) received a notice in relation to the investigations around alleged dumping and subsidising of certain grinding media from India based on complaint filed by Magotteux Inc. Post submission of required information, United States Department of Commerce announced its determination for cash deposit of Countervailing Duty at 3.16% and Anti-Dumping Duty at 6.91% which is effective from 12 June, 2025 on certain high chrome iron grinding media imported from India.

NOTE 46: RELATED PARTY DISCLOSURES

A List of related parties:

(i) Subsidiaries:

Sr. no.	Name of entity	Country of incorporation	% of holding as at 31 March, 2026	% of holding as at 31 March, 2025
Direct subsidiaries				
1	Welcast Steels Limited	India	74.85%	74.85%
2	Vega Industries (Middle East) F.Z.C.	U.A.E.	100.00%	100.00%
3	AIA CSR Foundation	India	100.00%	100.00%
Indirect subsidiaries				
4	Vega Middle East (DFTZ) FZE *	U.A.E.	100.00%	100.00%
5	Vega Industries Limited *	U.K.	100.00%	100.00%
6	Vega Industries Limited *	U.S.A.	100.00%	100.00%
7	Vega Steel Industries (RSA) Proprietary Limited #	South Africa	74.63%	74.63%
8	Wuxi Vega Trade Co. Limited *	China	100.00%	100.00%
9	PT. Vega Industries Indonesia **	Indonesia	100.00%	100.00%
10	Vega Industries Chile SpA *	Chile	100.00%	100.00%
11	AIA Ghana Limited *	Ghana	100.00%	100.00%
12	Vega Industries Australia Pty Ltd.*	Australia	100.00%	100.00%
13	Vega Industries Peru Limited**	Peru	100.00%	100.00%

* Wholly owned subsidiaries of Vega Industries (Middle East) F.Z.C., U.A.E.

** 99% of shares are held by Vega Industries (Middle East) F.Z.C., U.A.E. and balance 1% is held by AIA Engineering Limited.

Subsidiary of Vega Industries (Middle East) F.Z.C., U.A.E.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 46: RELATED PARTY DISCLOSURES (CONTD.)

(ii) Key managerial personnel ('KMP'):

Sr. no.	Name	Designation
1	Mr. Rajendra S.Shah	Chairman (Up to 20 April, 2026)
2	Mr. Bhadresh K. Shah #	Chairman & Managing Director (Chairman w.e.f. 21 April, 2026)
3	Mr. Yashwant M. Patel	Whole-time Director

Controlling party. Refer Note 21 for shareholding pattern.

(iii) Independent directors:

Sr. no.	Name
1	Mr. Rajendra S. Shah (Upto 11 September, 2024)
2	Mr. Sanjay S. Majmudar (Upto 11 September, 2024)
3	Mr. Dileep C. Choksi (Upto 11 September, 2024)
4	Mr. Rajan Harivallabhdas (Upto 23 September, 2025)
5	Mrs. Janaki Udayanbhai Shah
6	Mr. Piyush B.Shah (w.e.f. 09 September, 2024)
7	Mr. Udayan Dileep Choksi (w.e.f. 20 September, 2025)
8	Mr. Nitin C. Shukla (w.e.f. 30 January, 2026)
9	Mr. Malay Jayendra Dalal (w.e.f. 20 April, 2026)

(iv) Others:

Sr. no.	Name	Relationship
1	AIA Employee's Gratuity Trust Fund, India	Post employment benefit plan of AIA Engineering Limited
2	Mrs. Giraben K. Shah	Relatives of key managerial personnel
3	Mrs. Gitaben B. Shah	
4	Mrs. Khushali Samip Solanki *	
5	Mrs. Bhumika Shyamal Shodhan *	
6	Mr. Rajendra S. Shah (w.e.f. 13 September, 2024)	Non-Executive Director
7	Mr. Sanjay S. Majmudar (w.e.f. 13 September, 2024)	
8	AB Tradelink Private Limited	Enterprise over which key managerial personnel or close member of their family exercise control
9	Vee Connect Travels Private Limited	
10	Discus IT Private Limited	
11	Harsha Engineers International Limited	
12	Harsha Engineers Advantek Limited	
13	Cocoa Drama	

* Non-Executive director of the Company

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 46: RELATED PARTY DISCLOSURES (CONTD.)

B Details of related party transactions during the year.

(₹ in Lakhs)

Sr. no.	Nature of transaction	Subsidiaries		Key Managerial Personnel		Independent Directors/ Non Executive Director		Enterprise over which key managerial personnel or close member of their family exercise control		Relatives of key managerial personnel		Post employment benefit plan of the Company	
		31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025
1	Sale of products (inclusive of taxes)	2,15,348.41	1,76,950.47	-	-	-	-	28,872.35	30,074.80	-	-	-	-
2	Sale of asset (inclusive of taxes)	81.34	-	-	-	-	-	-	-	-	-	-	-
3	Recovery of freight charges	8,680.68	9,330.64	-	-	-	-	-	-	-	-	-	-
4	Corporate Guarantee Fees	130.21	46.90	-	-	-	-	-	-	-	-	-	-
5	Dividend received	14,863.89	14,767.33	-	-	-	-	-	-	-	-	-	-
6	Insurance premium on ECGC	285.32	299.28	-	-	-	-	-	-	-	-	-	-
7	Purchase of goods (inclusive of taxes)	1,102.45	1,087.24	-	-	-	-	2,895.04	2,765.59	-	-	-	-
8	Recovery of travelling expenses	41.93	33.62	-	-	-	-	-	-	-	-	-	-
9	Recovery of professional consultancy fees	29.50	502.75	-	-	-	-	-	-	-	-	-	-
10	Recovery of salary & allowances	114.16	-	-	-	-	-	-	-	-	-	-	-
11	Commission expense on sales	4.62	124.40	-	-	-	-	-	-	-	-	-	-
12	CSR expenses	1,305.00	619.55	-	-	-	-	-	-	-	-	-	-
13	Commission expense on purchases	-	-	-	-	-	-	111.45	116.98	-	-	-	-
14	SAP ERP functional and technical support	-	-	-	-	-	-	58.86	90.93	-	-	-	-
15	Salary, bonus and perquisites	-	-	-	-	-	-	-	-	1.54	1.54	-	-
16	Contribution to gratuity fund	-	-	-	-	-	-	-	-	-	-	248.86	257.26
17	Rent, rates and taxes	-	-	-	-	-	-	-	-	2.59	4.22	-	-
18	Travelling expenses	-	-	-	-	-	-	173.83	161.11	-	-	-	-
19	Drawing charges	24.35	-	-	-	-	-	-	-	-	-	-	-
20	Directors' remuneration and perquisites	-	-	140.24	151.06	-	-	-	-	-	-	-	-
21	Sitting fees paid	-	-	2.40	2.40	11.60	13.00	-	-	4.40	5.60	-	-
22	Commission to Directors	-	-	-	-	22.50	22.50	-	-	18.00	18.00	-	-
23	Corporate Guarantees Given	8,752.68	421.84	-	-	-	-	-	-	-	-	-	-
24	Other expenses	-	-	-	-	-	-	0.29	2.23	-	-	-	-
	Total	**2,50,764.54**	2,04,184.02	**142.64**	153.46	**34.10**	35.50	**32,111.82**	33,211.64	**26.53**	29.36	**248.86**	257.26
Outstanding balance receivable at year end		1,47,591.09	1,10,981.57	-	-	-	-	15,828.96	5,136.68	-	-	-	-
Outstanding balance payable at year end		573.43	156.44	6.63	6.63	20.25	20.25	140.93	212.47	1.44	0.41	406.87	395.74

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 46: RELATED PARTY DISCLOSURES (CONTD.)

C. Disclosures in respect of transactions with related parties during the year:

Currency: ₹ in Lakhs

Sr. no.	Nature of transaction	Name of related party	As at 31 March, 2026	As at 31 March, 2025
1	Sale of products (inclusive of taxes)	Vega Industries (Middle East) F.Z.C.	1,06,471.18	1,42,355.24
		Vega Middle East (DFTZ) FZE	1,08,797.00	33,527.51
		Welcast Steels Limited	80.23	1,067.72
		AB Tradelink Private Limited	28,872.35	30,074.80
2	Sale of asset (inclusive of taxes)	Vega Middle East (DFTZ) FZE	61.46	-
		Wuxi Vega Trade Co. Limited	19.88	-
3	Recovery of freight charges	Vega Industries (Middle East) F.Z.C.	3,528.55	7,034.63
		Vega Middle East (DFTZ) FZE	5,152.13	2,296.01
4	Corporate Guarantee Fees	Vega Industries (Middle East) F.Z.C.	46.31	46.90
		Wuxi Vega Trade Co. Limited	21.23	-
		Vega Industries Chile SpA	31.17	-
		Vega Industries Limited U.S.A.	31.50	-
5	Dividend received	Vega Industries (Middle East) F.Z.C.	14,863.89	14,755.39
		Welcast Steels Limited	-	11.94
6	Insurance premium on ECGC	Vega Industries (Middle East) F.Z.C.	285.32	299.28
7	Purchase of goods (inclusive of taxes)	Welcast Steels Limited	1,077.06	1,024.89
		Vega Industries Limited U.S.A.	-	32.04
		Wuxi Vega Trade Co. Limited	25.39	30.31
		Harsha Engineers International Limited	2,816.69	2,730.21
		Harsha Engineers Advantek Limited	78.35	35.38
8	Recovery of travelling expenses	Vega Industries (Middle East) F.Z.C.	41.93	33.62
9	Recovery of professional consultancy fees	Vega Industries (Middle East) F.Z.C.	29.50	502.75
10	Recovery of salary & allowances	Vega Industries (Middle East) F.Z.C.	114.16	-
11	Commission expense on sales	Vega Industries (Middle East) F.Z.C.	4.62	124.40
12	CSR expenses	AIA CSR Foundation	1,305.00	619.55
13	Commission expense on purchases	AB Tradelink Private Limited	111.45	116.98
14	SAP ERP functional and technical support	Discus IT Private Limited	58.86	90.93
15	Salary, bonus and perquisites	Mrs. Gitaben B. Shah	1.54	1.54
16	Contribution to gratuity fund	AIA Employee's Gratuity Trust Fund	248.86	257.26
17	Rent, rates and taxes	Mrs. Giraben K. Shah	2.59	4.22
18	Travelling expenses	Vee Connect Travel Private Limited	173.83	161.11
19	Drawing Charges	Vega Industries (Middle East) F.Z.C.	24.35	-
20	Directors' remuneration and perquisites	Mr. Bhadresh K. Shah	109.92	120.74
		Mr. Yashwant M. Patel	30.32	30.32

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 46: RELATED PARTY DISCLOSURES (CONTD.)

Currency: ₹ in Lakhs

Sr. no.	Nature of transaction	Name of related party	As at 31 March, 2026	As at 31 March, 2025
21	Sitting fees paid	Mr. Rajendra S. Shah	2.40	2.40
		Mr. Sanjay S. Majmudar	3.20	3.60
		Mr. Dileep C. Choksi	-	1.60
		Mr. Rajan Harivallabhdas	2.00	3.60
		Mrs. Janaki Udayanbhai Shah	2.60	2.60
		Mrs. Khushali Samip Solanki	2.00	2.80
		Mrs. Bhumika Shyamal Shodhan	2.40	2.80
		Mr. Piyush B.Shah	2.60	1.60
		Mr. Udayan Dileep Choksi	1.20	-
22	Commission to Directors	Mr.Sanjay S.Majmudar	22.50	22.50
		Mrs. Khushali Samip Solanki	18.00	18.00
23	Corporate Guarantees Given	Vega Industries (Middle East) F.Z.C.	-	421.84
		Wuxi Vega Trade Co. Limited	852.33	-
		Vega Industries Chile SpA	3,420.89	-
		Vega Industries Limited U.S.A.	4,479.46	-
24	Other expenses	Cocoa Drama	0.29	2.23

D The details of amounts due to or due from related parties as at 31 March are as follows:

Currency: ₹ in Lakhs

Sr. no.	Particulars	Name of related party	As at 31 March, 2026	As at 31 March, 2025
1	**Trade receivables**			
	(a) Subsidiaries	Vega Industries (Middle East) F.Z.C.	34,041.64	74,548.52
		Vega Middle East (DFTZ) FZE	1,12,370.40	32,772.30
		Wuxi Vega Trade Co. Limited	21.54	-
		Vega Industries Chile SpA	31.61	-
		Vega Industries Limited U.S.A.	31.50	-
		Welcast Steels Limited	-	25.13
			1,46,496.69	1,07,345.95
	(b) Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	15,828.96	5,136.68
			1,62,325.65	1,12,482.63
2	**Contractually Reimbursable Expenses**			
	(a) Subsidiaries	Vega Industries (Middle East) F.Z.C.	448.63	1,351.93
		Vega Middle East (DFTZ) FZE	634.12	2,272.50
			1,082.75	3,624.43
3	**Trade payables**			
	(a) Subsidiaries	Vega Industries (Middle East) F.Z.C.	136.41	124.40
		Vega Industries Limited U.S.A.	-	32.04
			136.41	156.44

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 46: RELATED PARTY DISCLOSURES (CONTD.)

Currency: ₹ in Lakhs

Sr. no.	Particulars	Name of related party	As at 31 March, 2026	As at 31 March, 2025
	(b) Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	4.64	6.48
		Harsha Engineers International Limited	96.50	197.10
		Harsha Engineers Advantek Limited	32.74	4.34
		Vee Connect Travels Private Limited	2.43	4.55
		Discus IT Private Limited	4.62	-
			140.93	212.47
	(c) Independent directors / Non Executive Director	Mr. Sanjay S. Majmudar	20.25	20.25
	(d) Relatives of key managerial personnel	Mrs. Giraben K. Shah	-	0.32
		Mrs. Gitaben B. Shah	0.09	0.09
			0.09	0.41
			297.68	389.57
4	**Provision for employee benefits**			
	Post employment benefit plan of the Company	AIA Employee's Gratuity Trust Fund, India	406.87	395.74
			406.87	395.74
5	**Advances**			
	(a) Subsidiaries	Wuxi Vega Trade Co. Limited	11.65	11.19
			11.65	11.19
6	**Bank guarantees**			
	(a) Subsidiaries	Vega Industries (Middle East) F.Z.C.	1,407.94	2,136.46
		Wuxi Vega Trade Co. Limited	938.63	-
		Vega Industries Chile SpA	3,575.69	-
		Vega Industries Limited U.S.A.	4,693.14	-
			10,615.40	2,136.46
7	**Other financial liabilities**			
	(a) Key managerial personnel	Mr. Bhadresh K. Shah	4.75	4.75
		Mr. Yashwant M. Patel	1.88	1.88
			6.63	6.63
	(b) Relatives of key managerial personnel	Mrs. Khushali Samip Solanki	**1.35**	-
	(c) Subsidiaries	Vega Industries (Middle East) F.Z.C.	437.02	-
			445.00	6.63

E **Breakup of compensation paid to key managerial personnel:**

Sr. no.	Particulars	Name of key managerial personnel	As at 31 March, 2026	As at 31 March, 2025
1	Short-term employee benefits	Mr. Bhadresh K. Shah	109.92	120.74
		Mr. Yashwant M. Patel	30.32	30.32
			140.24	151.06

Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Standalone financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis. No amount has been recognised as bad or doubtful in respect of transactions with the related parties. Refer Note 48.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 47: OPERATING SEGMENTS

(a) Information about reportable segment:

The Company operates mainly in manufacturing of High Chrome Mill Internals (Castings) and all other activities are incidental thereto, which have similar risk and return, accordingly, there are no separate reportable Segment.

(b) Information about geographical segment:

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographical location of assets.

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
(1). Revenues from external customers including operating revenue:		
India	1,57,352.02	1,49,005.48
U.A.E.	2,15,761.08	1,75,882.75
Others	3,172.52	23,756.53
(2). Non-current assets (excluding financial assets and tax assets).:		
India	**1,24,751.59**	1,25,668.12

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
(a) Breakup of revenues :		
Revenue from operations	3,69,854.03	3,42,564.41
Other operating revenue	6,431.59	6,080.35
(b). Non-current assets		
Non-current assets (excluding financial instruments and tax assets). All non-current assets of the Company are located in India	1,24,751.59	1,25,668.12

There are no transactions with a single customer which amounts to 10% or more of the Company's revenue other than Vega Industries (Middle East) F.Z.C. and Vega Middle East (DFTZ) FZE.(refer note 46 C).

NOTE 48: The Company's international transactions with associated enterprises are at arm's length, as per the independent accountant's report for the year ended 31 March, 2025. The management believes that the Company's international transactions with associated enterprises post 31 March, 2025 continue to be at arm's length and that transfer pricing legislations will not have any impact on the standalone financial statements, particularly on the amount of tax expenses for the financial year 2025-26 and the amount of provision for taxation as at 31 March, 2026.

NOTE 49: FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk, market risk and commodity risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the Finance team and experts who provide assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to protect the Company's financial results and position from financial risks, maintain market risks within the acceptable parameters while optimising returns and protect the Company's financial investments while maximising returns.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk in the financial statements.

Nature of risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis Credit rating	Credit limit set and aging analysis protect Company from potential losses due to excess credit to the customers. Further the Company has also obtained ECGC insurance cover for export sales.
Liquidity risk	Borrowing and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - foreign exchange	Future commercial transactions recognized financial assets and liabilities not denominated in INR	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts.
Commodity risk	Purchase of raw material	Fluctuation in imported metal scrap and ferro chrome prices and currency rates	Procurement and inventory strategy

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle the obligation as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. Customer wise limits are set accordingly.

The Company considers the probability of default of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

(i) Actual or expected significant adverse changes in business

(ii) Actual or expected significant changes in the operating results of the counterparty

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

(iv) Significant increase in credit risk on other financial instruments of the same counterparty.

The Company categorises financial assets based on the assumptions, inputs and factors specific to the class of financial asset into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit impaired.

Financial assets are written off only when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company considers a loan or receivable for write off review when it pasts greater than one year from due date. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the standalone statement of profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)

Provision for expected credit losses:

Description of category	Category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade receivables
Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	High-quality assets, negligible credit risk	12 month expected credit losses	12 month expected credit losses	Life time expected credit losses (simplified approach)
Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.	Quality assets, low credit risk	12 month expected credit losses	12 month expected credit losses	
Assets where the probability of default is moderate, counter-party where the capacity to meet the obligations is not strong.	Standard assets, moderate credit risk	12 month expected credit losses	12 month expected credit losses	
Assets where there has been a significant increase in credit risk since initial recognition where payments are more than 360 days past due	Substandard assets, relatively high credit risk	Life time expected credit losses	Life time expected credit losses	
Assets where there is a high probability of default. It includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 360 days past due.	Low quality assets, very high credit risk	Life time expected credit losses	Life time expected credit losses	
Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company.	Doubtful assets, credit impaired	Asset is written off		

Movement in allowance for impairment of Trade receivables is as below:

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Balance at the Beginning	122.11	53.66
Impairment loss / (reversal)	581.10	68.45
Balance at the end	**703.21**	122.11

Loss allowance as on 31 March, 2026 and 31 March, 2025 was determined as follows :

As at 31 March, 2026	Weighted Average Loss Rate	Gross Carrying Amount	Loss allowance
Unbilled	0.00%	-	-
Not Due	0.02%	28,134.92	6.23
Less than 6 months	0.09%	9,879.23	8.96
6 months - 1 year	2.58%	686.04	17.68
1-2 years	20.49%	210.60	43.16
2-3 years	94.31%	579.61	546.63
More than 3 years	87.53%	92.03	80.55
Gross carrying amount - Direct Customer		39,582.43	703.21
Gross carrying amount - Subsidiary	0.00%	1,46,496.69	-
Total Gross carrying amount		**1,86,079.12**	**703.21**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)

Currency: ₹ in Lakhs

As at 31 March, 2025	Weighted Average Loss Rate	Gross Carrying Amount	Loss allowance
Unbilled	0.00%	-	-
Not Due	0.02%	18,217.40	3.62
Less than 6 months	0.03%	9,577.07	2.69
6 months - 1 year	0.80%	339.09	2.71
1-2 years	2.91%	633.56	18.42
2-3 years	23.98%	100.83	24.18
More than 3 years	76.59%	92.03	70.49
Gross carrying amount - Direct Customer		28,959.98	122.11
Gross carrying amount - Subsidiary	0.00%	1,07,345.95	-
Total Gross carrying amount		**1,36,305.93**	**122.11**

Expected credit loss for loans and deposits:

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31 March, 2026					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	13,210.11	-	-	13,210.11
	Deposits	718.19	-	-	718.19
Loss allowance measured at life time expected credit losses:					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-
As at 31 March, 2025					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	13,136.02	-	-	13,136.02
	Deposits	766.66	-	-	766.66
Loss allowance measured at life time expected credit losses:					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-

Expected credit loss for trade receivables under simplified approach:

Ageing of trade receivables as at year end:

(₹ in Lakhs)

From due date of invoice	As at 31 March, 2026	As at 31 March, 2025
Not due	1,22,425.58	93,685.17
0 - 3 months	37,188.64	19,004.66
3 - 6 months	15,334.32	17,568.04
6 - 12 months	9,843.64	4,878.51
Beyond 12 months	1,286.94	1,169.55
Gross carrying amount	1,86,079.12	1,36,305.93
Expected credit loss	(703.21)	(122.11)
Net carrying amount	**1,85,375.91**	1,36,183.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. Maturity groupings for Liquidity risk relating to lease liabilities (without discounting) is as under:

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
0-1 Year	385.62	393.67
2-5 Years	694.34	209.39
Above 5 Years	255.27	-
	1,335.23	603.06

Financing arrangements

The Company had access to following undrawn borrowing facilities as at year end:

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Fund and non-fund based facilities	**1,20,464.96**	1,30,295.02

The table below analyses derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining year from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Currency: ₹ in Lakhs

Particulars	0-1 years	1-5 years	Total
As at 31 March, 2026			
Non-derivative financial liabilities			
Short term borrowings	-	-	-
Trade payables	14,691.98	-	14,691.98
Other financial liabilities	2,575.47	-	2,575.47
Total	**17,267.45**	**-**	**17,267.45**
Derivative financial liabilities			
Derivatives	284.53	-	284.53
As at 31 March, 2025			
Non-derivative financial liabilities			
Short term borrowings	48,500.00	-	48,500.00
Trade payables	14,290.99	-	14,290.99
Other financial liabilities	2,466.36	-	2,466.36
Total	**65,257.35**	**-**	**65,257.35**
Derivative financial liabilities			
Derivatives	47.38	-	47.38

Note: Guarantees issued by the Company aggregating to ₹ 10,615.40 Lakhs (previous year: ₹ 2136.46 Lakhs) on behalf of subsidiaries are with respect to borrowing limits obtained by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiary have any outstanding borrowing and hence the Company does not have any present obligation to third parties in relation to such guarantees.

Market risk - interest rate

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimise the Company's position with regards 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 fixed rate and floating rate financial instruments in its total portfolio.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)

Exposure to interest rate risk

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Borrowings bearing fixed rate of interest	-	-
Borrowings bearing variable rate of interest	-	48,500.00

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax:

Currency: ₹ in Lakhs

Movement - effects on profit before tax	Year ended 31 March, 2026	Year ended 31 March, 2025
50 bp increase-decrease in profits	-	(242.50)
50 bp decrease-increase in profits	-	242.50

Market risk - Foreign currency risk

The Company operates internationally and large portion of the business is transacted in several currencies. Consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Exports of the Company are significantly higher in comparison to its imports. As a policy the Company does not cover the foreign exchange requirements for its imports and the same is managed from the export earnings in foreign currency. Foreign currency exchange rate exposure for exports is managed by prudent hedging policy.

Foreign currency exposure:

Currency: ₹ in Lakhs

Particulars	USD	EURO	ZAR	CAD	AUD	GBP
As at 31 March, 2026:						
Trade receivables (net of hedge) (a)	11,16,91,887	1,07,76,452	2,36,83,566	-	1,36,87,895	-
Bank balances in EEFC accounts (b)	12,74,185	1,52,993	50	42	13,98,834	-
Exposure to foreign currency risk (assets) (a+b)	11,29,66,072	1,09,29,445	2,36,83,616	42	1,50,86,729	-
Trade payables (c)	12,18,150	1,50,705	-	7,278	6,79,339	24,682
Foreign currency loans (d)	-	-	-	-	-	-
Exposure to foreign currency risk (liabilities) (c+d)	12,18,150	1,50,705	-	7,278	6,79,339	24,682
As at 31 March, 2025:						
Trade receivables (net of hedge) (a)	8,84,60,753	1,21,68,028	3,77,58,004	-	1,50,51,751	-
Bank balances in EEFC accounts (b)	58,22,888	21,60,315	300	42	16,51,005	-
Exposure to foreign currency risk (assets) (a+b)	9,42,83,641	1,43,28,343	3,77,58,304	42	1,67,02,755	-
Trade payables (c)	12,64,012	2,24,065	-	7,186	-	74,009
Foreign currency loans (d)	-	-	-	-	-	-
Exposure to foreign currency risk (liabilities) (c+d)	12,64,012	2,24,065	-	7,186	-	74,009

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)

Foreign currency risk sensitivity

Particulars	Movement (%)		Effect on profit before tax		Effect on equity net of tax	
	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025
USD sensitivity						
INR / USD- increase by	1.00	1.00	1,048.90	794.93	837.99	635.09
INR / USD- decrease by	1.00	1.00	(1,048.90)	(794.93)	(837.99)	(635.09)
Euro sensitivity						
INR / Euro- increase by	1.00	1.00	116.51	130.11	93.08	103.95
INR / Euro- decrease by	1.00	1.00	(116.51)	(130.11)	(93.08)	(103.95)
ZAR sensitivity						
INR / ZAR- increase by	1.00	1.00	13.01	17.55	10.39	14.02
INR / ZAR- decrease by	1.00	1.00	(13.01)	(17.55)	(10.39)	(14.02)
CAD sensitivity						
INR / CAD- increase by	1.00	1.00	(0.05)	(0.04)	(0.04)	(0.03)
INR / CAD- decrease by	1.00	1.00	0.05	0.04	0.04	0.03
AUD sensitivity						
INR / AUD- increase by	1.00	1.00	92.68	89.00	74.05	71.10
INR / AUD- decrease by	1.00	1.00	(92.68)	(89.00)	(74.05)	(71.10)
GBP sensitivity						
INR / GBP- increase by	1.00	1.00	(0.31)	(0.82)	(0.24)	(0.65)
INR / GBP- decrease by	1.00	1.00	0.31	0.82	0.24	0.65

The following significant exchange rates have been applied during the year

Rupees	Average rate		Year-end spot rate	
	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025
USD	88.05	84.43	93.86	85.46
EUR	101.70	90.51	108.09	92.25
ZAR	5.06	4.61	5.49	4.65
CAD	63.64	60.79	67.26	59.43
GBP	117.79	107.74	123.75	110.18
AUD	57.95	54.99	64.33	53.28
AED	23.98	22.99	25.56	23.27
CNY	12.36	11.71	13.61	11.76
RUB	1.11	0.89	1.15	1.01
CLP	0.09	0.09	0.10	0.09
IDR	0.01	0.01	0.01	0.01
GHS	7.59	5.60	8.55	5.53
SOL	25.21	22.61	26.87	23.32

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forwards to mitigate the risk of changes in exchange rate on foreign currency exposures relating to the underlying transactions and firm commitments. The counterparty for these contracts are banks. These derivative financial instruments are generally with a maturity up to 1 year. The Company does not enter into any derivative instruments for trading or speculative purposes.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)

Cash flow hedge:

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency - sold/bought	Exposure to buy/sell	No. of contracts	Net position		Fair value gain/(loss) in cash flow hedge reserve
			Foreign currency	₹ in Lakhs	₹ in Lakhs
31 March, 2026					
USD / INR	Sell	59	1,57,50,000	14,783.37	(281.65)
AUD / INR		26	53,50,000	3,441.72	(28.89)
EURO/INR		16	26,00,000	2,810.38	26.01
					(284.53)
		Less : Deferred tax			(71.62)
		Balance in cash flow hedge reserve			**(212.91)**
31 March, 2025					
USD / INR	Sell	157	1,65,12,500	14,111.33	(87.90)
AUD/INR		34	52,00,000	2,770.77	223.88
					135.98
		Less : Deferred tax			34.22
		Balance in cash flow hedge reserve			101.76

The movement of cash flow hedges in other comprehensive income is as follows:

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Balance at the beginning of the year (net of tax)	101.76	248.43
Change in the fair value of effective portion of cash flow hedges in Other comprehensive income (net of tax)	(314.67)	(146.67)
Balance at the end of the year (net of tax)	**(212.91)**	101.76

Commodity Risk

Principal raw material for Company's products are metal scrap and ferro chrome. Company sources its raw material requirement from domestic and international markets. Domestic market price generally remains in line with international market prices. Volatility in metal prices, currency fluctuation of rupee viz a viz other prominent currencies coupled with demand-supply scenario in the world market affect the effective price of scrap and ferrous metal. Company effectively manages availability of material as well as price volatility through:

(i) widening its sourcing base;

(ii) appropriate contracts with vendors and customers and commitments;

(iii) well planned procurement and inventory strategy.

Risk committee of the Company has developed and enacted a risk management strategy regarding commodity price risk and its mitigation

Consumption details of Metal scrap and Ferro chrome:

Particulars	(Qty. in MT)	
	2025-26	2024-25
Metal scrap	1,95,140	1,86,462
Ferro chrome	60,384	58,068

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 49: FINANCIAL RISK MANAGEMENT (CONTD.)

Commodity price sensitivity:

Increase / (decrease) in prices of metal scrap / ferro chrome by Re. 1 per kg would have following impact on profit before tax:

Currency: ₹ in Lakhs

Particulars	2025-26	2024-25
₹ 1 increase in commodity price	(2,555.24)	(2,445.30)
₹ 1 decrease in commodity price	2,555.24	2,445.30

Capital Management

A. The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders.
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the following debt equity ratio:

Currency: ₹ in Lakhs

Particulars	2025-26	2024-25
Debt	-	48,500.00
Total equity	7,84,282.24	6,70,620.97
Debt to total equity	-	0.07

Company believes in conservative leverage policy. Company's capital expenditure plan over the medium term shall be largely funded through internal accruals.

B. The Company follows the policy of Dividend for every financial year as may be decided by the Board considering financial performance of the Company and other internal and external factors enumerated in the Company's dividend policy such as reinvestment of capital in business. Company's Dividend policy is to distribute 10-25% of its consolidated net profit as dividend.

NOTE 50: FAIR VALUE MEASUREMENTS

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

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

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

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

A. Financial assets:

Currency: ₹ in Lakhs

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March, 2026						
Non-current investments #	8	81.02	-	-	81.02	81.02
Current investments	15	4,07,535.05	4,226.16	-	4,11,761.21	4,11,761.21
Trade receivables	9,16	-	-	1,85,375.91	1,85,375.91	-
Loans	10,18	-	-	13,210.11	13,210.11	-
Cash and cash equivalents	17	-	-	5,170.32	5,170.32	-
Bank balances other than above	17	-	-	740.90	740.90	-
Other financial assets	11,19	-	-	3,452.79	3,452.79	-
Total		**4,07,616.07**	**4,226.16**	**2,07,950.03**	**6,19,792.26**	**4,11,842.23**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 50: FAIR VALUE MEASUREMENTS (CONTD.)

Currency: ₹ in Lakhs

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March, 2025						
Non-current investments[#]	8	76.78	-	-	76.78	76.78
Current investments	15	3,62,262.12	16,912.46	-	3,79,174.58	3,79,174.58
Trade receivables	9,16	-	-	1,36,183.82	1,36,183.82	-
Loans	10,18	-	-	13,136.02	13,136.02	-
Cash and cash equivalents	17	-	-	10,053.11	10,053.11	-
Bank balances other than above	17	-	-	3,927.42	3,927.42	-
Other financial assets	11,19	-	-	8,367.69	8,367.69	-
Total		**3,62,338.90**	**16,912.46**	**1,71,668.06**	**5,50,919.42**	**3,79,251.36**

Investments in subsidiaries classified as equity investments. Since these are out of scope of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the above table. Investments in unquoted equity shares of entities other than subsidiaries have been designated as FVTPL and such investment upon sale is only going to fetch the principle amount invested and hence the management considers cost and fair value to be the same.

B. Financial liabilities:

Currency: ₹ in Lakhs

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March, 2026						
Borrowings	26	-	-	-	-	-
Trade payables	28	-	-	14,691.98	14,691.98	-
Other financial liabilities	29	284.53	-	2,575.47	2,860.00	284.53
Total		**284.53**	**-**	**17,267.45**	**17,551.98**	**284.53**
As at 31 March, 2025						
Borrowings	26	-	-	48,500.00	48,500.00	-
Trade payables	28	-	-	14,290.99	14,290.99	-
Other financial liabilities	29	47.38	-	2,466.36	2,513.74	47.38
Total		**47.38**	**-**	**65,257.35**	**65,304.73**	**47.38**

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

Currency: ₹ in Lakhs

Particulars	Note	Fair value	Level 1	Level 2	Level 3
As at 31 March, 2026					
Financial assets					
Current investments	15				
Investments in mutual funds (quoted)		3,65,708.80	3,65,708.80	-	-
Investments in bonds (quoted)		36,894.89	36,894.89	-	-
Investment in government securities (quoted)		8,857.52	8,857.52	-	-
Investment in Triparty Repo Dealing and Settlement (TREPS)		300.00	300.00	-	-
As at 31 March, 2025					
Financial assets					
Current investments	15				
Investments in mutual funds (quoted)		2,71,953.03	2,71,953.03	-	-
Investments in bonds (quoted)		42,956.49	42,956.49	-	-
Investment in government securities (quoted)		64,265.06	64,265.06	-	-

Note: During the year, there has not been any transfer of any financial assets or financial liabilities between level 1 and level 2.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 51 : AGEING OF NON-CURRENT TRADE RECEIVABLES

As at 31 March, 2026

Currency: ₹ in Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	-	-	-	4.92	0.04	0.87	5.83
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	508.91	-	508.91
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**4.92**	**508.95**	**0.87**	**514.74**
Less: Allowance for expected credit loss	-	-	-	-	-	(508.91)	-	(508.91)
Total	**-**	**-**	**-**	**-**	**4.92**	**0.04**	**0.87**	**5.83**

As at 31 March, 2025

Currency: ₹ in Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	-	22.82	2.19	1.78	0.12	0.90	27.81
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**22.82**	**2.19**	**1.78**	**0.12**	**0.90**	**27.81**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 52 : AGEING OF CURRENT TRADE RECEIVABLES

As at 31 March, 2026

Currency: ₹ in Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	1,22,425.58	52,522.96	9,843.64	610.38	70.66	62.05	1,85,535.27
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	29.11	29.11
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**1,22,425.58**	**52,522.96**	**9,843.64**	**610.38**	**70.66**	**91.16**	**1,85,564.38**
Less: Allowance for expected credit loss	-	(6.23)	(8.96)	(17.68)	(43.16)	(37.72)	(80.55)	(194.30)
Total	**-**	**1,22,419.35**	**52,514.00**	**9,825.96**	**567.22**	**32.94**	**10.61**	**1,85,370.08**

As at 31 March, 2025

Currency: ₹ in Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	93,685.17	36,549.88	4,876.32	974.91	100.71	33.53	1,36,220.52
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	57.60	57.60
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**93,685.17**	**36,549.88**	**4,876.32**	**974.91**	**100.71**	**91.13**	**1,36,278.12**
Less: Allowance for expected credit loss	-	(3.62)	(2.69)	(2.71)	(18.42)	(24.18)	(70.49)	(122.11)
Total	**-**	**93,681.55**	**36,547.19**	**4,873.61**	**956.49**	**76.53**	**20.64**	**1,36,156.01**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 53 : AGEING OF TRADE PAYABLES

As at 31 March, 2026

Currency: ₹ in Lakhs

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	3,326.82	289.87	-	-	-	3,616.69
(ii) Others	1,159.19	5,079.45	4,697.04	98.60	22.53	18.48	11,075.29
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	**1,159.19**	**8,406.27**	**4,986.91**	**98.60**	**22.53**	**18.48**	**14,691.98**

As at 31 March, 2025

Currency: ₹ in Lakhs

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2,026.62	86.82	-	-	-	2,113.44
(ii) Others	901.58	8,834.04	2,261.39	141.13	35.39	4.02	12,177.55
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	**901.58**	**10,860.66**	**2,348.21**	**141.13**	**35.39**	**4.02**	**14,290.99**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 54: CORPORATE SOCIAL RESPONSIBILITY ('CSR') EXPENSES

Based on the guidance note on Accounting for Expenditure on Corporate Social Responsibility Activities (CSR) issued by the Institute of Chartered Accountants of India and Section 135 of the Companies Act, 2013, read with rules made thereunder, the Company has incurred the following expenditure on CSR activities for the year ended 31 March:

Currency: ₹ in Lakhs

Sr. no.	Particulars	As at 31 March, 2026	As at 31 March, 2025
1	Corporate Social Responsibility expenses for the year	2,419.48	2,096.55
2	Various Head of expenses included in above:		
	Eradicating hunger, poverty and malnutrition	31.00	46.00
	Promoting healthcare including preventing health care	127.00	154.00
	Promoting education	931.00	1,211.00
	Heritage, art and culture	17.00	33.00
	Contributions to Indian Institute of Technology (IITs)	-	-
	Protection of environment and Animal welfare	8.00	28.00
	Promotion of sports	-	5.00
	Contribution to PM CARES Fund	0.48	-
	Contribution to AIA CSR Foundation as per Schedule 7 of the Companies Act, 2013 (refer 3 below)	1,305.00	619.55
	Gross amount required to be spent by the Company during the year	**2,419.48**	**2,096.55**
	Amount spent during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) on purposes other than (i) above	2,419.48	2,096.55
3	Details of Related party transactions	1,305.00	619.55
4	Provision for CSR Expenses		
	Opening balance	-	-
	Add : Provision created during the year	-	-
	Less : Provision utilised during the year	-	-
	Closing balance	-	-
5	The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	-	-
6	The total of previous years' shortfall amounts	-	-
7	The reason for above shortfalls by way of a note	Not Applicable	
8	The nature of CSR activities undertaken by the Company	As per Schedule VII of the Companies Act, 2013	

NOTE 55: RATIOS

Particulars	As at 31 March, 2026	As at 31 March, 2025	Variance	Remarks
Liquidity Ratio				
(a) Current Ratio (times)	30.42	9.15	232.49%	Increase on account of repayment of borrowing.
Solvency Ratio				
(a) Debt-Equity Ratio (times)	-	0.07	-100.00%	Decrease on account of repayment of borrowing.
(b) Debt Service Coverage Ratio (times)	35.72	58.52	-38.96%	Decrease on account of increase in interest on borrowings.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 55: RATIOS (CONTD.)

Particulars	As at 31 March, 2026	As at 31 March, 2025	Variance	Remarks
Profitability ratio				
(a) Net Profit Ratio (%)	34.53	29.82	15.79%	Refer Note 1
(b) Return on Equity Ratio (%)	17.55	15.52	13.09%	Refer Note 1
(c) Return on Capital employed (%)	20.64	18.37	12.32%	Refer Note 1
(d) Return on Investment (%)	6.94	7.34	-5.52%	Refer Note 1
Utilisation Ratio				
(a) Trade Receivables turnover ratio (times)	2.00	2.52	-20.68%	Refer Note 1
(b) Inventory turnover ratio (times)	5.65	5.23	8.00%	Refer Note 1
(c) Trade payables turnover ratio (times)	17.22	15.98	7.74%	Refer Note 1
(d) Net capital turnover ratio (times)	0.55	0.62	-10.93%	Refer Note 1

Note 1 : For variances below 25% explanation not required

Sr. no.	Ratio	Numerator	Denominator
1	Current Ratio	Current Assets	Current Liability
2	Debt-equity ratio	Total Debt	Total Equity
3	Debt service coverage ratio	Net Profit after Tax + Depreciation + Interest + Loss on sale of Fixed Assets	Interest & Lease Payments + Principal Repayments
4	Net profit ratio	Profit after Tax	Total Sales
5	Return on equity ratio	Profit after Tax	Average Equity
6	Return on capital employed	Earnings before Interest and Tax	Capital Employed = Tangible Net worth + Total Debt + Deferred Tax Liability
7	Return on investment	Income generated from invested funds	Average invested funds in treasury investments
8	Trade receivables turnover ratio	Total Sales	Trade Receivables
9	Inventory turnover ratio	Total Sales	Average Inventory
10	Trade payables turnover ratio	Raw Material and Stores Purchase and Other Expenses (Excluding CSR, lease rent, Bad debts, Donation, Warranty Expenses and Loss on sale of Fixed Assets, Allowance for expected credit loss (net), Fair value loss on Interest rate swap)	Trade Payables
11	Net capital turnover ratio	Net Sales	Working Capital

NOTE 56: RELATIONSHIP WITH STRUCK OFF COMPANIES

Currency: ₹ in Lakhs

Sr. no.	Name of struck of companies	Nature of transaction	Gross Balance Outstanding		Relationship with struck off company
			As at 31 March, 2026	As at 31 March, 2025	
1	Grippon Profiles & Engg Private Limited (Advance was given in March 2014 and legal case is filed against vendor)	Purchase	**4.43**	4.43	None

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 57 (a) : 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 57 (b) : In accordance with the requirements stipulated under the provisions of Companies Act, 2013 for audit trail feature being tampered with, service provider has initiated the required improvements and configuration changes to enable edit logs of audit trail for financially relevant tables.

As per our report of even date attached

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 26 May, 2026

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

BHADRESH K. SHAH
Chairman & Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 26 May, 2026

SANJAY S. MAJMUDAR
Director
(DIN : 00091305)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 26 May, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of

AIA ENGINEERING LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of AIA Engineering Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture, which comprise the consolidated balance sheet as at 31 March 2026, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and a joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2026, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTER

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

REVENUE RECOGNITION FROM SALE OF PRODUCTS

See Note 3(j) and Note 33 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue of the Group mainly comprises of sale of products (i.e. high chrome mill internals) to its customers. Revenue from sale of goods is recognized when control is transferred to the customer. This requires detailed analysis of each customer contract regarding timing of revenue recognition. Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer. There is also a risk of revenue being overstated through booking fictitious sales from new customers during the year as well as at thereporting period end.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessing the Group's accounting policies for revenue recognition by comparing with the applicable accounting standards; • Testing the design, implementation and operating effectiveness of key internal controls over recognition of revenue from sale of products; • Testing of revenue recognized during the year by selecting samples, through statistical sampling, and verifying the underlying customer contracts and proof of dispatch/delivery in accordance with the contractual terms agreed with the customers; • Testing of revenue recognized near the year-end, through specific testing of high value samples and statistical sampling, to verify only revenue pertaining to current year is recognized based on underlying documents along with terms and conditions set out in customer contracts;

INDEPENDENT AUDITOR'S REPORT (Contd.)

The key audit matter	How the matter was addressed in our audit
Accordingly, revenue recognition is a key audit matter.	• Understanding the Company's process for identifying, recording and disclosing related parties and related party transactions; • Testing the underlying data for ascertaining arm's length pricing and sighting the approvals of the Audit Committee for related party transactions; • Evaluating the adequacy of the consolidated financial statement disclosures.

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon.

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

INDEPENDENT AUDITOR'S REPORT (Contd.)

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated

INDEPENDENT AUDITOR'S REPORT (Contd.)

in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

a. We did not audit the financial statements of 12 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 3,09,355.53 lakhs as at 31 March 2026, total revenues (before consolidation adjustments) of Rs. 4,08,098.75 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 16,581.45 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income, before consolidation adjustments) of Rs. 1,778.97 lakhs for the year ended 31 March 2026, in respect of a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and a joint venture is based solely on the reports of the other auditors.

   Certain of these subsidiaries and a joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and a joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and a joint venture located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

b. The financial information of one subsidiary, whose financial information reflect total assets (before consolidation adjustments) of Rs. 1,532.92 lakhs as at 31 March 2026, total revenues (before consolidation adjustments) of Rs. 2,044.55 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 262.67 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. This unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information are not material to the Holding Company.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

INDEPENDENT AUDITOR'S REPORT (Contd.)

2A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries incorporated in India as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated 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 on 31 March 2026 and 02 April 2026 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and a joint venture, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2026 on the consolidated financial position of the Group and its joint venture. Refer Note 44 (a) to the consolidated financial statements.

b. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2026.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2026.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies

INDEPENDENT AUDITOR'S REPORT (Contd.)

respectively that, to the best of their knowledge and belief, as disclosed in the Note 47 (a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 47 (a) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 22 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks and procedures performed by the respective auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiary companies have used accounting softwares for maintaining the books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares.

Further, for the period audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with except for the accounting software relating to payroll process at the service organisation, for the Holding Company, where we are unable to comment on whether the audit trail feature was tampered with, in absence of the necessary logs being enabled at the service organization basis the comment by independent auditor in their report - refer note 47 (b) to the consolidated financial statements.

Additionally, where audit trail (edit log) facility was enabled and operated in the previous years, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies 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.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

RUPEN SHAH
Partner
Membership No.: 116240
ICAI UDIN:26116240GKNDIN5425

Place: Ahmedabad
Date: 26 May 2026

ANNEXURE A to the Independent Auditor's Report on the Consolidated Financial Statements of AIA Engineering Limited for the year ended 31 March, 2026

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

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has certain remarks given by its auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable
1	Welcast Steels Limited	L27104GJ1972PLC085827	Subsidiary	Clause (xvii) of the CARO report

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

RUPEN SHAH
Partner
Membership No.: 116240
ICAI UDIN:26116240GKNDIN5425

Place: Ahmedabad
Date: 26 May 2026

ANNEXURE B to the Independent Auditor's Report on the consolidated financial statements of AIA Engineering Limited for the year ended 31 March, 2026

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

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

OPINION

In conjunction with our audit of the consolidated financial statements of AIA Engineering Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AIA ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

RUPEN SHAH
Partner
Membership No.: 116240
ICAI UDIN:26116240GKNDIN5425

Place: Ahmedabad
Date: 26 May 2026

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2026

Currency: ₹ in Lakhs

Particulars	Note	As at 31 March, 2026	As at 31 March, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,14,345.86	1,09,410.50
(b) Right of use assets	5	6,462.23	5,779.61
(c) Capital work-in-progress	6	1,589.21	7,694.88
(d) Goodwill	7	460.69	460.69
(e) Goodwill on consolidation	7	1,528.79	1,528.79
(f) Other intangible assets	7	506.03	330.39
(g) Financial assets			
(i) Investments	8	14,210.31	9,347.44
(ii) Trade receivables	9	5.83	27.81
(iii) Loans	10	224.02	221.12
(iv) Other financial assets	11	1,029.45	796.02
(h) Deferred tax assets	41 (b)	561.41	93.08
(i) Other tax assets (net)	12	59.19	1,143.56
(j) Other non-current assets	13	3,192.11	3,079.38
Total non-current assets		**1,44,175.13**	**1,39,913.27**
Current assets			
(a) Inventories	14	1,25,626.62	1,01,680.38
(b) Financial assets			
(i) Investments	15	4,15,997.62	3,82,506.78
(ii) Trade receivables	16	1,16,860.79	82,637.89
(iii) Cash and cash equivalents	17	21,506.40	39,710.87
(iv) Bank balances other than (iii) above	17	879.73	4,042.91
(v) Loans	18	13,085.65	13,010.93
(vi) Other financial assets	19	1,766.45	4,554.39
(c) Other current assets	20	13,901.17	15,349.95
Total current assets		**7,09,624.43**	**6,43,494.10**
Total assets		**8,53,799.56**	**7,83,407.37**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	21	1,866.41	1,866.41
(b) Other equity	22	8,00,668.42	6,90,833.43
Equity attributable to owners of the Company		8,02,534.83	6,92,699.84
(c) Non-controlling interest		887.53	1,007.94
Total equity		**8,03,422.36**	**6,93,707.78**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	23	727.71	200.38
(b) Other non-current liabilities	24	514.58	-
(c) Provisions	25	1,586.61	1,049.56
(d) Deferred tax liabilities (net)	41(b)	10,366.61	9,661.44
Total non-current liabilities		**13,195.51**	**10,911.38**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	-	48,500.00
(ii) Lease Liabilities	27	298.96	356.44
(iii) Trade payables	28		
Total outstanding dues of micro and small enterprises		3,622.77	2,199.29
Total outstanding dues of creditors other than micro and small enterprises		18,329.68	17,469.96
(iv) Other financial liabilities	29	2,505.60	2,634.75
(b) Other current liabilities	30	7,514.53	5,637.17
(c) Provisions	31	629.26	902.40
(d) Current tax liabilities (net)	32	4,280.89	1,088.20
Total current liabilities		**37,181.69**	**78,788.21**
Total liabilities		**50,377.20**	**89,699.59**
Total equity and liabilities		**8,53,799.56**	**7,83,407.37**

The accompanying notes are integral part of these consolidated financial statements. 2 - 56

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 26 May, 2026

BHADRESH K. SHAH
Chairman & Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 26 May, 2026

SANJAY S. MAJMUDAR
Director
(DIN: 00091305)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 26 May, 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH, 2026

Currency: ₹ in Lakhs

Particulars	Note	Year ended 31 March, 2026	Year ended 31 March, 2025
Income			
Revenue from operations	33	4,41,986.40	4,28,744.39
Other income	34	47,405.08	33,162.79
Total income		**4,89,391.48**	**4,61,907.18**
Expenses			
Cost of materials consumed	35	1,69,129.56	1,65,778.68
Purchases of stock-in-trade		10,897.81	282.71
Changes in inventories of finished goods, work-in-progress and stock-in-trade	36	(10,497.58)	7,709.00
Employee benefits expense	37	19,861.65	18,547.87
Finance costs	38	3,650.72	2,109.13
Depreciation and amortisation expense	39	11,269.43	10,307.39
Other expenses	40	1,26,965.85	1,21,504.51
Total expenses		**3,31,277.44**	**3,26,239.29**
Profit before share of profit of joint venture and tax		**1,58,114.04**	**1,35,667.89**
Share of profit of joint venture, Net of Tax		**1,391.60**	**1,175.13**
Profit before tax and exceptional items		**1,59,505.64**	**1,36,843.02**
Exceptional Items	52	**328.19**	**-**
Profit before tax		**1,59,177.45**	**1,36,843.02**
Tax expense	41 (a)		
Current tax		33,383.82	26,501.91
(Excess) / Short provision for tax of earlier years		(1,496.43)	573.63
Deferred tax		396.92	3,760.11
Total tax expense		**32,284.31**	**30,835.65**
Profit for the year		**1,26,893.14**	**1,06,007.37**
Other Comprehensive Income / (Loss) ('OCI')			
A Items that will not be reclassified to profit and loss			
(i) Remeasurement of defined employee benefit plan	43 (iv)	321.79	(138.77)
(ii) Income tax relating to items that will not be reclassified to profit and loss		(81.06)	34.93
B Items that will be reclassified to profit and loss	22		
(i) Effective portion of Cash flow of hedge		954.63	(553.36)
(ii) Fair value changes on debt instrument through OCI		(83.62)	603.21
(iii) Loss on account of translating the financial statements of foreign operations		(3,182.25)	(2,179.66)
(iv) Income tax relating to items that will be reclassified to profit and loss		(219.21)	(12.54)
Other comprehensive Income / (Loss) for the year (net of taxes)		**(2,289.72)**	**(2,246.19)**
Total comprehensive income for the year (comprising profit and other comprehensive loss for the year)		**1,24,603.42**	**1,03,761.18**
Profit for the year attributable to :			
- Owners of the Holding Company		1,27,015.82	1,06,073.60
- Non-controlling interests		(122.68)	(66.23)
Other comprehensive income / (loss) for the year attributable to :			
- Owners of the Holding Company		(2,291.99)	(2,243.81)
- Non-controlling interests		2.27	(2.38)
Total comprehensive income / (loss) for the year attributable to :			
- Owners of the Holding Company		1,24,723.83	1,03,829.79
- Non-controlling interests		(120.41)	(68.61)
Earnings per equity share of par value of ₹ 2 each:			
Basic and diluted	42	136.11	113.14

The accompanying notes are integral part of these consolidated financial statements. **2 - 56**

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

BHADRESH K. SHAH
Chairman & Managing Director
(DIN : 00058177)

SANJAY S. MAJMUDAR
Director
(DIN: 00091305)

RUPEN SHAH
Partner
Membership No: 116240

VIREN K.THAKKAR
Chief Financial Officer

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 26 May, 2026

Place : Ahmedabad
Date : 26 May, 2026

Place : Ahmedabad
Date : 26 May, 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH, 2026

A. Equity share capital

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Balance at the beginning of the reporting year	1,866.41	1,886.41
Less : Extinguished pursuant to buyback of shares	-	(20.00)
Balance at the end of the reporting year	**1,866.41**	1,866.41

B. Other equity

Currency: ₹ in Lakhs

Particulars	Reserves and Surplus					Item of Other Comprehensive Income			Total attributable to owners of the Company	Attributable to Non-controlling interests	Total
	Securities premium	Capital redemption reserve	General reserve	Statutory reserve	Retained earnings	Effective portion of Cash flow of hedge	Exchange differences on translation of foreign operations	Debt Instrument Through OCI			
Balance as at 1 April 2024	26,877.77	1,925.74	16,467.61	10.11	6,30,507.41	631.90	(12,241.05)	(291.71)	6,63,887.78	1,028.94	6,64,916.72
Total Comprehensive income for the year ended 31 March, 2025											
Profit for the year	-	-	-	-	1,06,073.60	-	-	-	1,06,073.60	(66.23)	1,06,007.37
Other Comprehensive income for the year	-	-	-	-	(101.53)	(414.09)	-	451.40	(64.22)	(2.31)	(66.53)
Exchange differences on translation of foreign operations	6.64	-	-	0.26	-	-	(2,179.59)	-	(2,172.69)	(0.07)	(2,172.76)
Transactions with owners of the group											
Contributions and distributions											
Dividend	-	-	-	-	(15,091.26)	-	-	-	(15,091.26)	(4.01)	(15,095.27)
Buyback of equity shares	(26,579.52)	-	-	-	(23,407.23)	-	-	-	(49,986.75)	-	(49,986.75)
Transfer to Capital redemption reserve pursuant to buyback of equity shares	-	20.00	-	-	(20.00)	-	-	-	-	-	-
Expenses for Buyback of equity shares	-	-	-	-	(381.55)	-	-	-	(381.55)	-	(381.55)
Tax on Buyback of equity shares	-	-	-	-	(11,583.30)	-	-	-	(11,583.30)	-	(11,583.30)
Receipt on account of reissue of equity shares of subsidiary	151.82	-	-	-	-	-	-		151.82	51.62	203.44
Balance as at 31 March, 2025	**456.71**	**1,945.74**	**16,467.61**	**10.37**	**6,85,996.14**	**217.81**	**(14,420.64)**	**159.69**	**6,90,833.43**	**1,007.94**	**6,91,841.37**
Balance as at 1 April 2025	456.71	1,945.74	16,467.61	10.37	6,85,996.14	217.81	(14,420.64)	159.69	6,90,833.43	1,007.94	6,91,841.37
Total Comprehensive income for the year ended 31 March, 2026											
Profit for the year	-	-	-	-	1,27,015.82	-	-	-	1,27,015.82	(122.68)	1,26,893.14
Other Comprehensive income for the year	-	-	-	-	240.80	714.38	-	(62.58)	892.60	(0.07)	892.53
Exchange differences on translation of foreign operations	41.40	-	-	1.02	-	-	(3,184.59)	-	(3,142.17)	2.34	(3,139.83)
Transactions with owners of the group											
Contributions and distributions											
Dividend	-	-	-	-	(14,931.26)	-	-	-	(14,931.26)	-	(14,931.26)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH, 2026 (Contd.)

Currency: ₹ in Lakhs

Particulars	Reserves and Surplus					Item of Other Comprehensive Income			Total attributable to owners of the Company	Attributable to Non-controlling interests	Total
	Securities premium	Capital redemption reserve	General reserve	Statutory reserve	Retained earnings	Effective portion of Cash flow of hedge	Exchange differences on translation of foreign operations	Debt Instrument Through OCI			
Transfer to Statutory reserve	-	-	-	3.20	(3.20)	-	-	-	-	-	-
Balance as at 31 March, 2026	**498.11**	**1,945.74**	**16,467.61**	**14.59**	**7,98,318.30**	**932.19**	**(17,605.23)**	**97.11**	**8,00,668.42**	**887.53**	**8,01,555.95**

Nature and purpose of reserves:

(a) Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

(b) Capital redemption reserve: The Group has recognised Capital redemption reserve on redemption of cumulative redeemable preference shares and buyback of equity shares. This can be utilised in accordance with the provisions of Companies Act, 2013.

(c) Statutory reserve: This reserve represents appropriation of certain percentage of profit as per the local statutory requirement of an overseas subsidiary.

(d) General reserve: The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income. This can be utilised in accordance with the provisions of Companies Act, 2013.

(e) Retained earnings: Retained earnings represents accumulated profit of the Group as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

(f) Cash flow hedge reserve: This represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of effective portion of cash flow hedges will be reclassified to consolidated statement of profit and loss only when the hedged items affect the profit and loss or upon discontinuation of hedge relationship.

(g) Exchange differences on translation of foreign operations: This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

(h) Debt Instrument Through Other OCI :This comprises changes in the fair value of debt instruments recognised in other comprehensive income and accumulated within equity. The Group transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

The accompanying notes are integral part of these consolidated financial statements. 2 - 56

As per our report of even date attached

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 26 May, 2026

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

BHADRESH K. SHAH
Chairman & Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 26 May, 2026

SANJAY S. MAJMUDAR
Director
(DIN: 00091305)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 26 May, 2026

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2026

Currency: ₹ in Lakhs

	Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
A.	**Cash flow from operating activities:**		
	Profit before tax	**1,59,177.45**	1,36,843.02
	Adjustments for :		
	Interest income from financial assets measured at FVTOCI	(872.45)	(5,127.79)
	Interest income from financial assets measured at amortised cost	(2,286.55)	(3,831.15)
	Interest income on refund of income tax	(657.43)	-
	Gain on sale of current investments measured at FVTPL	(6,146.54)	(1,729.34)
	Gain on sale of current investments measured at FVTOCI	(117.35)	-
	Financial assets at FVTPL - net change in fair value	(19,430.38)	(17,050.02)
	Unrealised (gain) / loss on foreign exchange fluctuation (net)	(974.21)	678.38
	Fair value (gain) / loss on interest rate swap	(183.36)	183.36
	Gain on sale of property, plant and equipment / termination of leases (net)	(207.14)	(3.68)
	Government grant income	(90.50)	-
	Bad debts	-	10.51
	Depreciation and amortisation expense	11,269.43	10,307.39
	Finance costs	3,650.72	2,109.13
	Provision for warranties made (net)	422.39	3,122.64
	Allowance for expected credit loss (net)	887.24	68.45
	Liabilities / provisions no longer required written back	(44.19)	(10.74)
	Share of profit of joint venture, Net of Tax	(1,391.60)	(1,175.13)
	Foreign currency fluctuation on translation of foreign operations	(3,139.83)	(2,172.76)
		1,39,865.70	1,22,222.27
	Changes in working capital:		
	(Increase) / Decrease in trade receivables	(33,681.42)	5,166.46
	Increase in loans	(46.80)	(403.45)
	(Increase) / Decrease in inventories	(23,946.24)	18,785.66
	Decrease / (Increase) in other financial assets	552.36	(70.96)
	Decrease / (Increase) in other non current and current assets	1,439.52	(625.08)
	Increase / (Decrease) in provisions	163.31	(3,736.46)
	Increase in trade payables	2,218.25	1,837.03
	Decrease in other financial liabilities	(322.99)	(24.35)
	Increase / (Decrease) in other current liabilities	476.36	(1,305.84)
	Cash generated from operations	**86,718.05**	1,41,845.28
	Income taxes paid (net of refunds)	(27,567.88)	(25,614.58)
	Net cash generated from operating activities (A)	**59,150.17**	1,16,230.70
B.	**Cash flow from investing activities:**		
	Acquisition of property, plant and equipment, capital work-in-progress, leasehold land and other intangibles	(10,414.95)	(13,706.58)
	Proceeds from sale of property, plant and equipment	370.81	220.74
	Government grant received	111.00	-
	Purchase of investments (net)	(11,099.55)	(73,633.74)
	Redemption of fixed deposits with bank (net)	5,337.26	50,200.44
	Interest received	3,274.69	17,508.51
	Net cash used in investing activities (B)	**(12,420.74)**	(19,410.63)
C.	**Cash flow from financing activities:**		
	(Repayment of) / Proceeds from current borrowings (net)	(48,500.00)	3,205.03
	Dividends paid (Net of TDS)	(13,604.36)	(13,711.87)
	Buyback of equity shares	-	(50,006.75)
	Expenses for Buyback of equity shares	-	(381.55)
	Tax on Buyback of equity shares	-	(11,583.30)
	Receipt on account of reissue of equity shares of subsidiary	-	203.44
	Dividends paid to minority shareholders (Net of TDS)	-	(4.01)
	Finance cost paid	(3,435.08)	(1,553.53)
	Interest paid on lease liabilities	(61.01)	(64.89)
	Principal repayment of lease liabilities	(385.20)	(373.51)
	Net cash used in financing activities (C)	**(65,985.65)**	(74,270.94)
D.	**Net (decrease) / increase in cash and cash equivalents (A+B+C)**	**(19,256.22)**	22,549.13
E.	**Add : Cash and cash equivalents at the beginning of the year**	**39,710.87**	18,032.70
F.	**Add/ (Less) : Effect of movements in exchange rates on cash held**	**1,051.75**	(870.96)
G.	**Cash and cash equivalents at the end of the year (refer note 2 below)**	**21,506.40**	39,710.87

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

Note:

1 The consolidated statement of cash flows has been prepared in accordance with the 'indirect method' as set out in the Indian Accounting Standard (Ind AS) - 7 - 'Statement of Cash Flows'.

2 Cash and cash equivalents include:

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Balances with banks	21,355.68	39,681.12
Balances with banks in fixed deposit accounts (Original maturity less than 3 months)	37.96	-
Cash on hand	112.76	29.75
	21,506.40	39,710.87

3 Movement in financial liabilities and financial assets arising from financing activities :

Currency: ₹ in Lakhs

Particulars	Current borrowings (Note 26)	Lease liabilities (Note 23 and 27)	Dividends paid (Net of TDS) (Note 22)	Finance Cost
Balance as at 1 April 2024	45,294.97	646.52	-	164.53
Proceeds from current borrowings (Net)	3,205.03	-	-	-
Dividends paid (Net of TDS)	-	-	(13,711.87)	-
Interest paid	-	(64.89)	-	(1,553.53)
Amount paid during the year	-	(373.51)	-	-
Net movement during the year	3,205.03	(438.40)	(13,711.87)	(1,553.53)
Remeasurement of lease liability	-	284.21	-	-
Foreign exchange difference	-	(0.40)	-	-
Charge to consolidated statement of profit and loss	-	64.89	-	1,389.00
Balance as at 31 March, 2025	48,500.00	556.82	-	-
Repayment of current borrowings (Net)	(48,500.00)	-	-	-
Dividends paid (Net of TDS)	-	-	(13,604.36)	-
Interest paid	-	(61.01)	-	(3,435.08)
Amount paid during the year	-	(385.20)	-	-
Net movement during the year	**(48,500.00)**	**(446.21)**	**(13,604.36)**	**(3,435.08)**
Remeasurement of lease liability	-	855.06	-	-
Foreign exchange difference	-	(0.01)	-	-
Charge to consolidated statement of profit and loss	-	61.01	-	3,435.08
Balance as at 31 March, 2026	**-**	**1,026.67**	**-**	**-**

The accompanying notes are integral part of these consolidated financial statements. **2 - 56**

As per our report of even date attached

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

BHADRESH K. SHAH
Chairman & Managing Director
(DIN : 00058177)

SANJAY S. MAJMUDAR
Director
(DIN: 00091305)

RUPEN SHAH
Partner
Membership No: 116240

VIREN K.THAKKAR
Chief Financial Officer

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 26 May, 2026

Place : Ahmedabad
Date : 26 May, 2026

Place : Ahmedabad
Date : 26 May, 2026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

1. BACKGROUND

AIA Engineering Limited (the 'Company') is a public limited company incorporated and domiciled in India. Its equity shares are listed on the Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') in India. The registered office of the Company is located at 115, G.V.M.M. Estate, Odhav road, Odhav, Ahmedabad – 382410, Gujarat, India. These consolidated financial statements comprise financial statements of the Company and its subsidiaries (collectively referred to as the "Group") and Group's interest in joint ventures for the year ended 31 March, 2026. The Group is primarily involved in the manufacturing of High Chrome Mill Internals.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013 ('the Act'), read together with the Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Act.

The consolidated Ind AS financial statements of the Group comprises, the consolidated balance sheet as at 31 March, 2026, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the material accounting policies and other explanatory information (herein referred to as "consolidated financial statements").

The consolidated financial statements are approved for issue by the Board of Directors in their meeting held on 26 May 2026.

Details of the Group's material accounting policies are included in Note 3 of the consolidated financial statements.

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Employee defined benefit asset / liability	Plan assets measured at fair value less present value of defined benefit obligations

2.3 Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses based on historical experiences and other factors, including expectation of future events that may have an impact on the Group and that are reasonable and such estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

The following areas are subject to estimation uncertainties and the details thereof are included in respective notes:

- **Note 4, 5 and 7 –** estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment and intangible assets, impairment of goodwill;
- **Note 41 (b) and (c)** recognition of deferred tax;
- **Note 43** measurement of defined benefit obligations: key actuarial assumptions;
- **Notes 25, 31** and **44** – recognition and measurement of provisions and contingencies such as warranty claims: key assumptions about the likelihood and magnitude of an outflow of resources;
- **Notes 9, 16 and 50** –measurement of expected credit loss allowance

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- **Note 23 and 27 –** Lease Liabilities: key assumptions about reasonable certainty of the Company exercising renewal options under the agreement.
- **Note 8 -** investments accounted for using the equity method: whether the Group has joint control over an investee;

2.4 Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. This

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Current/Non-current classification:

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has identified 12 months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and Group's interest in joint ventures.

Subsidiaries:

Control is achieved when the Company has:

- Power over the investee
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Joint Venture:

The Group's interests in equity accounted investees comprises interests in joint venture.

Joint ventures is an arrangement in which the Group has joint control, whereby the Group has rights to net assets of arrangement, rather than rights of his assets and obligation for its liabilities.

Interest in Joint venture are accounted for using equity method. They are initially recognised at cost, which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

Non-controlling interests (NCI):

NCI are measured initially at their proportionate share of acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in subsidiary that do not result in loss of control are accounted for as equity transaction.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March. When the end of the reporting period of the Company is different from that of a subsidiary and joint ventures, the subsidiary and joint ventures, prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Company to enable the Company to consolidate the financial information of the subsidiary, and joint ventures, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Unrealised gains arising from transaction with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

(d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The list of entities included in these consolidated financial statements along with its shareholding is summarised hereunder.

Name of entity	Country of Incorporation	Ownership interest held by the Group		Proportion of ownership interests and voting rights held by non-controlling interests	
		As at 31 March, 2026	As at 31 March, 2025	As at 31 March, 2026	As at 31 March, 2025
Direct subsidiaries					
Welcast Steels Limited	India	74.85%	74.85%	25.15%	25.15%
AIA CSR Foundation	India	100%	100%	-	-
Vega Industries (Middle East) F.Z.C	U.A.E.	100%	100%	-	-
Indirect subsidiaries					
Vega Industries Limited (1)	U.K.	100%	100%	-	-
Vega Industries Limited (1)	U.S.A.	100%	100%	-	-
Vega Steel Industries (RSA) Proprietary Limited (2)	South Africa	74.63%	74.63%	25.37%	25.37%
Wuxi Vega Trade Co., Limited (1)	China	100%	100%	-	-
PT. Vega Industries Indonesia (3)	Indonesia	100%	100%	-	-
AIA Industries Chile SPA (1)	Chile	100%	100%	-	-
AIA Ghana Limited (1)	Ghana	100%	100%	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

Name of entity	Country of Incorpo-ration	Ownership interest held by the Group		Proportion of ownership interests and voting rights held by non-controlling interests	
		As at 31 March, 2026	As at 31 March, 2025	As at 31 March, 2026	As at 31 March, 2025
Vega Industries Australia Pty Ltd (1)	Australia	100%	100%	-	-
Vega Industries Peru Limited (3)	Peru	100%	100%	-	-
Vega Middle East (DFTZ) FZE(1)	U.A.E.	100%	-	-	-
Joint Venture:					
Vega MPS Pty. Ltd (4)	Australia	70%	56%	-	-

(1) Wholly owned subsidiaries of Vega Industries (Middle East) F.Z.C., U.A.E.

(2) Subsidiary of Vega Industries (Middle East) F.Z.C., U.A.E.

(3) 99% of shares are held by Vega Industries (Middle East) F.Z.C., U.A.E. and balance 1% is held by AIA Engineering Limited.

(4) 70% of shares are held by Vega Industries (Middle East) F.Z.C., U.A.E. and balance 30% is held by promoters of Vega MPS Pty. Ltd, a newly incorporated company, created by promoters of MPS (Mining Products and Service Pty. Ltd.), Australia.

2.6 Functional and presentation currency

The functional currency and the presentation currency of the Group is Indian rupees. All the amounts are stated in the nearest rupee in lakhs with two decimals.

3. MATERIAL ACCOUNTING POLICIES

a) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. The assets and liabilities of foreign operations (subsidiaries and joint arrangements) including goodwill and fair value adjustments arising on acquisition, are translated to INR at the exchange rates at the reporting date.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising on settlement of transactions and translation of monetary items are recognised in statement of profit and loss. However, foreign currency differences pertaining to qualifying cash flow hedges are recognised in other comprehensive income to the extent the hedges are effective.

Foreign currency differences are recognised in OCI and accumulated in the equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reallocated to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

b) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

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

Financial assets - classification and subsequent measurement

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

- amortised cost;
- FVTOCI – debt investment;
- FVTOCI – equity investment; or
- FVTPL

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment by investment basis. At present there are no such investments.

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

Financial assets: Business model assessment

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

well as a profit margin.

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

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

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

Subsequent measurement and gains and losses for financial assets held by the Group

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in consolidated statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in consolidated statement of profit and loss. Any gain or loss on derecognition is recognised in consolidated statement of profit and loss.
Debt Investments at FVTOCI	These assets are subsequently measured at fair value. Interest income using the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss above amortised cost is recognised in Other comprehensive income. On derecognition, gain and losses accumulated in Other comprehensive income are reclassified to profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The group also derecognises a financial liability when its terms are modified and the cashflows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liability assumed) is recognised in profit and loss.

Offsetting

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

c) Derivative financial instruments and hedge accounting

The Group enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial assets measured at amortised cost.

The Group formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial assets ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Group's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a cash flow hedge under Ind AS 109, 'Financial Instruments'.

Recognition and measurement of cash flow hedge:

The Group strictly uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. As per Ind AS 109 - Financial Instruments, foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in hedge reserve (under reserves and surplus) through other comprehensive income and the ineffective portion is recognised immediately in the consolidated statement of profit and loss.

The accumulated gains / losses on the derivatives accounted in hedge reserve are transferred to the consolidated statement of profit and loss in the same period in which gains / losses on the underlying item hedged are recognised in the consolidated statement of profit and loss.

Derecognition:

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in hedge reserve and be reclassified to the consolidated statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in the consolidated statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognised in hedge reserve is transferred to the consolidated statement of profit and loss.

d) Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in consolidated statement of profit and loss.

Transition to Ind AS

The cost of property, plant and equipment as at 01 April 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and cost of item can be measured reliably.

Depreciation

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Freehold land is not depreciated.

Estimated useful life adopted by the Group:

Block of assets	Useful lives (years)	Useful lives (years) Companies Act
Buildings	10 – 60	3 – 60
Plant and equipments	15 – 22	15 – 22
Furniture and fixtures	10	10
Vehicles	8 – 10	6 – 10
Office equipments	5	5
Others – laboratory equipments	10	10
Others – computer hardware	3 – 6	3 – 6

Depreciation method followed by respective companies is as under:

Name of entity	Method of depreciation
AIA Engineering Limited, India	Depreciation on fixed assets is charged on Straight line method over the useful life of assets as prescribed by Schedule II of Companies Act, 2013.
Welcast Steels Limited, India	Depreciation on fixed assets is charged on written down value method over the useful life of assets as prescribed by Schedule II of Companies Act, 2013.
Vega Industries (Middle East) F.Z.C, U.A.E.	Straight-line method over estimated useful lives of the assets.
Vega Industries Limited, U.S.A.	Straight-line method over estimated useful lives of the assets.
Vega Industries Limited, U.K.	Written Down Value Method over estimated useful lives of the assets.
Wuxi Vega Trade Co. Ltd., China	Straight-line method over estimated useful lives of the assets.
Vega Steel Industries (RSA) Proprietary Limited, South Africa	Straight-line method over estimated useful lives of the assets.
PT. Vega Industries Indonesia	Straight-line method over estimated useful lives of the assets.
Vega Industries Chile SPA - Chile	Straight-line method over estimated useful lives of the assets.
Vega Middle East (DFTZ) FZE, U.A.E.	Straight-line method over estimated useful lives of the assets.
Vega Industries Australia Pty Ltd	Straight-line method over estimated useful lives of the assets.
Vega Industries Peru Limited	Straight-line method over estimated useful lives of the assets.

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

Leasehold land is amortised over the lease period.

The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

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

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as other non-current assets.

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

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the consolidated statement of profit and loss.

e) Goodwill and Other intangible assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Goodwill is not amortised and is tested for impairment annually.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in consolidated statement of profit and loss.

The estimated useful lives of intangibles are as per below:

Software - 6 years

Patents - 20 years

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

Transition to Ind AS

The cost of intangible assets as at 01 April 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Impairment

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour

and a proportion of manufacturing overheads absorbed based on the normal operating capacity but excludes borrowing costs.

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

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

g) Impairment

Impairment of financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether a financial asset carried at amortised cost is credit-impaired. A financial asset is 'credit -impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being significantly past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Group is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

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

Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

Assets (other than goodwill) for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Employee benefits

Defined benefit plans

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

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in consolidated statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in consolidated statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in consolidated statement of profit and loss in the periods during which the related services are rendered by employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in Consolidated statement of profit and loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Groupdoes not have an unconditional right to defer the settlement for atleast twelve months after the reporting date.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring in accordance with Ind AS 37 and involves payment of termination benefits.

i) Provisions (other than employee benefits), contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Warranties

Provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities. A liability is recognised at the time the product is sold. The Group does not provide any extended warranties to its customers.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

j) **Revenue**

Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer, which generally coincides with the delivery of goods to customers, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and returns, if any, as specified in the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Other operating revenue – export incentives

Export incentives are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

k) Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

l) Leases

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

1. The contract involves the use of an identified asset.
2. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and,
3. the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of ROU assets are determined on the same basis as those of property, plant and equipment.

The Lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Group's incremental borrowing rates. The lease liability is measured at amortised cost using the effective interest method.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and ROU asset have been separately presented in the consolidated balance sheet and lease payments have been classified as cash flows from financing activities.

m) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it related to items recognised directly in equity or in Other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

Foreign companies recognise tax liabilities and assets in accordance with the local laws.

n) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. For the disclosure on reportable segments see Note 49.

p) Cash and cash equivalents

Cash and cash equivalents for the purpose of Consolidated statement of cash flows comprise cash and bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments not held for investment purposes.

q) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. The Group did not have any potentially dilutive securities in any of the years presented.

r) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

s) GST input credit

Goods and service tax (GST) input credit is accounted on an accrual basis on purchase of eligible inputs, capital goods and services. The balance of GST input credit is reviewed at the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

end of each year and amount estimated to be un-utilisable is charged to the statement of profit and loss for the year.

t) Government Grants

The Group recognises a government grant in profit or loss as other income when the government grant becomes receivable. Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the government grant. Government grant related to the acquisition of assets are recognised in profit or loss as other income on a systematic basis over the useful life of the asset. Government grant that compensates the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the government grants are met after the related expenses have been recognised.

u) Recent accounting pronouncements

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

A. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Standalone Financial Statements are disclosed below. The Group will adopt this new and amended standard, when it becomes effective.

(i) Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants The amendment requires that if a covenant breach is rectified after the reporting date, the same will be treated as a non-adjusting event and this amendment will be applicable from annual reporting periods beginning on or after the 01 April, 2026.

The amendment does not see any material impact on the Consolidated Financial Statements.

B. Standards issued and are effective in reporting period.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. 01 April, 2025. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f 01 April, 2025 – The amendment relates to classification of liabilities as current or non -current and noncurrent liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments - Disclosures, applicable w.e.f 01 April, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The amendments also require companies to provide new disclosures to compensate for potential loss of information resulting from the relief. Such disclosures are to be provided for annual reporting periods beginning on or after 01 April, 2025. These requirements are not applicable to the Group.

4. Other Amendments (Ind AS 115, Ind AS 116): Removed the conflict between Ind AS 109 and Ind AS 115 over the amount at which a trade receivable is initially measured (Ind AS 115 and Ind AS 116). These amendments do not have a material impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Currency: ₹ in Lakhs

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixture	Vehicles	Office Equipment	Others *	Total
Cost :								
As at 01 April 2024	5,214.51	48,481.30	1,15,765.71	1,787.47	546.71	1,104.75	2,389.47	1,75,289.92
Additions during the year	-	4,703.53	9,768.98	411.51	148.59	341.90	509.84	15,884.35
Disposal / adjustments during the year	-	(12.80)	(557.27)	(69.68)	(262.46)	(62.13)	(214.54)	(1,178.88)
Exchange differences on translation of foreign operations	-	-	-	4.05	5.88	11.57	7.79	29.29
As at 31 March, 2025	5,214.51	53,172.03	1,24,977.42	2,133.35	438.72	1,396.09	2,692.56	1,90,024.68
Additions during the year	80.97	7,159.80	7,626.34	65.41	-	528.70	330.55	15,791.77
Disposal / adjustments during the year	-	(182.24)	(257.18)	(226.20)	-	(147.07)	(174.34)	(987.03)
Exchange differences on translation of foreign operations	-	-	-	6.61	16.40	51.18	25.20	99.39
As at 31 March, 2026	**5,295.48**	**60,149.59**	**1,32,346.58**	**1,979.17**	**455.12**	**1,828.90**	**2,873.97**	**2,04,928.81**
Accumulated depreciation :								
As at 01 April 2024	-	11,999.28	56,293.48	1,006.21	222.18	709.00	1,534.81	71,764.96
Depreciation for the year	-	1,718.87	7,410.09	144.40	64.69	165.48	291.43	9,794.96
Disposal / adjustments during the year	-	(7.03)	(516.18)	(67.56)	(119.38)	(60.14)	(191.56)	(961.85)
Exchange differences on translation of foreign operations	-	-	-	3.26	2.64	6.05	4.16	16.11
As at 31 March, 2025	-	13,711.12	63,187.39	1,086.31	170.13	820.39	1,638.84	80,614.18
Depreciation for the year	-	1,866.29	8,141.14	149.68	61.93	182.02	332.63	10,733.69
Disposal / adjustments during the year	-	(147.41)	(241.73)	(206.01)	-	(113.32)	(115.04)	(823.51)
Exchange differences on translation of foreign operations	-	-	-	3.58	9.04	30.88	15.09	58.59
As at 31 March, 2026	**-**	**15,430.00**	**71,086.80**	**1,033.56**	**241.10**	**919.97**	**1,871.52**	**90,582.95**
Carrying amount :								
As at 31 March, 2025	5,214.51	39,460.91	61,790.03	1,047.04	268.59	575.70	1,053.72	1,09,410.50
As at 31 March, 2026	**5,295.48**	**44,719.59**	**61,259.78**	**945.61**	**214.02**	**908.93**	**1,002.45**	**1,14,345.86**

* Others include laboratory equipments and computer hardware.

Notes:

1. There have been no charge over immovable properties of the Group.
2. Refer note 44 (b) for contractual commitments with respect to property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 5: RIGHT OF USE ASSETS

Currency: ₹ in Lakhs

Particulars	Leasehold Land	Buildings	Total
Cost:			
As at 1 April 2024	4,801.97	2,271.99	7,073.96
Additions during the year	723.22	284.21	1,007.43
Deductions / adjustments during the year	-	(10.00)	(10.00)
Exchange differences on translation of foreign operations	-	(0.40)	(0.40)
As at 31 March, 2025	5,525.19	2,545.80	8,070.99
Additions during the year	253.11	855.06	1,108.17
Deductions / adjustments during the year	-	(768.12)	(768.12)
Exchange differences on translation of foreign operations	-	(0.01)	(0.01)
As at 31 March, 2026	**5,778.30**	**2,632.73**	**8,411.03**
Depreciation:			
As at 1 April 2024	211.02	1,672.76	1,883.78
Depreciation for the year	41.40	376.20	417.60
Deductions / adjustments during the year	-	(10.00)	(10.00)
As at 31 March, 2025	252.42	2,038.96	2,291.38
Depreciation for the year	44.96	380.58	425.54
Deductions / adjustments during the year	-	(768.12)	(768.12)
As at 31 March, 2026	**297.38**	**1,651.42**	**1,948.80**
Carrying amount:			
As at 31 March, 2025	5,272.77	506.84	5,779.61
As at 31 March, 2026	**5,480.92**	**981.31**	**6,462.23**

Notes:

1. Lease contracts entered by the Group for land and buildings taken on lease to conduct business activity in ordinary course of business with tenure of leases up to 99 years.
2. Lease rent of ₹ 351.89 Lakhs (previous year: ₹ 352.85 Lakhs) is recognised in consolidated statement of profit and loss towards short-term lease and lease of low value assets. (Refer note 40)
3. Extension and termination options are included in some lease contracts. These are used to maximise operational flexibility in terms of managing assets and operations.
4. Lease Obligation, interest expense on lease maturity profile of lease obligation and payment of lease obligation are disclosed respectively in lease liabilities (refer note 23 & 27), Finance Costs (refer note 38), Liquidity risk (refer note 50) and Consolidated statement of cash flows.
5. The operating lease arrangements are cancellable subject to the stipulated notice period which generally does not exceed 3 months. Thus, management is of the view that there is no obligation to pay the agreed lease rentals in case of termination.

NOTE 6: CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March, 2026	As at 31 March, 2025
Balance at the beginning of the year	7,694.88	9,216.99
Additions during the year	9,274.58	13,852.40
Capitalisation during the year	(15,380.25)	(15,374.51)
Balance at the end of the year	**1,589.21**	7,694.88

Notes:

1. The year end balance of capital work-in-progress primarily consist of rubber liner capacity expansion at Kerala GIDC, Ahmedabad.
2. Refer note 44 (b) for contractual commitments with respect to property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 6: CAPITAL WORK-IN-PROGRESS (CONTD.)

CWIP aging schedule As at 31 March, 2026

Currency: ₹ in Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,580.69	8.52	-	-	1,589.21
Projects temporarily suspended	-	-	-	-	-
Total	**1,580.69**	**8.52**	**-**	**-**	**1,589.21**

CWIP aging schedule as at 31 March, 2025

Currency: ₹ in Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,440.09	4,254.79	-	-	7,694.88
Projects temporarily suspended	-	-	-	-	-
Total	**3,440.09**	**4,254.79**	**-**	**-**	**7,694.88**

CWIP - Completion Schedule of capital working in progress as at 31 March, 2026

Currency: ₹ in Lakhs

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in Progress					
Completion is not overdue:					
Kerala Rubber Liner Project:	1,209.20	-	-	-	1,209.20
Other Projects	340.60	39.41	-	-	380.01
Total	**1,549.80**	**39.41**	**-**	**-**	**1,589.21**

Note: Actual cost of the projects has not exceeded the estimated cost as per original plan.

CWIP - Completion Schedule of capital working in progress as at 31 March, 2025

Currency: ₹ in Lakhs

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in Progress					
Completion is not overdue:					
Kerala Mining Liner Project (Phase III)	7,643.64	-	-	-	7,643.64
Other Projects	51.24	-	-	-	51.24
Total	**7,694.88**	**-**	**-**	**-**	**7,694.88**

Note: Actual cost of the projects has not exceeded the estimated cost as per original plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 7: GOODWILL AND OTHER INTANGIBLE ASSETS

Currency: ₹ in Lakhs

Particulars	Other intangibles			Goodwill (refer note a)	Goodwill on consolidation
	Software	Patents and Copyrights	Total		
Cost:					
As at 01 April 2024	1,200.78	121.91	1,322.69	460.69	1,528.79
Additions during the year	85.01	15.50	100.51	-	-
Disposal / adjustments during the year	(0.68)	-	(0.68)	-	-
As at 31 March, 2025	1,285.11	137.41	1,422.52	460.69	1,528.79
Additions during the year	278.02	7.97	285.99	-	-
Disposal / adjustments during the year	(39.27)	-	(39.27)	-	-
As at 31 March, 2026	**1,523.86**	**145.38**	**1,669.24**	**460.69**	**1,528.79**
Amortisation:					
Balance as at 01 April 2024	961.37	36.58	997.95	-	-
Amortisation for the year	88.19	6.64	94.83	-	-
Disposal / adjustments during the year	(0.65)	-	(0.65)	-	-
As at 31 March, 2025	1,048.91	43.22	1,092.13	-	-
Amortisation for the year	103.00	7.20	110.20	-	-
Disposal / adjustments during the year	(39.12)	-	(39.12)	-	-
As at 31 March, 2026	**1,112.79**	**50.42**	**1,163.21**	**-**	**-**
Carrying amount:					
As at 31 March, 2025	236.20	94.19	330.39	460.69	1,528.79
As at 31 March, 2026	**411.07**	**94.96**	**506.03**	**460.69**	**1,528.79**

Note (a):

The Group tests goodwill for impairment annually and provides for impairment if the carrying amount of goodwill exceeds its recoverable amount. The recoverable amount is determined based on "value in use" calculations which is calculated as the net present value of forecasted cash flows of cash generating unit (CGU) to which the goodwill is related.

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

NOTE 8: INVESTMENTS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Non-current investments (unquoted)		
Investment in equity instruments of		
Joint Venture accounted for using equity method *		
210 (Previous year:168) equity shares of Vega MPS Pty. Ltd of face value AUD 1/- each, fully paid up	14,129.29	9,270.66
Others companies (unquoted)		
Measured at FVTPL		
(a) 25 (Previous year: 25) equity shares of Koramangala Properties Limited of face value ₹ 100/- each, fully paid up #	0.03	0.03
(b) Nil (Previous year: 3111) equity shares of Arkay Energy (Rameswarm) Limited of face value ₹ 10/- each, fully paid up #	-	0.31
(c) 24,478 (Previous year: 24,478) equity shares of Clean Max Meridius Private Limited of face value ₹ 10/- each, fully paid up	50.09	45.54
(d) 32,99,997 (previous year: 32,99,997) equity shares of Torrent Urja Private Limited of face value ₹ 10/- each, fully paid up	30.40	30.40
(e) 500 (previous year: 500) equity shares of Green Shift Private Limited of face value ₹ 100/- each, fully paid up #	0.50	0.50
	14,210.31	9,347.44
Aggregate amount of unquoted investments	**14,210.31**	9,347.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 8: INVESTMENTS (CONTD.)

The Holding Company's investment upon sale is only going to fetch the principal amount invested and hence the Company considers cost and fair value to be the same.

*During the Financial year 31 March, 2025, Vega Industries (Middle East) F.Z.C. - U.A.E. ("VEGA ME") had acquired additional 13% stake (resulting in a cumulative stake of 56%) in Vega MPS Pty. Ltd., Australia (VMPS) on 20 November 2024 for consideration of AUD 2.73 million and during the current year ended 31 March, 2026, Vega ME has further acquired additional 14% stake (resulting in a cumulative stake of 70%) of VMPS on 10 December 2025 for consideration of AUD 5.65 million.

Investment in Joint Venture accounted for using equity method	**As at 31 March, 2026**	**As at 31 March, 2025**
Percentage of ownership interest	70%	56%
Non-current assets	351.62	151.92
Current assets	15,223.18	9,944.33
Non-current Liabilities	-	(4,006.12)
Current Liabilities	(9,217.37)	(2,769.54)
Net assets	6,357.43	3,320.59
Group's share of net assets	4,450.20	1,859.53
Elimination of unrealised profit on downstream sales	(599.94)	(194.96)
Goodwill	9,964.88	7,291.94
Identifiable Intangible Assets - Non compete	314.15	314.15
Carrying amount of interest in joint venture	**14,129.29**	9,270.66
Revenue	21,554.31	14,885.81
Deprecation and amortisation	49.72	28.13
Income tax expense	1,164.47	1,158.36
Profit	2,888.44	2,616.05
Total Comprehensive income	**2,888.44**	2,616.05
Group's share of profit (43% from 14 February 2024 to 20 November 2025, 56% from 21 November 2025 to 9 December 2025 and 70% from 10 December 2025 onwards)	1,778.97	1,290.07
Elimination of unrealised profit on downstream sales	(387.37)	(114.94)
Group's share of total comprehensive income	**1,391.60**	1,175.13

NOTE 9: TRADE RECEIVABLES

Currency: ₹ in Lakhs

Particulars	**As at 31 March, 2026**	**As at 31 March, 2025**
Non-current trade receivables (unsecured)		
Considered good *	5.83	27.81
Significant increase in credit risk	-	-
Credit impaired	508.91	-
	514.74	27.81
Less: Allowance for expected credit loss	(508.91)	-
	5.83	27.81

Refer note 53 for ageing related disclosures.

* Trade receivables are hypothecated to secure working capital facilities from Banks (refer Note 26).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 10: LOANS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Non-current loans		
Loans to employees		
Secured, considered good	85.00	99.11
Unsecured, considered good	139.02	122.01
	224.02	221.12

NOTE 11: OTHER FINANCIAL ASSETS - NON CURRENT

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Balances with bank in fixed deposit accounts (Maturity of more than 12 months from date of reporting)	18.30	18.01
Security deposits (unsecured, considered good)	494.94	778.01
Government grant receivable	516.21	-
	1,029.45	796.02

NOTE 12: OTHER TAX ASSETS (NET)

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Advance income tax / tax deducted at source	59.19	1,143.56
	59.19	**1,143.56**

NOTE 13: OTHER NON-CURRENT ASSETS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Capital advances	2,854.43	2,746.41
Others		
Balance with government authorities	11.19	6.48
Advance paid under protest	326.49	326.49
	3,192.11	**3,079.38**

NOTE 14: INVENTORIES *

(valued at lower of cost or net realisable value)

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Raw materials	18,618.21	12,215.09
Raw materials in transit	1,527.34	1,400.75
Work-in-progress	25,040.48	23,216.67
Finished goods	68,223.79	53,479.84
Stores and spares	12,145.35	11,246.08
Stores and spares in transit	71.45	121.95
	1,25,626.62	1,01,680.38

* Inventories are hypothecated to secure working capital facilities from Banks (refer Note 26).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 15: INVESTMENTS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Current investments		
Measured at FVTPL		
Investment in mutual funds (quoted)	3,68,089.80	2,73,633.75
Investments in bonds (quoted) *	38,750.30	36,889.62
Investments in government securities (quoted) # **	4,631.36	55,070.95
Investment in Triparty Repo Dealing and Settlement (TREPS)*****	300.00	-
Measured at FVTOCI		
Investment in bonds (quoted) ***	-	7,718.35
Investment in government securities (quoted) # ****	4,226.16	9,194.11
	4,15,997.62	3,82,506.78
Aggregate amount of quoted investments	4,15,997.62	3,82,506.78
Aggregate market value of quoted investments	4,15,997.62	3,82,506.78

The Holding Company has availed borrowings under Tri-Party Repo Dealing System by pledging Government securities carrying interest rate ranging from 4.15% to 6.12% (Previous Year 5.90% to 6.98%). (Refer note 26)

* Investments in bonds measured at FVTPL have yield 4.16% to 6.96% (Previous Year 7.20% to 8.10%)

** Investments in government securities measured at FVTPL have yield 6.40% to 7.00% (Previous Year 6.60% to 7.00%)

*** Investments in bonds measured at FVTOCI have yield 6.60% to 6.78% (Previous Year 6.60% to 6.78%)

**** Investments in government securities measured at FVTOCI have yield 7.28% to 7.32% (Previous Year 7.18% to 7.32%)

***** Investments in Triparty Repo Dealing and Settlement (TREPS) have yield 3.30% to 6.00% (Previous Year 5.57% to 5.90%)

NOTE 16: TRADE RECEIVABLES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Current trade receivables (unsecured) *		
Considered good #	1,17,348.40	82,702.40
Significant increase in credit risk	-	-
Credit impaired	29.11	57.60
	1,17,377.51	82,760.00
Less: Allowance for expected credit loss	(516.72)	(122.11)
	1,16,860.79	82,637.89

Refer note 54 for ageing related disclosures.

* Trade receivables are hypothecated to secure working capital facilities from Banks (refer Note 26).

Includes trade receivable from related parties (refer note 48 D).

The average credit period on sale of goods is 0 - 180 days.

NOTE 17: CASH AND BANK BALANCES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Cash and cash equivalents		
Balances with banks	21,355.68	39,681.12
Balances with banks in fixed deposit (Original maturity of less than 3 months)	37.96	-
Cash on hand	112.76	29.75
	21,506.40	39,710.87
Other bank balances		
Balances with bank in fixed deposit (Original maturity within 3 to 12 months)	-	3,223.29
Balances with bank in fixed deposit as a margin money (Original maturity within 3 to 12 months)	872.61	810.12
Earmarked balances with banks (unpaid dividend) *	7.12	9.50
	879.73	4,042.91

*The Group can utilise these balance towards payment of Unpaid Dividand only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 18: LOANS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Current loans		
Loan to a minority shareholder (unsecured, considered good)	98.84	83.68
Loans to employees		
Secured, considered good	32.07	23.96
Unsecured, considered good	146.52	125.89
Inter corporate deposit (secured), considered good #		
Others	12,808.22	12,777.40
	13,085.65	13,010.93

Amount has been given to a body corporate, for general corporate purpose having original terms of repayment after 3 years from the date of loan given at an interest rate of 10% (Previous Year 10%) per annum which is further renewed with revised repayment due date of 30 June 2026.

NOTE 19: OTHER FINANCIAL ASSETS - CURRENT

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Balances with bank in fixed deposits (Original maturity more than 12 months)	-	2,582.69
Export incentives receivable	1,071.60	1,393.91
Security deposits (unsecured, considered good)	630.81	577.79
Government grant receivable	64.04	-
	1,766.45	4,554.39

NOTE 20: OTHER CURRENT ASSETS

(Unsecured, considered good)

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Advances other than capital advances		
Advance to related parties (refer note 48 D)	22.40	14.76
Other Advances		
Advances to suppliers	3,708.19	8,011.15
Advances to employees	174.77	166.52
Others		
Balances with government authorities	7,996.01	5,619.33
Prepaid expenses	1,710.41	1,377.20
Prepaid leave encashment (refer note 43)	283.56	160.99
Prepaid Gratuity (refer note 43)	5.83	-
	13,901.17	15,349.95

NOTE 21: SHARE CAPITAL

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Authorised share capital		
230,000,000 (previous year: 230,000,000) equity shares of face value ₹ 2/- each	4,600.00	4,600.00
	4,600.00	4,600.00
Issued , subscribed & fully paid up share capital		
93,320,370 equity shares (previous year: 93,320,370) of face value ₹ 2/- each, fully paid up	1,866.41	1,866.41
	1,866.41	1,866.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 21: SHARE CAPITAL (CONTD.)

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March, 2026		As at 31 March, 2025	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	9,33,20,370	1,866.41	9,43,20,370	1,886.41
Less : Extinguished pursuant to buyback of shares	-	-	(10,00,000)	(20.00)
Shares outstanding at the end of the year	**9,33,20,370**	**1,866.41**	9,33,20,370	1,866.41

(b) Rights, preferences and restrictions attached to equity shares:

The Group has only one class of equity share having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, which is approved by Board of Directors of the Group. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

(c) The details of shareholders holding more than 5% shares are set out below :

Name of the shareholders	As at 31 March, 2026		As at 31 March, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Bhadresh K. Shah	5,45,68,663	58.47%	5,45,68,663	58.47%
Nalanda India Equity Fund Limited	86,71,418	9.29%	86,71,418	9.29%
Sbi Equity Hybrid Fund	78,98,403	8.46%	78,89,329	8.45%

(d) Shareholding of Promoters

Shares held by promoters as at 31 March, 2026

Promoter name	No. of Shares	% of total shares	% Change during the year
Bhadresh Kantilal Shah	5,45,68,663	58.47	-
Khushali Bhadreshbhai Shah	9,857	0.01	-
Bhumika Shyamal Shodhan	9,852	0.01	-
Gita Bhadresh Shah	5	0.00	-
Total	**5,45,88,377**	**58.49**	**-**

Shares held by promoters as at 31 March, 2025

Promoter name	No. of Shares	% of total shares	% Change during the year
Bhadresh Kantilal Shah	5,45,68,663	58.47	0.02
Khushali Bhadreshbhai Shah	9,857	0.01	-
Bhumika Shyamal Shodhan	9,852	0.01	-
Gita Bhadresh Shah	5	0.00	-
Total	**5,45,88,377**	**58.49**	**0.02**

(e) The Board of Directors of the Holding Company, at its meeting held on 07 August, 2024 approved a proposal for buyback of up to 10,00,000 fully paid-up Equity Shares of face value of ₹ 2/- each, representing 1.06% of the total number of equity shares of the Holding Company, at a price of up to ₹ 5,000 per share for an aggregate consideration not exceeding ₹ 500 Crores (excluding transaction cost and any expenses incurred or to be incurred for the Buyback) representing 7.92% and 7.51% of the total paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone financial statements and audited consolidated financial statements of the Company for the year ended on 31 March 2024, respectively. Further, the buy back had been completed and consideration transferred to the participating shareholders on 06 September, 2024.

During the previous year, the Board of Directors of Vega Steel Industries (RSA) Pty. Ltd. (hereinafter referred to as the "Company"), approved the buyback of the entire equity issued to the Local shareholder. At the time of the buyback, local shareholder held 25.37% of the equity in the Company comprising 34 partly paid shares out of the total of 134 shares issued by the Company. As part of the adherence to the local requirement applicable to all companies conducting business in South Africa, 25.37% equity was again issued to the same shareholder.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 22: OTHER EQUITY

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Reserves and surplus		
(a) Securities premium		
Balance at the beginning of the year	456.71	26,877.77
Less: Buyback of equity shares	-	(26,579.52)
Add: Receipt on account of reissue of equity shares of subsidiary	-	151.82
Adjustment on account of translating the financial statements of foreign operations	41.40	6.64
Balance at the end of the year	498.11	456.71
(b) Capital redemption reserve		
Balance at the beginning of the year	1,945.74	1,925.74
Add: Transfer from Retained earnings pursuant to buyback of equity shares	-	20.00
Balance at the end of the year	1,945.74	1,945.74
(c) Statutory reserve		
Balance at the beginning of the year	10.37	10.11
Add: Transfer from retained earning towards statutory reserve	3.20	-
Adjustment on account of translating the financial statements of foreign operations	1.02	0.26
Balance at the end of the year	14.59	10.37
(d) General reserve		
Balance at the beginning and at end of the year	16,467.61	16,467.61
(e) Retained earnings		
Balance at the beginning of the year	6,85,996.14	6,30,507.41
Add: Profit for the year	1,27,015.82	1,06,073.60
Less: Buyback of equity shares	-	(23,407.23)
Less: Transfer to Capital redemption reserve pursuant to buyback of equity shares	-	(20.00)
Less: Expenses for Buyback of equity shares	-	(381.55)
Less: Tax on Buyback of equity shares	-	(11,583.30)
Less: Transfer to Statutory reserve	(3.20)	-
Less: Remeasurement of defined benefit plan transferred from OCI	240.80	(101.53)
Less: Dividend on equity shares #	(14,931.26)	(15,091.26)
Balance at the end of the year	7,98,318.30	6,85,996.14
Total reserves and surplus (A)	**8,17,244.35**	**7,04,876.57**
Other comprehensive income ('OCI')		
Items that will not be reclassified to statement of profit and loss		
(a) Remeasurement of defined benefit plan		
Balance at the beginning of the year	-	-
Recognised in consolidated statement of profit and loss	321.79	(138.77)
Tax impact on above (refer Note 41 (c))	(81.06)	34.93
Less: Transferred to minority interest	0.07	2.31
Less: Transfer to retained earnings	(240.80)	101.53
Balance at the end of the year	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 22: OTHER EQUITY (CONTD.)

Currency: ₹ in Lakhs

Particulars		As at 31 March, 2026	As at 31 March, 2025
	Items that will be reclassified to statement of profit and loss		
(b)	Cash flow hedge reserve:		
	Balance at the beginning of the year	217.81	631.90
	Recognised in consolidated statement of profit and loss		
	Mark to market of hedging designated instruments and effective as hedges of future cash flow	(420.51)	(196.00)
	Restatements of trade receivables to the extent of hedging	1,375.14	(357.36)
		954.63	(553.36)
	Effect of tax on above		
	Tax on Mark to market of hedging designated instruments and effective as hedges of future cash flow (refer note 41(c))	105.84	49.33
	Tax on Restatements of trade receivables to the extent of hedging	(346.09)	89.94
	Net tax in OCI	(240.25)	139.27
	Balance at the end of the year	932.19	217.81
(c)	Gain and losses on account of translating the financial statements of foreign operations		
	Balance at the beginning of the year	(14,420.64)	(12,241.05)
	Recognised in consolidated statement of profit and loss	(3,184.59)	(2,179.59)
	Balance at the end of the year	(17,605.23)	(14,420.64)
(d)	Fair value through other comprehensive income		
	Balance at the beginning of the year	159.69	(291.71)
	Recognised in statement of profit and loss	(83.62)	603.21
	Tax impact on above (refer note 41(c))	21.04	(151.81)
	Balance at the end of the year	97.11	159.69
Total other comprehensive income (B)		**(16,575.93)**	**(14,043.14)**
Total other equity (A + B)		**8,00,668.42**	**6,90,833.43**

Note : Refer consolidated statement of changes in equity for nature and purpose of reserves.

# Dividend on equity shares paid during the year:	As at 31 March, 2026	As at 31 March, 2025
Final dividend for the financial year 2024-25 [₹ 16 (previous year: ₹ 16) per equity share of ₹ 2 each]	14,931.26	15,091.26

Note:
Board of Directors of the Holding Company have proposed final dividend of ₹ 16 per equity share for the financial year 2025-26. Proposed dividend on equity shares are subject to approval at the Annual General Meeting and hence not recognised as a liability as at 31 March, 2026. No interim dividend was declared and paid during the financial year 2025-26.

NOTE 23: LEASE LIABILITIES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Non-current lease liabilities	727.71	200.38
	727.71	200.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 24: OTHER NON-CURRENT LIABILITIES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Deferred income - Government grant	514.58	-
	514.58	-

NOTE 25: PROVISIONS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Non-current provisions		
Provision for warranties	1,291.94	725.41
Provision for employee benefits (refer note 43)		
Gratuity	294.67	274.26
Leave encashment	-	49.89
	1,586.61	1,049.56
Movement in provisions for warranties		
Balance at the beginning of the year	1,179.77	1,838.47
Utilisation during the year	(174.69)	(3,803.47)
Provision for the year #(net of provision written back)	493.67	3,141.35
Exchange differences on translation of foreign operations	62.90	22.13
Written back during the year	(71.28)	(18.71)
Balance at the end of the year	1,490.37	1,179.77
Non-current	1,291.94	725.41
Current (refer note 31)	198.43	454.36
	1,490.37	1,179.77

'The group provides standard warranty to all its customers for any manufacturing defects in the products sold by the group. Generally, the time period of warranty is linked to the hours which have been assured by the group towards performance of the product under normal mill operation. Based on evaluation made by Holding Company's technical team and the historic experience of claims, the group provides for warranty at the rate of 0.05% / 0.20% of sales for the year and is carried in the books for a period up to 4 years.

NOTE 26: BORROWINGS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Current borrowings		
Loans from bank repayable on demand		
Secured	-	-
Unsecured	-	-
Loans from Others repayable on demand		
Secured (Refer note 6 below)	-	48,500.00
	-	48,500.00

Borrowing based on security of current assets:

1. Group has obtained various borrowings from banks on basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks are in agreement with the books of accounts.
2. Secured Export Packing Credit ('EPC') facilities are availed from State Bank of India carrying interest rate ranging from 5.95% to 6.00% during the year (Previous Year 5.30% to 7.30%) against first charge over entire current assets of the Holding Company including stock of raw material, work in process, finished goods, stores and spares and goods in transit.
3. Unsecured Export Packing Credit ('EPC') facilities are availed from Citi Bank N.A. carrying interest rate ranging from 5.30% to 6.01% during the year (Previous Year 3.75% to 7.63%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 26: BORROWINGS (CONTD.)

4. Unsecured Export Packing Credit ('EPC') facilities were availed during the previous year from JP Morgan carrying interest rate ranging from 5.40% to 7.96%.
5. Unsecured Export Packing Credit ('EPC') facilities were availed during the previous year from HDFC Bank Ltd. carrying interest rate of 6.00%.
6. Company has availed borrowings under Tri-Party Repo Dealing System by pledging Government securities carrying interest rate ranging from 4.15% to 6.12% (Previous Year 5.90% to 6.98%).

NOTE 27: LEASE LIABILITIES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Current lease liabilities	298.96	356.44
	298.96	356.44

NOTE 28: TRADE PAYABLES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
(a) Total outstanding dues of micro enterprises and small enterprises #	3,622.77	2,199.29
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Due to related parties (refer note 48 D)	161.27	233.31
(ii) Due to others	18,168.41	17,236.65
	18,329.68	17,469.96
	21,952.45	19,669.25

Refer note 55 for ageing related disclosures.

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March is provided as under to the extent the group has received intimation from the "Suppliers" regarding their status under the Act.

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act):		
(a) Principal amount remaining unpaid to any supplier as at the end of the year (refer note 29)	3,734.97	2,441.09
Interest due thereon remaining unpaid to any supplier as at the end of the year	-	-
(b) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	0.05	0.66
(c) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year;	-	-
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 29: OTHER FINANCIAL LIABILITIES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Salary, wages and bonus payable (refer note 48 D)	1,690.12	1,649.49
Unpaid dividends *	7.12	9.50
Capital creditors#	523.33	564.26
Amount received under channel financing arrangement	-	101.49
Derivatives	284.53	47.38
Other payables	0.50	262.63
	2,505.60	2,634.75

* There is no amount due to be transferred to Investor Education and Protection Fund.

The balance includes outstanding dues of micro enterprises and small enterprises of ₹ 112.20 Lakhs as at 31 Mar 2026 (₹ 241.80 Lakhs as at 31 Mar 2025)

Refer Note 28 for Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

NOTE 30: OTHER CURRENT LIABILITIES

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Contract liabilities (refer note 33)		
Customer advances (refer note 48 D)	6,517.20	4,436.99
Others		
Fund held in corpus donation	153.77	152.95
Deferred income - Government grant	74.10	-
Statutory dues and other payables	769.46	1,047.23
	7,514.53	5,637.17

NOTE 31: PROVISIONS - CURRENT

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Provision for warranties (refer note 25)	198.43	454.36
Provision for employee benefits (refer note 43)		
Gratuity	406.87	417.12
Leave encashment	23.96	30.92
	629.26	902.40

NOTE 32: CURRENT TAX LIABILITIES (NET)

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Provision for income tax (net)	4,280.89	1,088.20
	4,280.89	1,088.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 33: REVENUE FROM OPERATIONS

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Sale of products		
Export sales	2,80,714.25	2,73,071.28
Domestic sales	1,54,834.03	1,49,590.99
	4,35,548.28	4,22,662.27
Other operating revenue		
Export incentives	5,263.13	4,980.55
Other sales	1,174.99	1,101.57
	6,438.12	6,082.12
	4,41,986.40	4,28,744.39

Disclosures pursuant to Indian Accounting Standard (Ind AS) 115 - Revenue from Contract with Customers

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Reconciliation of revenue from operations with the contracted price:		
Contracted price	4,35,930.22	4,23,004.76
Adjustments :		
- Discounts	(178.60)	(302.31)
- Sales return	(203.34)	(40.18)
Sale of products	4,35,548.28	4,22,662.27
Other operating revenue	6,438.12	6,082.12
Revenue from operations	**4,41,986.40**	4,28,744.39
Revenue disaggregation by geography:		
India	1,61,272.15	1,55,673.11
Outside India :		
Others	2,80,714.25	2,73,071.28
	4,41,986.40	4,28,744.39

Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Trade receivables	1,16,866.62	82,665.70
Contract assets	-	-
Contract liabilities		
Balance at the beginning of the year	4,436.99	4,778.58
Less : Revenue recognised during the year	2,860.88	3,043.98
Exchange differences on translation of foreign operations	231.07	-
Add : Increase due to cash received during the year	4,710.02	2,702.39
Balance at the end of the year	6,517.20	4,436.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 34: OTHER INCOME

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Interest income under the effective interest method on :		
Financial assets measured at amortised cost	2,286.55	3,831.15
Financial assets measured at FVTOCI	872.45	5,127.79
Interest income on refund of income tax	657.43	-
Other non-operating income		
Gain on sale of current investments measured at FVTPL	6,146.54	1,729.34
Gain on foreign exchange fluctuation (net)	16,997.80	5,292.99
Gain on sale of current investments measured at FVTOCI	117.35	-
Financial assets at FVTPL - net change in fair value	19,430.38	17,050.02
Gain on interest rate swap	512.28	-
Net gain on sale of property, plant and equipment / termination of leases	207.14	3.68
Liabilities / provisions no longer required written back	44.19	10.74
Government grant income	90.50	-
Miscellaneous receipts	42.47	117.08
	47,405.08	33,162.79

NOTE 35: COST OF MATERIALS CONSUMED

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Opening stock at the beginning of the year	13,615.84	26,464.43
Add: Purchases during the year	1,75,659.27	1,52,930.09
Less: Closing stock at the end of the year	(20,145.55)	(13,615.84)
	1,69,129.56	1,65,778.68

NOTE 36: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Opening stock:		
Work-in-progress	23,216.67	22,157.68
Finished goods	53,479.84	60,872.30
	76,696.51	83,029.98
Closing stock:		
Work-in-progress	25,040.48	23,216.67
Finished goods	68,223.79	53,479.84
	93,264.27	76,696.51
Exchange differences on translation of foreign operations	(6,070.18)	(1,375.53)
	(10,497.58)	7,709.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 37: EMPLOYEE BENEFITS EXPENSE

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Salaries, wages and bonus	17,656.93	16,771.95
Contribution to provident and other funds	867.66	800.65
Expenses related to post employment defined benefit plans (refer note 43 (iv)) *	762.09	322.97
Staff welfare expenses	574.97	652.30
	19,861.65	18,547.87

* Effective 21 November, 2025, the Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour code collectively referred to as "New Labour Codes". The Group has assessed the financial implications of these changes mainly due to revision of definition of wages and FAQs issued by The Ministry of Labour & Employment. Accordingly, an incremental liability of ₹ 433.73 Lakhs towards gratuity has been recognised during the year ended 31 March, 2026.

NOTE 38: FINANCE COSTS

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Interest on:		
Bank borrowings measured at amortised cost	3,425.68	1,382.56
Income-tax	154.63	655.24
Lease liabilities	61.01	64.89
Others	9.40	6.44
	3,650.72	2,109.13

NOTE 39: DEPRECIATION AND AMORTISATION EXPENSE

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Depreciation of property, plant and equipment (refer note 4)	10,733.69	9,794.96
Depreciation of Right of use assets (refer note 5)	425.54	417.60
Amortisation of intangible assets (refer note 7)	110.20	94.83
	11,269.43	10,307.39

NOTE 40: OTHER EXPENSES

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Consumption of stores	28,023.43	26,481.04
Power and fuel	30,116.62	30,100.08
Contract labour charges	9,397.78	8,879.96
Repairs and maintenance		
- Buildings	410.64	376.78
- Plant and machineries	1,037.81	1,090.77
- Others	989.24	948.56
Lease rent (refer Note 5)	351.89	352.85
Insurance	1,345.43	1,234.85
Rates and taxes	318.30	170.95
Security expenses	672.73	667.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 40: OTHER EXPENSES (CONTD.)

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Printing, stationery and communication expenses	400.29	373.12
Travelling and conveyance	4,038.60	3,546.85
Advertisement and sales promotion	77.12	95.93
Freight outward expenses (including duties)	34,342.77	26,906.60
Royalty expenses	377.73	579.72
Commission expenses	3,880.44	5,231.67
Warranty expenses	422.39	3,122.64
Directors' sitting fees	23.70	27.15
Payments to auditors		
- Statutory audit fees	138.99	114.69
- Quarterly Limited reviews	31.00	31.00
- Certification and other services	2.00	4.50
- Reimbursement of expenses	6.72	4.87
Legal and professional consultancy fees	5,822.54	7,517.12
Bank commission charges	519.60	455.74
Donation	3.57	2.01
Corporate social responsibility expenses	2,419.48	2,102.68
Bad debts	-	10.51
Allowance for expected credit loss (net)	887.24	68.45
Fair value loss on interest rate swap	-	183.36
Other miscellaneous expenses	907.80	822.27
	1,26,965.85	1,21,504.51

NOTE 41: TAX EXPENSES

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
(a) Tax expense		
Provision for current tax	33,383.82	26,501.91
(Excess) / Short provision for tax of earlier years	(1,496.43)	573.63
Net deferred tax (refer note 41(c))	396.92	3,760.11
Tax expense for the year	**32,284.31**	30,835.65
(b) Deferred tax		
Deferred tax liabilities		
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	7,507.94	6,995.30
Financial assets at FVTPL - net change in fair value	6,929.51	4,726.69
Hedge reserve balance	-	34.22
Foreign currency translation reserve	(36.22)	(3.02)
	14,401.23	11,753.19
Deferred tax assets		
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	-	9.12
Unrealised profit on intra group inventory	3,677.98	2,144.41
Brought forward business loss at subsidiary	483.42	-
Hedge reserve balance	71.62	-
Government grant	197.68	-
Others	165.33	31.30
	4,596.03	2,184.83
Deferred tax liabilities (net) (refer note 41(c))	**9,805.20**	9,568.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 41: TAX EXPENSES (CONTD.)

(c) Movement in deferred tax

Currency: ₹ in Lakhs

Particulars	Opening balance as at 1 April 2025	Consolidated statement of profit and loss	Other comprehensive income	Closing balance as at 31 March, 2026
Deferred tax liabilities				
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	6,995.30	512.64	-	7,507.94
Foreign currency translation reserve	(3.02)	-	(33.20)	(36.22)
Financial assets at FVTPL - net change in fair value	4,726.69	2,223.86	(21.04)	6,929.51
Hedge reserve balance	**34.22**	**-**	**(34.22)**	**-**
	11,753.19	2,736.50	(88.46)	14,401.23
Deferred tax assets				
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	9.12	(9.12)	-	-
Unrealised profit on intra group inventory	2,144.41	1,533.57	-	3,677.98
Brought forward business loss at subsidiary	-	483.42	-	483.42
Hedge reserve balance	-	-	71.62	71.62
Government grant	-	197.68	-	197.68
Others	31.30	134.03	-	165.33
	2,184.83	**2,339.58**	**71.62**	**4,596.03**
Deferred tax liabilities (net)	**9,568.36**	**396.92**	**(160.08)**	**9,805.20**
Deferred tax liabilities				
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	6,507.11	488.19	-	6,995.30
Foreign currency translation reserve	(2.15)	-	(0.87)	(3.02)
Financial assets at FVTPL - net change in fair value	1,469.79	3,105.09	151.81	4,726.69
Hedge reserve balance	83.55	-	(49.33)	34.22
	8,058.30	3,593.28	101.61	11,753.19
Deferred tax assets				
Difference between written down value of property, plant and equipment and other intangible assets as per books of account and Income-tax, Act 1961	8.49	0.63	-	9.12
Unrealised profit on intra-group inventory	2,314.92	(170.51)	-	2,144.41
Others	25.17	3.05	3.08	31.30
	2,348.58	(166.83)	3.08	2,184.83
Deferred tax liabilities (net)	5,709.72	3,760.11	98.53	9,568.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 41: TAX EXPENSES (CONTD.)

(d) Effective tax reconciliation

Reconciliation of the tax expense (i.e., current tax and deferred tax) amount considering the enacted Income tax rate and effective Income tax rate of the Group is as follows:

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Profit before tax for the year	1,59,177.45	1,36,843.02
Tax at statutory income tax rate of 25.168% (previous year: 25.168%) in India	40,061.78	34,440.65
Adjustments (tax effect) :		
Income from long term / short term investments taxed at lower rate	(2,667.30)	(1,187.03)
Non-deductible expenses for tax purposes	648.79	719.53
Difference in tax rate of subsidiary companies	(2,576.15)	(3,585.88)
Share of profit of joint venture, Net of Tax	(350.24)	(295.76)
Tax impact on foreign exchange differences on translation of inventory	(1,527.74)	170.51
(Excess) / Short provision for tax of earlier years	(1,496.43)	573.63
Deferred tax assets not recognised on tax losses	191.60	-
Tax expense reported in the consolidated statement of profit and loss	**32,284.31**	30,835.65

The Group has ongoing disputes with Income tax authorities relating to tax treatment of certain items. These amounts have been disclosed as contingent liabilities (refer Note 44).

NOTE 42: EARNINGS PER SHARE

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Net profit attributable to the equity shareholders (₹ in Lakhs)	1,27,015.82	1,06,073.60
Weighted average number of equity shares outstanding during the period (nos.)	9,33,20,370	9,37,53,247
Nominal value of equity share (₹)	2.00	2.00
Basic and diluted earnings per share (₹)	**136.11**	113.14

NOTE 43: EMPLOYEE BENEFITS

The group has the following post-employment benefit plans:

A. DEFINED CONTRIBUTION PLAN

Contribution to defined contribution plan, recognised as expense for the year is as under.

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Employer's contribution to provident and other funds	653.71	669.29

B. Defined benefit plans

Gratuity: The employees' gratuity fund scheme of the Holding Company is funded with Life Insurance Corporation of India and managed by a Trust, for subsidiary company incorporated in India, it is funded with Life Insurance Corporation of India and for a wholly owned overseas subsidiary company it is unfunded. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The benefits in India are governed by the Code of Social Security, 2020. The key features are as under :

Benefits offered	15 / 26 x salary x duration of service
Salary definition	Last drawn Qualifying wages
Benefit ceiling	Benefit ceiling of ₹ 20 Lakhs is not applied
Vesting conditions	5 years of continuous service (not applicable in case of death / disability)
Benefit eligibility	Upon death or resignation / withdrawal or retirement
Retirement age	58, 60, 62, 65 or 80 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 43: EMPLOYEE BENEFITS (CONTD.)

(i) Risks associated to the defined benefit plans:

a. Actuarial risk: Risks due to adverse salary growth / Variability in mortality and withdrawal rates.

b. Investment risk: Risks due to significant changes in discounting rate during the inter-valuation period.

c. Liquidity risk: Risks on account of Employees resign/retire from the Group and as result strain on the cash flow arises.

d. Market risk: Risks related to changes and fluctuation of the financial markets and assumption depends on the yields on government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

e. Legislative risk: Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

(ii) Reconciliation of opening and closing balances of defined benefit obligation:

Currency: ₹ in Lakhs

Particulars	Gratuity (funded)		Gratuity (unfunded) #	
	2025-26	2024-25	2025-26	2024-25
Defined benefit obligation at the beginning of the year	4,484.74	3,997.54	274.26	251.68
Recognised in consolidated statement of profit and loss:				
Current service cost	284.80	279.13	25.67	34.81
Past service cost	433.73	-	-	-
Interest cost	279.72	271.35	-	-
Actuarial (gain) / loss recognised in other comprehensive income:				
Due to change in financial assumptions	(179.28)	180.16	-	-
Due to change in demographic assumptions	-	(15.42)	-	-
Due to experience adjustments	(99.72)	(2.11)	-	-
Benefits paid from plan asset	(574.17)	(225.91)	-	-
Benefits directly paid by group	(146.88)	-	(31.65)	(18.27)
Adjustment on account of translating the financial statements of foreign operations	-	-	26.39	6.04
Defined benefit obligation at the end of the year	**4,482.94**	4,484.74	**294.67**	274.26

(iii) Reconciliation of opening and closing balances of fair value of plan assets:

Currency: ₹ in Lakhs

Particulars	Gratuity (funded)		Gratuity (unfunded) #	
	2025-26	2024-25	2025-26	2024-25
Fair value of plan assets at the beginning of the year	4,067.62	3,732.63	-	-
Interest income	261.83	262.32	-	-
Return on plan assets excluding amounts included in interest income	42.79	23.86	-	-
Contributions by the employer	283.83	274.72	-	-
Benefits paid	(574.17)	(225.91)	-	-
Fair value of plan assets at the end of the year	4,081.90	4,067.62	-	-
Actual return on plan assets	304.62	286.18	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 43: EMPLOYEE BENEFITS (CONTD.)

(iv) Expense recognised during the year:

Currency: ₹ in Lakhs

Particulars	Gratuity (funded)		Gratuity (unfunded) #	
	2025-26	2024-25	2025-26	2024-25
Current service cost	284.80	279.13	25.67	34.81
Past service cost	433.73	-	-	-
Net interest cost	17.89	9.03	-	-
Net cost recognised in consolidated statement of profit and loss	**736.42**	288.16	**25.67**	34.81
Components of actuarial (gains) / losses:				
Due to change in financial assumptions	(179.28)	180.16	-	-
Due to change in demographic assumptions	-	(15.42)	-	-
Due to experience adjustments	(99.72)	(2.11)	-	-
Return on plan assets excluding amounts included in interest income	(42.79)	(23.86)	-	-
Net cost recognised in other comprehensive (income) / expense	**(321.79)**	138.77	**-**	-

(v) Reconciliation of fair value of assets and obligations:

Currency: ₹ in Lakhs

Particulars	Gratuity (funded)		Gratuity (unfunded) #	
	2025-26	2024-25	2025-26	2024-25
Present value of obligation	4,482.94	4,484.74	294.67	274.26
Fair value of plan assets	4,081.90	4,067.62	-	-
Net defined benefit liability at end of the year	401.04	417.12	294.67	274.26

Gratuity (unfunded) represents defined benefit plan in a wholly owned overseas subsidiary.

(vi) Composition of plan assets:

Currency: ₹ in Lakhs

Particulars	Gratuity (funded)	
	2025-26	2024-25
Debt instruments		
Investment funds		
Insurance policies	100%	99% to 100%
Others	0%	1%

(vii) Key actuarial assumptions:

Currency: ₹ in Lakhs

Particulars	Gratuity (funded)	
	2025-26	2024-25
Financial assumptions		
Discount rate	6.50% to 7.25%	6.60% to 6.70%
Expected rate of return on plan assets	6.50% to 7.25%	6.60% to 6.70%
Salary growth rate	7.00% to 8.5%	7.00% - 8.50%
Weighted average duration (in years)	7.12	6.08 to 8.35
Demographic assumptions		
Withdrawal rate - Age band		
25 & below	10% to 13%	13% to 5%
25 to 35	7% to 7.5%	7% to 4%
35 to 45	4% to 5%	4% to 3%
45 to 55	2.5% to 3%	3% to 2%
55 & above	1% to 3%	3% to 1%
Mortality table	**Indian assured lives mortality (2012-14)**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 43: EMPLOYEE BENEFITS (CONTD.)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and respective Group's policy for plan assets management

(viii) Sensitivity analysis:

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Impact on defined benefit obligations - Gratuity:

Particulars	Increase in assumption		Decrease in assumption	
	2025-26	2024-25	2025-26	2024-25
Discount rate				
Change in assumption by 0.50%	-3.39%	-3.97%	3.63%	4.27%
Salary growth rate				
Change in assumption by 0.50%	3.56%	4.16%	-3.35%	-3.91%
Withdrawal rate				
Change in assumption by 10%	-0.16%	-0.28%	0.17%	0.28%

The Methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(ix) Maturity profile of the defined benefit obligation:

Currency: ₹ in Lakhs

Particulars	Gratuity (funded)	
	2025-26	2024-25
Age wise distribution of defined benefit obligation		
Age in years		
Less than 25	4.05	3.62
25 to 35	197.10	205.07
35 to 45	1,230.94	1,335.51
45 to 55	1,335.27	1,473.07
above 55	1,715.58	1,467.47
	4,482.94	4,484.74
Past service wise distribution of defined benefit obligation		
Service period in years		
0 to 4	106.86	72.68
4 to 10	326.27	293.24
10 to 15	478.53	618.80
15 and above	3,571.28	3,500.02
	4,482.94	4,484.74

C. Other long-term employee benefits

Leave encashment: The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 43: EMPLOYEE BENEFITS (CONTD.)

The benefits are governed by the Holding Company's leave policy. The key features are as under :

Salary for encashment	Last drawn basic salary for staff and Qualifying wages for workers
Salary for availment	Cost to Group
Benefit event	Death or resignation or retirement or availment
Maximum accumulation	98
Benefit Formula	(Leave days) x (Basic salary) / (Leave denominator)
Leave denominator	30
Leave credited annually	30
Retirement age	58, 60, 62, 65 or 80 years

Key actuarial assumptions:

Particulars	**Leave encashment (funded)**	
	2025-26	**2024-25**
Financial assumptions		
Discount rate	6.50% to 7.25%	6.60% to 6.70%
Expected rate of return on plan assets	6.50% to 7.25%	6.60% to 6.70%
Salary growth rate	7.00% to 8.5%	7.00% - 8.50%
Demographic assumptions		
Withdrawal rate - Age band		
25 & below	10% to 13%	13% to 5%
25 to 35	7% to 7.5%	7% to 4%
35 to 45	4% to 5%	4% to 3%
45 to 55	2.5% to 3%	3% to 2%
55 & above	1% to 3%	3% to 1%
Mortality table	**Indian assured lives mortality (2012-14)**	

Leave encashment expenses recognised during the year in the consolidated statement of profit and loss amounts to ₹ 116.53 Lakhs (previous year ₹ 216.65 Lakhs)

D. Estimate of contributions expected to be paid during financial year 2026-27 is as under.

(i) Defined contribution plan:	
(a) Employer's contribution to provident fund	12% of salary
(ii) Defined benefit plan:	
(a) Gratuity (funded)	401.04
(b) Gratuity (Unfunded)	-
(iii) Other long-term employee benefits	
(a) Leave encashment	23.96

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 44: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
(a) Contingent liabilities		
Claims against the group not acknowledged as debts:		
Central Excise, Service tax and Goods and Services tax	17.15	228.62
Income tax		
In High Court (Decision is received in favour of group in ITAT and Income Tax Department has appealed decision of ITAT in High Court)	28,943.41	11,473.81
In Income Tax Appellate Tribunal (ITAT)	-	17,469.60
In Commissioner of Income tax (CIT)	7,933.79	4,129.01
Total Income tax	**36,877.20**	33,072.42
Sales tax / VAT	21.70	21.70
Guarantees:		
Outstanding bank guarantees	23,360.10	16,280.08
Outstanding corporate guarantees given to customers / subsidiaries	11,307.12	2,373.24
Letter of Credit	1,542.97	142.28
Others matters including claims related to ESIC, Electricity and Ex-employees	1,161.13	885.55
Charter of demands made by one of the labour union, pending for disposal at Industrial Tribunal (labour court), Bangalore.	no reliable estimate can be made	
	74,287.37	53,003.89
(b) Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	1,645.66	2,153.97
	1,645.66	2,153.97

Notes:

(i) Most of the issues of litigation pertaining to Central Excise / Service tax / Income tax (including transfer pricing matters) are based on interpretation of the respective law & rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. Further, in several matters, the management has successfully defended their case at lower forums of adjudication. Accordingly, the management do not envisage any material impact on the consolidated financial statements of the Group.

(ii) Sales tax/VAT related litigation/demand primarily pertains to non submission of required declaration forms in time due to non-receipt of the same from customers and / or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.

(iii) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

(iv) Amounts mentioned above do not include possible interest / penalty from the date of the contested order till the balance sheet date.

NOTE 45: RELATIONSHIP WITH STRUCK OFF COMPANIES:

Name of struck of companies	Nature of transaction	Gross Balance Outstanding		Relationship with struck off group
		As at 31 March, 2026	As at 31 March, 2025	
Grippon Profiles & Engg Private Limited (Advance was given in Mar - 2014 and legal case is filed against vendor)	Purchase	4.43	4.43	None

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 46: ANTI- DUMPING DUTY

Brazil : Ministry of Development, Industry, Trade and Services Foreign Trade – Department of Trade Defense, Brazil (DECOM) on completion of the sun set review of Anti Dumping Duty decided in favour of the Holding Company and issued an order to terminate the antidumping duty with effect from 13 June, 2024. Further, the Sun Set Review completed during the year on 02 December, 2025 for countervailing duty and same is reduced to 4.69% from 6.40% earlier.

USA : During the previous year ended 31 March, 2025, the Holding Company and VEGA USA (wholly owned subsidiary) received a notice in relation to the investigations around alleged dumping and subsidising of certain grinding media from India based on complaint filed by Magotteux Inc. Post submission of required information, United States Department of Commerce announced its determination for cash deposit of Countervailing Duty at 3.16% and Anti-Dumping Duty at 6.91% which is effective from 12 June, 2025 on certain high chrome iron grinding media imported from India.

NOTE 47 (a) : No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and it's subsidiaries incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Holding Company and it's subsidiaries incorporated in India (Ultimate Beneficiaries). The Holding Company and it's subsidiaries incorporated in India has not received any fund from any party(s) (Funding Party) with the understanding that the Holding Company and it's subsidiaries incorporated in India shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Holding Company and it's subsidiaries incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 47 (b): In accordance with the requirements stipulated under the provisions of Companies Act, 2013 for audit trail feature being tampered with, service provider of the Holding Company has initiated the required improvements and configuration changes to enable edit logs of audit trail for financially relevant tables.

NOTE 48: RELATED PARTY DISCLOSURES

A List of related parties:

(i) Key managerial personnel ('KMP'):

Sr. no.	Name	Designation
KMP of Holding company:		
1	Mr. Rajendra S. Shah	Chairman (Upto 20 April, 2026)
2	Mr. Bhadresh K. Shah #	Chairman & Managing Director (Chairman w.e.from 21 April, 2026)
3	Mr. Yashwant M. Patel	Whole-time Director
KMP of subsidiary companies:		
1	Mr. Jerry Andersson (Upto 31 December, 2024)	Chief Executive Officer and Director, Vega Industries (Middle East) F.Z.C.
2	Mr. Mohan Rao VVR (Upto 31 July, 2025)	Chief Executive Officer - Welcast Steels Limited
3	Mr. Gangadurai (W.e.f. 07 August, 2025)	
4	Mr. Paryank R. Shah	Director, Vega Industries (Middle East) F.Z.C. and its subsidiaries
5	Mr. R. A. Gilani	
6	Mr. Himanshu K. Patel	
7	Mr. Vivek S. Rathaur (Upto 8 August 2025)	

Controlling party. Refer Note 21 for shareholding pattern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 48: RELATED PARTY DISCLOSURES (CONTD.)

(ii) Independent directors:

Sr. no.	Name	Company
1	Mr. Rajendra S. Shah (Upto 11 September, 2024)	AIA Engineering Limited
2	Mr. Sanjay S. Majmudar (Upto 11 September, 2024)	
3	Mr. Dileep C. Choksi (Upto 11 September, 2024)	
4	Mr. Rajan Harivallabhdas (Upto 23 Septmeber, 2025)	
5	Mrs. Janaki Udayanbhai Shah	
6	Mr. Piyush B.Shah (w.e.f. 09 September, 2024)	
7	Mr. Udayan Dileep Choksi (w.e.f. 20 September, 2025)	
8	Mr. Nitin Shukla (w.e.f. 30 January, 2026)	
9	Mr. Malay Jayendra Dalal (w.e.f. 20 April, 2026)	
10	Mr. D. P. Dhanuka (Upto 10 September, 2024)	Welcast Steels Limited
11	Mr. Pradip R. Shah (Upto 10 September, 2024)	
12	Mr. Sanjay S. Majmudar (Upto 10 September, 2024)	
13	Mr. Piyush B.Shah (w.e.f. 11 September, 2024)	
14	Mr. Rajan Harivallabhdas (w.e.f. 11 September, 2024)	
15	Mr. Ashok A. Nichani (Upto 10 September, 2024)	

(iii) Others:

Sr. no.	Name	Relationship
1	AIA Employee's Gratuity Trust Fund, India	Post employment benefit plan of AIA Engineering Limited
2	Welcast Steels Employees Gratuity fund trust, India	Post employment benefit plan of Welcast Steels Limited
3	Vega MPS Pty. Ltd	Joint Venture of Vega Industries (Middle East) F.Z.C.
4	Mrs. Giraben K. Shah	Relatives of key managerial personnel
5	Mrs. Gitaben B. Shah	
6	Mrs. Khushali Samip Solanki *	
7	Mrs. Bhumika Shyamal Shodhan *	
8	Mrs. Tayaramma (Upto 31 July, 2025)	
9	Mr. Rajendra S. Shah (w.e.f. 13 September, 2024)	Non-Executive Director of AIA Engineering Limited
10	Mr. Sanjay S. Majmudar (w.e.f. 13 September, 2024)	
11	Mr. Sanjay S. Majmudar (w.e.f. 11 September, 2024)	Non-Executive Director of Welcast Steels Limited
12	Mr. Pradip R. Shah (w.e.f. 11 September, 2024)	
13	AB Tradelink Private Limited	Enterprise over which key managerial personnel or close member of their family exercise control
14	Vee Connect Travels Private Limited	
15	Discus IT Private Limited	
16	Harsha Engineers International Limited	
17	Harsha Engineers Advantek Limited	
18	Cocoa Drama	

* Non-executive director of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 48: RELATED PARTY DISCLOSURES (CONTD.)

B Details of related party transactions during the year.

Currency: ₹ in Lakhs

Sr. no.	Nature of transaction	Joint Venture		Key Managerial Personnel		Independent Directors/ Non Executive Directors		Enterprise over which key managerial personnel or close member of their family exercise control		Relatives of key managerial personnel		Post employment benefit plan of the Group	
		31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025
1	Sale of products (inclusive of taxes)	16,678.97	6,801.27					28,872.35	30,074.80	-	-	-	-
2	Purchase of goods (inclusive of taxes)	-	-	-	-	-	-	2,895.04	2,765.58	-	-	-	-
3	Commission expense on purchases	-	-	-	-	-	-	111.45	116.98	-	-	-	-
4	SAP ERP functional and technical support	-	-	-	-	-	-	58.86	90.93	-	-	-	-
5	Salary, bonus and perquisites	-	-	-	-	-	-	-	-	1.54	1.54	-	-
6	Contribution to gratuity fund	-	-	-	-	-	-	-	-	-	-	283.83	274.72
7	Rent, rates and taxes	-	-	-	-	-	-	-	-	3.35	6.42	-	-
8	Travelling expenses	-	-	-	-	-	-	663.82	472.97	-	-	-	-
9	Directors' remuneration and perquisites	-	-	615.28	774.52	-	-	-	-	-	-	-	-
10	Sitting fees paid	-	-	3.15	3.45	15.55	16.90	-	-	5.00	6.20	-	-
11	Commission to Director	-	-	-	-	22.50	22.50	-	-	18.00	18.00	-	-
12	Reimbursement received from gratuity fund	-	-	-	-	-	-	-	-	-	-	5.00	29.58
13	Other expenses	-	-	-	-	-	-	0.29	2.23	-	-	-	-
	Total	**16,678.97**	6,801.27	**618.43**	777.97	**38.05**	39.40	**32,601.81**	33,523.49	**27.89**	32.16	**288.83**	304.30
	Outstanding balance receivable at year end	**8,586.61**	400.74	**-**	-	**-**	-	**15,845.53**	5,141.24	**-**	-	**5.83**	10.20
	Outstanding balance payable at year end	**1,370.90**	1,254.14	**8.71**	6.63	**20.25**	20.25	**140.93**	212.47	**1.44**	0.59	**406.87**	417.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 48: RELATED PARTY DISCLOSURES (CONTD.)

C Disclosures in respect of transactions with related parties during the year.

Currency: ₹ in Lakhs

Sr. no.	Nature of transaction	Name of related party	As at 31 March, 2026	As at 31 March, 2025
1	Sale of products (inclusive of taxes)	AB Tradelink Private Limited	28,872.35	30,074.80
		Vega MPS Pty Ltd	16,678.97	6,801.27
2	Purchase of goods (inclusive of taxes)	Harsha Engineers International Limited	2,816.69	2,730.21
		Harsha Engineers Advantek Limited	78.35	35.37
3	Commission expense on purchases	AB Tradelink Private Limited	111.45	116.98
4	SAP ERP functional and technical support	Discus IT Private Limited	58.86	90.93
5	Salary, bonus and perquisites	Mrs. Gitaben B. Shah	1.54	1.54
6	Contribution to gratuity fund	AIA Employee's Gratuity Trust Fund	248.86	257.26
		Welcast Steels Employees Gratuity fund trust	34.97	17.46
7	Rent, rates and taxes	Mrs. Giraben K. Shah	2.59	4.22
		Mrs. Tayaramma	0.76	2.20
8	Travelling expenses	Vee Connect Travel Private Limited	663.82	472.97
9	Directors' remuneration and perquisites	Mr. Bhadresh K. Shah	109.92	120.74
		Mr. Yashwant M. Patel	30.32	30.32
		Mr. Paryank R. Shah	90.40	86.37
		Mr. R. A. Gilani	176.76	158.84
		Mr. Himanshu K. Patel	129.80	120.52
		Mr. Jerry Andersson	-	176.30
		Mr. Vivek S. Rathore	25.46	44.29
		Mr. Mohan Rao VVR	32.86	37.14
		Mr. Gangadurai	19.76	-
10	Sitting fees paid	Mr. Rajendra S. Shah	2.40	2.40
		Mr. Bhadresh K. Shah	0.75	1.05
		Mr. Sanjay S. Majmudar	4.10	4.50
		Mr. Dileep C. Choksi	-	1.60
		Mr. Rajan Harivallabhdas	3.15	4.10
		Mrs. Janaki Udayanbhai Shah	2.60	2.60
		Mrs. Khushali Samip Solanki	2.60	3.40
		Mrs. Bhumika Shyamal Shodhan	2.40	2.80
		Mr. Piyush B.Shah	3.75	2.10
		Mr. Udayan Dileep Choksi	1.20	-
		Mr. D.P Dhanuka	-	0.65
		Mr. Pradip R.Shah	0.75	0.70
		Mr. Ashok Nichani	-	0.65
11	Commission to Director	Mr. Sanjay S.Majmudar	22.50	22.50
		Mrs. Khushali Samip Solanki	18.00	18.00
12	Reimbursement received from gratuity fund	Welcast Steels Employees Gratuity fund trust	5.00	29.58
13	Other expenses	Cocoa Drama	0.29	2.23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 48: RELATED PARTY DISCLOSURES (CONTD.)

D The details of amounts due to or due from related parties as at 31 March are as follows:

Currency: ₹ in Lakhs

Sr. no.	Particulars	Name of related party	As at 31 March, 2026	As at 31 March, 2025
1	**Other financial liabilities**			
	Key managerial personnel	Mr. Bhadresh K. Shah	4.75	4.75
		Mr. Yashwant M. Patel	1.88	1.88
		Mr. Gangadurai	2.08	-
			8.71	6.63
	Relative of Key managerial personnel	Mrs. Khushali Samip Solanki	1.35	-
			10.06	6.63
2	**Trade payables**			
	Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	4.64	6.48
		Harsha Engineers International Limited	96.50	197.10
		Harsha Engineers Advantek Limited	32.74	4.34
		Vee Connect Travels Private Limited	2.43	4.55
		Discus IT Private Limited	4.62	-
	Relative of Key managerial personnel	Mrs. Giraben K. Shah	-	0.32
		Mrs. Gitaben B. Shah	0.09	0.09
		Mrs. Tayaramma	-	0.18
	Independent director / Non-Executive Director	Mr. Sanjay S. Majmudar	20.25	20.25
			161.27	233.31
3	**Trade receivable**			
	Enterprise over which key managerial personnel or close member of their family exercise control	AB Tradelink Private Limited	15,828.96	5,136.68
	Joint Venture	Vega MPS Pty Ltd	8,586.61	400.74
			24,415.57	5,537.42
4	**Provision for employee benefits**			
	Post employment benefit plan of the Group	AIA Employee's Gratuity Trust Fund, India	406.87	395.74
		Welcast Steels Employees Gratuity fund trust	-	21.38
			406.87	417.12
5	**Amount due from Gratuity Trust**			
	Post employment benefit plan of the Group	Welcast Steels Employees Gratuity fund trust	5.83	10.20
			5.83	10.20
6	**Advances**			
	Enterprise over which key managerial personnel or close member of their family exercise control	Vee Connect Travels Private Limited	16.57	4.56
			16.57	4.56
7	**Other Current Liabilities**			
	Joint Venture	Vega MPS Pty Ltd	1,370.90	1,254.14
			1,370.90	1,254.14

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 48: RELATED PARTY DISCLOSURES (CONTD.)

E Breakup of compensation paid to key managerial personnel:

Sr. no.	Particulars	Name of key managerial personnel	As at 31 March, 2026	As at 31 March, 2025
1	Short-term employee benefits	Mr. Bhadresh K. Shah	109.92	120.74
		Mr. Yashwant M. Patel	30.32	30.32
		Mr. Paryank R. Shah	90.40	86.37
		Mr. R. A .Gilani	176.76	158.84
		Mr. Himanshu K. Patel	129.80	120.52
		Mr. Jerry Andersson	-	176.30
		Mr. Mohan Rao VVR	32.86	37.14
		Mr. Gangadurai	19.76	-
		Mr. Vivek S. Rathaur	25.46	44.29
			615.28	774.52

Key Managerial Personnel and their relatives who are under the employment of the group are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Consolidated financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis. No amount has been recognised as bad or doubtful in respect of transactions with the related parties.

NOTE 49: OPERATING SEGMENTS

(a) Information about reportable segment:

The group operates mainly in manufacturing of High Chrome Mill Internals (Castings) and all other activities are incidental thereto, which have similar risk and return, accordingly, there are no separate reportable Segment.

(b) Information about geographical segment:

The geographical information analyses the group's revenues and non-current assets by the Company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographical location of assets.

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
(1). Revenues from external customers including operating revenue		
India	1,61,272.15	1,55,673.11
Others	2,80,714.25	2,73,071.28
(2). Non-current assets (excluding financial assets and tax assets)		
India	1,26,045.72	1,27,586.32
Outside India	2,039.20	697.92

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
(a) Breakup of revenues :		
Revenue from operations	4,35,548.28	4,22,662.27
Other operating revenue	6,438.12	6,082.12
(b). Non-current assets		
Non-current assets (excluding financial assets and tax assets)	1,28,084.92	1,28,284.24

There are no sales in single country outside India which amounts to more than 10% of the group's total revenue. There are no transactions with a single external customer which amounts to 10% or more of the group's total revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 50: FINANCIAL RISK MANAGEMENT

The group's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk, market risk and commodity risk. The group's senior management has overall responsibility for the establishment and oversight of the group's risk management framework. The Holding Company has constituted a Risk Management Committee which is responsible for developing and monitoring the group's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of the Holding Company. The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The Risk Management Committee of the Holding Company is supported by the Finance team and experts who provide assurance that the group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. The activities are designed to protect the group's financial results and position from financial risks, maintain market risks within the acceptable parameters while optimising returns and protect the group's financial investments while maximising returns.

This note explains the sources of risk which the group is exposed to and how the group manages the risk in the financial statements.

Nature of risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis, Credit rating	Credit limit set and aging analysis protect group from potential losses due to excess credit to the customers. Further the group has also obtained ECGC insurance cover for export sales.
Liquidity risk	Borrowing and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in INR	Cash flow forecasting, Sensitivity analysis	Forward foreign exchange contracts.
Commodity risk	Purchase of raw material	Fluctuation in imported metal scrap and ferro chrome prices and currency rates	Procurement and inventory strategy

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle the obligation as agreed. To manage this, the group periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. Customer wise limits are set accordingly.

The group considers the probability of default of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

(i) Actual or expected significant adverse changes in business;

(ii) Actual or expected significant changes in the operating results of the counterparty;

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

(iv) Significant increase in credit risk on other financial instruments of the same counterparty.

The group categorises financial assets based on the assumptions, inputs and factors specific to the class of financial asset into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 50: FINANCIAL RISK MANAGEMENT (CONTD.)

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the group. The group considers a loan or receivable for write off review when contractual payments pasts greater than one year from due date. Where loans or receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the consolidated statement of profit and loss.

Provision for expected credit losses:

Description of category	Category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade receivables
Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	High-quality assets, negligible credit risk	12 month expected credit losses	12 month expected credit losses	Life time expected credit losses (simplified approach)
Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.	Quality assets, low credit risk	12 month expected credit losses	12 month expected credit losses	
Assets where the probability of default is moderate, counter-party where the capacity to meet the obligations is not strong.	Standard assets, moderate credit risk	12 month expected credit losses	12 month expected credit losses	
Assets where there has been a significant increase in credit risk since initial recognition where payments are more than 360 days past due	Substandard assets, relatively high credit risk	Life time expected credit losses	Life time expected credit losses	
Assets where there is a high probability of default. It includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 360 days past due.	Low quality assets, very high credit risk	Life time expected credit losses	Life time expected credit losses	
Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the group.	Doubtful assets, credit impaired	Asset is written off		

Movement in allowance for impairment of Trade receivables is as below:

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Balance at the Beginning	122.11	53.66
Impairment loss	887.24	68.45
Loss / (Gain) on account of translation of foreign operation	16.28	-
Balance at the end	**1,025.63**	122.11

Loss allowance as on 31 March, 2026 and 31 March, 2025 was determined as follows :

Currency: ₹ in Lakhs

As at 31 March, 2026	Weighted Average Loss Rate	Gross Carrying Amount	Loss allowance
Unbilled	0.00%	1,131.50	-
Not Due	0.01%	75,221.33	6.23
Less than 6 months	0.02%	36,788.17	8.96
6 months - 1 year	5.34%	3,446.68	183.89
1-2 years	31.50%	632.92	199.37
2-3 years	94.31%	579.61	546.63
More than 3 years	87.52%	92.04	80.55
Gross carrying amount		**1,17,892.25**	**1,025.63**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 50: FINANCIAL RISK MANAGEMENT (CONTD.)

Currency: ₹ in Lakhs

As at 31 March, 2025	Weighted Average Loss Rate	Gross Carrying Amount	Loss allowance
Unbilled	-	-	-
Not Due	0.01%	56,720.61	3.62
Less than 6 months	0.01%	23,851.16	2.69
6 months - 1 year	0.30%	900.03	2.71
1-2 years	1.64%	1,121.55	18.42
2-3 years	23.61%	102.43	24.18
More than 3 years	76.59%	92.03	70.49
Gross carrying amount		82,787.81	122.11

Expected credit loss for loans and deposits:

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31 March, 2026					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	13,309.67	-	-	13,309.67
	Deposits	1,125.75	-	-	1,125.75
Loss allowance measured at life time expected credit losses:	NA	-	-	-	-
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired					
As at 31 March, 2025					
Loss allowance measured at 12 month expected credit losses:					
Financial assets for which credit risk has not increased significantly since initial recognition	Loans	13,232.05	-	-	13,232.05
	Deposits	1,355.80	-	-	1,355.80
Loss allowance measured at life time expected credit losses:					
Financial assets for which credit risk has increased significantly and not credit impaired or credit impaired	NA	-	-	-	-

Expected credit loss for trade receivables under simplified approach:

Ageing of trade receivables as at year end:

Currency: ₹ in Lakhs

Due from date of invoice	As at 31 March, 2026	As at 31 March, 2025
Unbilled	1,131.50	-
Not Due	75,221.33	56,720.61
0 - 3 months	28,020.75	22,600.45
3 - 6 months	8,767.42	1,250.71
6 - 12 months	3,446.68	900.03
Beyond 12 months	1,304.57	1,316.01
Gross carrying amount	1,17,892.25	82,787.81
Expected credit loss	(1,025.63)	(122.11)
Net carrying amount	**1,16,866.62**	82,665.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 50: FINANCIAL RISK MANAGEMENT (CONTD.)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risks are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows. Maturity grouping for Liquidity risk relating to lease liabilities (without discounting) is as under:

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
0-1 Year	385.62	394.86
2-5 Years	694.34	209.39
Above 5 Years	255.27	-
Grand Total	**1,335.23**	604.25

Financing arrangements

The group had access to following undrawn borrowing facilities as at year end:

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Fund and non-fund based facilities	1,24,217.49	1,33,188.89

The table below analyses derivative and non-derivative financial liabilities of the group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Lakhs)

Particulars	0-1 years	1-5 years	Total
As at 31 March, 2026			
Non-derivative financial liabilities			
Short term borrowings	-	-	-
Trade payables	21,952.45	-	21,952.45
Other financial liabilities	2,221.07		2,221.07
Total	**24,173.52**	**-**	**24,173.52**
Derivative financial liabilities			
Derivatives	284.53	-	284.53
As at 31 March, 2025			
Non-derivative financial liabilities			
Short term borrowings	48,500.00	-	48,500.00
Trade payables	19,669.25	-	19,669.25
Other financial liabilities	2,587.37		2,587.37
Total	70,756.62	-	70,756.62
Derivative financial liabilities			
Derivatives	47.38	-	47.38

Note: Guarantees issued by the Group aggregating to ₹ 10,615.40 Lakhs (previous year: ₹ 2,136.46 Lakhs) on behalf of subsidiaries are with respect to borrowing limits obtained by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiary have any outstanding borrowing and hence the group does not have any present obligation to third parties in relation to such guarantees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 50: FINANCIAL RISK MANAGEMENT (CONTD.)

Market risk - interest rate

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimise the group's position with regards 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 fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

Currency: ₹ in Lakhs

Particulars	As at 31 March, 2026	As at 31 March, 2025
Borrowings bearing fixed rate of interest	-	-
Borrowings bearing variable rate of interest	-	48,500.00

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax:

Currency: ₹ in Lakhs

Movement - effects on profit before tax	Year ended 31 March, 2026	Year ended 31 March, 2025
50 bp increase-decrease in profits	-	(242.50)
50 bp decrease-increase in profits	-	242.50

Market risk - Foreign currency risk

The group operates internationally and large portion of the business is transacted in several currencies. Consequently the group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Exports of the group are significantly higher in comparison to its imports. As a policy the group does not cover the foreign exchange requirements for its imports and the same is managed from the export earnings in foreign currency. Foreign currency exchange rate exposure for exports is managed by prudent hedging policy.

Foreign currency exposure:

Currency: ₹ in Lakhs

Particulars	Assets				Liabilities	
	Trade receivables (net of hedge)	Bank balances in EEFC accounts	Investments	Total exposure to foreign currency risk	Trade payables	Total exposure to foreign currency risk
As at 31 March, 2026						
USD	5,96,61,219	1,60,01,280	19,76,724	7,76,39,223	61,33,718	61,33,718
EURO	49,96,057	11,15,285	-	61,11,343	7,71,229	7,71,229
ZAR	1,48,66,062	68,69,380	-	2,17,35,442	3,19,100	3,19,100
GBP	-	1,02,763	-	1,02,763	75,168	75,168
CAD	-	74,203	-	74,203	3,30,165	3,30,165
AUD	1,56,18,314	33,88,855	-	1,90,07,169	3,44,188	3,44,188
AED	-	82,950	-	82,950	-	-
CNY	53,24,286	40,82,070	-	94,06,356	48,16,879	48,16,879
CLP	4,69,02,54,488	23,28,76,647	-	4,92,31,31,135	42,78,97,585	42,78,97,585
IDR	18,73,79,22,915	1,31,14,26,406	-	20,04,93,49,321	41,77,83,402	41,77,83,402
GHC	-	2,18,126	-	2,18,126	34,22,092	34,22,092
SOL	-	65,981	-	65,981	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 50: FINANCIAL RISK MANAGEMENT (CONTD.)

Currency: ₹ in Lakhs

Particulars	Assets				Liabilities	
	Trade receivables (net of hedge)	Bank balances in EEFC accounts	Investments	Total exposure to foreign currency risk	Trade payables	Total exposure to foreign currency risk
As at 31 March, 2025:						
USD	5,48,13,784	8,17,94,753	19,32,499	13,85,41,036	47,56,469	47,56,469
EURO	39,79,391	70,08,400	-	1,09,87,791	6,24,239	6,24,239
ZAR	1,01,29,616	2,85,59,251	-	3,86,88,868	4,19,447	4,19,447
GBP	-	45,235	-	45,235	74,104	74,104
CAD	-	10,52,131	-	10,52,131	14,833	14,833
AUD	30,37,117	1,33,94,344	-	1,64,31,462	3,36,918	3,36,918
AED	-	7,03,488	-	7,03,488	19,669	19,669
CNY	54,40,193	97,16,469	-	1,51,56,661	1,10,060	1,10,060
CLP	1,26,41,16,467	1,52,15,56,614	-	2,78,56,73,081	6,60,59,842	6,60,59,842
IDR	23,25,81,76,008	29,33,77,51,087	-	52,59,59,27,095	5,74,27,586	5,74,27,586
GHS	-	2,79,994	-	2,79,994	11,56,757	11,56,757
SOL	-	20,586	-	20,586	-	-

Foreign currency risk sensitivity

Currency: ₹ in Lakhs

Particulars	Movement (%)		Effect on profit before tax		Effect on equity net of tax	
	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025
USD sensitivity						
INR / USD- increase by	1.00	1.00	603.71	1,143.31	482.32	913.42
INR / USD- decrease by	1.00	1.00	(603.71)	(1,143.31)	(482.32)	(913.42)
Euro sensitivity						
INR / Euro- increase by	1.00	1.00	48.33	95.61	38.62	76.38
INR / Euro- decrease by	1.00	1.00	(48.33)	(95.61)	(38.62)	(76.38)
ZAR sensitivity						
INR / ZAR- increase by	1.00	1.00	9.87	17.78	7.88	14.21
INR / ZAR- decrease by	1.00	1.00	(9.87)	(17.78)	(7.88)	(14.21)
GBP sensitivity						
INR / GBP- increase by	1.00	1.00	0.30	(0.32)	0.24	(0.26)
INR / GBP- decrease by	1.00	1.00	(0.30)	0.32	(0.24)	0.26
CAD sensitivity						
INR / CAD- increase by	1.00	1.00	(1.56)	6.16	(1.24)	4.92
INR / CAD- decrease by	1.00	1.00	1.56	(6.16)	1.24	(4.92)
AUD sensitivity						
INR / AUD- increase by	1.00	1.00	102.63	85.76	81.99	68.52
INR / AUD- decrease by	1.00	1.00	(102.63)	(85.76)	(81.99)	(68.52)
AED sensitivity						
INR / AED- increase by	1.00	1.00	0.19	1.59	0.15	1.27
INR / AED- decrease by	1.00	1.00	(0.19)	(1.59)	(0.15)	(1.27)
CNY sensitivity						
INR / CNY- increase by	1.00	1.00	5.37	17.69	4.29	14.14
INR / CNY- decrease by	1.00	1.00	(5.37)	(17.69)	(4.29)	(14.14)
CLP sensitivity						
INR / CLP- increase by	1.00	1.00	39.87	24.39	31.86	19.49
INR / CLP- decrease by	1.00	1.00	(39.87)	(24.39)	(31.86)	(19.49)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 50: FINANCIAL RISK MANAGEMENT (CONTD.)

Currency: ₹ in Lakhs

Particulars	Movement (%)		Effect on profit before tax		Effect on equity net of tax	
	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025
IDR sensitivity						
INR / IDR- increase by	1.00	1.00	10.40	26.79	8.31	21.41
INR / IDR- decrease by	1.00	1.00	(10.40)	(26.79)	(8.31)	(21.41)
GHS sensitivity						
INR / GHS- increase by	1.00	1.00	(1.80)	(0.49)	(1.43)	(0.39)
INR / GHS- decrease by	1.00	1.00	1.80	0.49	1.43	0.39
SOL sensitivity						
INR / SOL- increase by	1.00	1.00	0.15	0.05	0.12	0.04
INR / SOL- decrease by	1.00	1.00	(0.15)	(0.05)	(0.12)	(0.04)

The following significant exchange rates have been applied during the year.

Rupees	Average rate		Year-end spot rate	
	31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025
USD	88.05	84.43	93.86	85.46
EUR	101.70	90.51	108.09	92.25
ZAR	5.06	4.61	5.49	4.65
CAD	63.64	60.79	67.26	59.43
GBP	117.79	107.74	123.75	110.18
AUD	57.95	54.99	64.33	53.28
AED	23.98	22.99	25.56	23.27
CNY	12.36	11.71	13.61	11.76
RUB	1.11	0.89	1.15	1.01
CLP	0.09	0.09	0.10	0.09
IDR	0.01	0.01	0.01	0.01
GHS	7.59	5.60	8.55	5.53
SOL	25.21	22.61	26.87	23.32

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forwards to mitigate the risk of changes in exchange rate on foreign currency exposures relating to the underlying transactions and firm commitments. The counterparty for these contracts are banks. These derivative financial instruments are generally with a maturity up to 1 year. The Group does not enter into any derivative instruments for trading or speculative purposes.

Cash flow hedge:

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under.

Currency - sold/bought	Exposure to buy/sell	No. of contracts	Net position		Fair value gain/(loss) in cash flow hedge reserve
			Foreign currency	₹ in Lakhs	₹ in Lakhs
31 March, 2026					
USD / INR	Sell	59	1,57,50,000	14,783.37	(281.65)
EURO / INR		16	26,00,000	2,810.38	26.01
AUD/INR		26	53,50,000	3,441.72	(28.89)
					(284.53)
		Less : Deferred tax			(71.62)
		Balance in cash flow hedge reserve			**(212.91)**
31 March, 2025					
USD / INR	Sell	157	1,65,12,500	14,111.33	(87.90)
AUD/INR		34	52,00,000	2,770.77	223.88
					135.98
		Less : Deferred tax			34.22
		Balance in cash flow hedge reserve			101.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 50: FINANCIAL RISK MANAGEMENT (CONTD.)

The movement of cash flow hedges in other comprehensive income is as follows:

Currency: ₹ in Lakhs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Balance at the beginning of the year (net of tax)	101.76	248.43
Change in the fair value of effective portion of cash flow hedges in Other comprehensive income (net of tax)	(314.67)	(146.67)
Balance at the end of the year (net of tax)	**(212.91)**	101.76

Commodity Risk

Principal raw materials for Group's products are metal scrap and ferro chrome. Group sources its raw material requirement from domestic and international markets. Domestic market price generally remains in line with international market prices. Volatility in metal prices, currency fluctuation of rupee viz a viz other prominent currencies coupled with demand-supply scenario in the world market affect the effective price of metal scrap and ferrous metal. The group effectively manages availability of material as well as price volatility through:

(i) widening its sourcing base;

(ii) appropriate contracts with vendors and customers and commitments;

(iii) well planned procurement and inventory strategy.

Risk committee has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Consumption details of metal scrap and ferro chrome:

Particulars	(Qty in MT)	
	2025-26	2024-25
Metal scrap	1,99,272	1,93,731
Ferro chrome	61,472	59,967

Commodity price sensitivity:

Increase / (decrease) in prices of metal scrap / ferro chrome by Re. 1 per kg would have following impact on profit before tax:

Particulars	2025-26	2024-25
Re. 1 increase in commodity price	(2,607.44)	(2,536.98)
Re. 1 decrease in commodity price	2,607.44	2,536.98

Capital management

A. The group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders.
- maintain an optimal capital structure to reduce the cost of capital.

The group monitors capital on the basis of the following debt equity ratio

Particulars	2025-26	2024-25
Debt	-	48,500.00
Total equity	8,02,534.83	6,92,699.84
Debt to total equity	-	0.07

Group believes in conservative leverage policy. Group's capital expenditure plan over the medium term shall be largely funded through internal accruals and suppliers' credit.

B. The group follows the policy of Dividend for every financial year as may be decided by the Board considering financial performance of the group and other internal and external factors enumerated in the group's dividend policy such as reinvestment of capital in business. Group's Dividend policy is to distribute 10-25% of its consolidated net profit as dividend.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 51: FAIR VALUE MEASUREMENTS

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

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

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

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

A. Financial assets :

Currency: ₹ in Lakhs

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL#	FVTOCI	Amortised cost		
As at 31 March, 2026						
Non-current investments #	8	81.02	-	-	81.02	81.02
Current investments	15	4,11,771.46	4,226.16	-	4,15,997.62	4,15,997.62
Trade receivables	9, 16	-	-	1,16,866.62	1,16,866.62	-
Loans	10, 18	-	-	13,309.67	13,309.67	-
Cash and cash equivalents	17	-	-	21,506.40	21,506.40	-
Bank balances other than above	17	-	-	879.73	879.73	-
Other financial assets	11,19	-	-	2,795.90	2,795.90	-
Total		**4,11,852.48**	**4,226.16**	**1,55,358.32**	**5,71,436.96**	**4,16,078.64**
Non-current investments #						
Current investments	8	76.78	-	-	76.78	76.78
Trade receivables	15	3,65,594.32	16,912.46	-	3,82,506.78	3,82,506.78
Loans	9, 16	-	-	82,665.70	82,665.70	-
Cash and cash equivalents	10, 18	-	-	13,232.05	13,232.05	-
Bank balances other than above	17	-	-	39,710.87	39,710.87	-
Other financial assets	17	-	-	4,042.91	4,042.91	-
Total	11,19	-	-	5,350.41	5,350.41	-
		3,65,671.10	16,912.46	1,45,001.94	5,27,585.50	3,82,583.56

Investments in unquoted equity shares of entities other than subsidiaries and joint venture have been designated as FVTPL and such investment upon sale is only going to fetch the principal amount invested and hence the management considers cost and fair value to be the same.

B. Financial liabilities :

Currency: ₹ in Lakhs

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March, 2026						
Borrowings	26	-	-	-	-	-
Trade payables	28	-	-	21,952.45	21,952.45	-
Other financial liabilities	29	284.53	-	2,221.07	2,505.60	284.53
Total		**284.53**	**-**	**24,173.52**	**24,458.05**	**284.53**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 51: FAIR VALUE MEASUREMENTS (CONTD.)

Currency: ₹ in Lakhs

Particulars	Note	Instruments carried at			Total carrying value	Total fair value
		FVTPL	FVTOCI	Amortised cost		
As at 31 March, 2025						
Borrowings	26	-	-	48,500.00	48,500.00	-
Trade payables	28	-	-	19,669.25	19,669.25	-
Other financial liabilities	29	47.38	-	2,587.37	2,634.75	47.38
Total		47.38	-	70,756.62	70,804.00	47.38

The following table provides the fair value measurement hierarchy of the group's financial assets and financial liabilities:

Currency: ₹ in Lakhs

Particulars	Note	Fair value	Level 1	Level 2	Level 3
As at 31 March, 2026					
Financial assets					
Current investments	15				
Investments in mutual funds (quoted)		3,68,089.80	3,68,089.80	-	-
Investments in bonds (quoted)		38,750.30	38,750.30	-	-
Investment in government securities (quoted)		8,857.52	8,857.52	-	-
Investment in Triparty Repo Dealing and Settlement (TREPS)		300.00	300.00	-	-
Financial assets					
Derivatives		-	-	-	-
As at 31 March, 2025					
Financial assets					
Current investments	15				
Investments in mutual funds (quoted)		2,73,633.75	2,73,633.75	-	-
Investments in bonds (quoted)		44,607.97	44,607.97	-	-
Investment in government securities (quoted)*		64,265.06	64,265.06	-	-
Financial assets					
Derivatives		-	-	-	-

Note: During the year, there has not been transfer of any financial assets or financial liabilities between level 1 and level 2.

NOTE - 52: EXCEPTIONAL ITEMS

The Board of Directors of Welcast Steels Limited (""WSL""), a Subsidiary Company, had decided in their meeting dated 15 October, 2025 to close down its only factory w.e.f. 15 December, 2025. Since labour disputes are pending before various courts and other judicial forums, management intends to maintain the status quo. Accordingly, during the quarter and year ended on 31 March, 2026 the financial statements were prepared on a non-going concern basis and the group has provided ₹ 328.19 Lakhs towards closure compensation for employees of WSL and the impact is disclosed as an exceptional item.

With reference to Clause (xxi) of Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements and Clause (xvii) of the WSL CARO Report, WSL has incurred cash loss of ₹ 468.20 Lakhs during the year for reasons mentioned in above paragraph but has not incurred cash loss in the immediately preceding financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 53 : AGEING OF NON-CURRENT TRADE RECEIVABLES

As at 31 March, 2026

Currency: ₹ in Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	4.92	0.04	0.87	5.83
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	508.91	-	508.91
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**4.92**	**508.95**	**0.87**	**514.74**
Less: Allowance for expected credit loss	-	-	-	-	-	(508.91)	-	(508.91)
Total	**-**	**-**	**-**	**-**	**4.92**	**0.04**	**0.87**	**5.83**

As at 31 March, 2025

Currency: ₹ in Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good		-	22.82	2.19	1.78	0.12	0.90	27.81
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**22.82**	**2.19**	**1.78**	**0.12**	**0.90**	**27.81**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 54 : AGEING OF CURRENT TRADE RECEIVABLES

As at 31 March, 2026

Currency: ₹ in Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	1,131.50	75,221.33	36,788.17	3,446.68	628.00	70.66	62.06	1,17,348.40
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	29.11	29.11
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**1,131.50**	**75,221.33**	**36,788.17**	**3,446.68**	**628.00**	**70.66**	**91.17**	**1,17,377.51**
Less: Allowance for expected credit loss	-	(6.23)	(8.96)	(183.89)	(199.37)	(37.72)	(80.55)	(516.72)
Total	**1,131.50**	**75,215.10**	**36,779.21**	**3,262.79**	**428.63**	**32.94**	**10.62**	**1,16,860.79**

As at 31 March, 2025

Currency: ₹ in Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	56,720.61	23,828.34	897.84	1,119.77	102.31	33.53	82,702.40
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	57.60	57.60
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**56,720.61**	**23,828.34**	**897.84**	**1,119.77**	**102.31**	**91.13**	**82,760.00**
Less: Allowance for expected credit loss	-	(3.62)	(2.69)	(2.71)	(18.42)	(24.18)	(70.49)	(122.11)
Total	**-**	**56,716.99**	**23,825.65**	**895.13**	**1,101.35**	**78.13**	**20.64**	**82,637.89**

NOTE 55 : AGEING OF TRADE PAYABLES

As at 31 March, 2026

Currency: ₹ in Lakhs

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	3,326.82	295.95	-	-	-	3,622.77
(ii) Others	1,954.71	5,100.68	9,912.96	476.62	388.24	496.47	18,329.68
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**1,954.71**	**8,427.50**	**10,208.91**	**476.62**	**388.24**	**496.47**	**21,952.45**

As at 31 March, 2025

Currency: ₹ in Lakhs

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2,112.47	86.82	-	-	-	2,199.29
(ii) Others	2,267.03	9,090.25	4,228.31	640.43	363.96	879.98	17,469.96
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**2,267.03**	**11,202.72**	**4,315.13**	**640.43**	**363.96**	**879.98**	**19,669.25**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 56: DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE HOLDING COMPANY, SUBSIDIARIES AND JOINT VENTURE AS PER SCHEDULE III OF COMPANIES ACT, 2013:

Currency: ₹ in Lakhs

Name of the Company	Net assets (total assets minus total liabilities)			Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	Country of incorporation	Net assets	As % of consolidated net assets	Profit/(loss)	As % of consolidated profit or loss	Other comprehensive income	As % of consolidated OCI	Total comprehensive income	As % of consolidated TCI
31 March, 2026									
Holding Company									
AIA Engineering Limited	India	7,84,282.24	97.73%	1,27,699.72	100.54%	892.81	-38.95%	1,28,592.53	103.10%
Indian subsidiaries (direct)									
Welcast Steels Limited	India	3,441.95	0.43%	(530.22)	-0.42%	(0.28)	0.01%	(530.50)	-0.43%
AIA CSR Foundation	India	1.00	0.00%	-	0.00%	-	0.00%	-	0.00%
Foreign subsidiaries (direct)									
Vega Industries (Middle East) F.Z.C.	U.A.E	17,645.30	2.20%	8,526.23	6.71%	-	0.00%	8,526.23	6.84%
Foreign subsidiaries (indirect)									
Vega Industries Limited	U. K.	1,026.65	0.13%	13.04	0.01%	-	0.00%	13.04	0.01%
Vega Industries Limited	U. S. A.	4,278.68	0.53%	302.38	0.24%	-	0.00%	302.38	0.24%
Vega Steel Industries (RSA) Proprietary Limited	South Africa	86.31	0.01%	42.01	0.03%	-	0.00%	42.01	0.03%
Wuxi Vega Trade Co. Limited	China	1,063.23	0.13%	420.13	0.33%	-	0.00%	420.13	0.34%
PT. Vega Industries Indonesia	Indonesia	(1,277.39)	-0.16%	80.28	0.06%	-	0.00%	80.28	0.06%
Vega Industries Chile SpA	Chile	(2,394.41)	-0.30%	(1,307.20)	-1.03%	-	0.00%	(1,307.20)	-1.05%
AIA Ghana Limited	Ghana	(1,629.25)	-0.20%	318.80	0.25%	-	0.00%	318.80	0.26%
Vega Industries Australia PTY Limited	Australia	1,454.81	0.18%	29.35	0.02%	-	0.00%	29.35	0.02%
Vega Industries Peru Limited	Peru	(49.98)	-0.01%	(68.49)	-0.05%	-	0.00%	(68.49)	-0.05%
Vega Middle East (DFTZ) FZE	U.A.E	7,415.33	0.92%	5,184.83	4.08%	-	0.00%	5,184.83	4.16%
Foreign Joint Venture									
Vega MPS Pty. Ltd	Australia	-	0.00%	1,778.97	1.40%	-	0.00%	1,778.97	1.43%
Add / (less):									
Adjustment arising out of consolidation		(11,922.11)	-1.49%	(15,596.69)	-12.28%	-	0.00%	(15,596.69)	-12.50%
Exchange differences on translation of foreign operations		-	-	-	0.00%	(3,182.25)	138.84%	(3,182.25)	-2.55%
Non-controlling interests in:									
Welcast Steels Limited		(865.64)	-0.11%	133.34	0.10%	0.07	0.00%	133.41	0.11%
Vega Steel Industries (RSA) Proprietary Limited		(21.89)	0.00%	(10.66)	-0.01%	(2.34)	0.10%	(13.00)	-0.01%
		8,02,534.83	**100.00%**	**1,27,015.82**	**100.00%**	**(2,291.99)**	**100.00%**	**1,24,723.83**	**100.00%**

NOTE 56: DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE HOLDING COMPANY, SUBSIDIARIES AND JOINT VENTURE AS PER SCHEDULE III OF COMPANIES ACT, 2013: (CONTD.)

Currency: ₹ in Lakhs

Name of the Company	Net assets (total assets minus total liabilities)			Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	Country of incorporation	Net assets	As % of consolidated net assets	Profit/(loss)	As % of consolidated profit or loss	Other comprehensive income	As % of consolidated OCI	Total comprehensive income	As % of consolidated TCI
31 March, 2025									
Holding Company									
AIA Engineering Limited	India	6,70,620.97	96.81%	1,02,150.88	96.30%	(57.37)	2.56%	1,02,093.51	98.33%
Indian subsidiaries (direct)									
Welcast Steels Limited	India	3,972.45	0.57%	(33.74)	-0.03%	(9.16)	0.41%	(42.90)	-0.04%
AIA CSR Foundation	India	1.00	0.00%	-	0.00%	-	0.00%	-	0.00%
Foreign subsidiaries (direct)									
Vega Industries (Middle East) F.Z.C.	U.A.E	22,425.10	3.24%	6,765.60	6.38%	-	0.00%	6,765.60	6.52%
Foreign subsidiaries (indirect)									
Vega Industries Limited	U. K.	895.81	0.13%	37.19	0.04%	-	0.00%	37.19	0.04%
Vega Industries Limited	U. S. A.	3,604.00	0.52%	662.31	0.62%	-	0.00%	662.31	0.64%
Vega Steel Industries (RSA) Proprietary Limited	South Africa	35.04	0.01%	(227.57)	-0.21%	-	0.00%	(227.57)	-0.22%
Wuxi Vega Trade Co. Limited	China	520.68	0.08%	83.05	0.08%	-	0.00%	83.05	0.08%
PT. Vega Industries Indonesia	Indonesia	(1,269.03)	-0.18%	(418.12)	-0.39%	-	0.00%	(418.12)	-0.40%
Vega Industries Chile SpA	Chile	(916.57)	-0.13%	(163.18)	-0.15%	-	0.00%	(163.18)	-0.16%
AIA Ghana Limited	Ghana	(1,790.79)	-0.26%	708.35	0.67%	-	0.00%	708.35	0.68%
Vega Industries Australia PTY Limited	Australia	1,181.05	0.17%	148.95	0.14%	-	0.00%	148.95	0.14%
Vega Industries Peru Limited	Peru	(227.29)	-0.03%	(214.15)	-0.20%	-	0.00%	(214.15)	-0.21%
Vega Middle East (DFTZ) FZE	U.A.E	3,906.86	0.56%	3,865.13	3.64%	-	0.00%	3,865.13	3.72%
Foreign Joint Venture									
Vega MPS Pty. Ltd	Australia	-	0.00%	1,290.07	1.22%	-	0.00%	1,290.07	1.24%
Add / (less):									

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026 (Contd.)

NOTE 56: DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE HOLDING COMPANY, SUBSIDIARIES AND JOINT VENTURE AS PER SCHEDULE III OF COMPANIES ACT, 2013: (CONTD.)

Currency: ₹ in Lakhs

Name of the Company	Net assets (total assets minus total liabilities)			Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	Country of incorpo-ration	Net assets	As % of consolidated net assets	Profit/(loss)	As % of consolidated profit or loss	Other comprehensive income	As % of consolidated OCI	Total comprehensive income	As % of consolidated TCI
Adjustment arising out of consolidation		(9,251.50)	-1.34%	(8,647.40)	-8.15%	-	0.00%	(8,647.40)	-8.33%
Exchange differences on translation of foreign operations		-	-	-	0.00%	(2,179.66)	97.14%	(2,179.66)	-2.10%
Non-controlling interests in:									
Welcast Steels Limited		(999.07)	-0.14%	8.49	0.01%	2.31	-0.10%	10.80	0.01%
Vega Steel Industries (RSA) Proprietary Limited		(8.87)	0.00%	57.74	0.05%	0.07	0.00%	57.81	0.06%
		6,92,699.84	100.00%	1,06,073.60	100.00%	(2,243.81)	100.00%	1,03,829.79	100.00%

As per our report of even date attached

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W -100022

RUPEN SHAH
Partner
Membership No: 116240

Place : Ahmedabad
Date : 26 May, 2026

For and on behalf of the Board of Directors
AIA Engineering Limited
CIN: L29259GJ1991PLC015182

BHADRESH K. SHAH
Chairman & Managing Director
(DIN : 00058177)

VIREN K.THAKKAR
Chief Financial Officer

Place : Ahmedabad
Date : 26 May, 2026

SANJAY S. MAJMUDAR
Director
(DIN: 00091305)

S. N. JETHELIYA
Company Secretary
(ACS: 5343)

Place : Ahmedabad
Date : 26 May, 2026

NOTES

NOTES

NOTICE

Notice is hereby given that the **THIRTY SIXTH ANNUAL GENERAL MEETING** of the Members of **AIA ENGINEERING LIMITED** will be held on Tuesday, the **15 September, 2026** at **11.00 A.M.** through Video Conferencing/Other Audio Visual Means, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at 31 March 2026 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares for the Financial Year ended 31 March, 2026.
3. To appoint a Director in place of Mrs. Bhumika S. Shodhan (DIN: 02099400), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other provisions, if any, of the Companies Act 2013, read with Companies [Audit and Auditors] Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the consent of the members be and is hereby accorded to ratify the remuneration of ₹ 5.00 Lakhs as decided by the Board of Directors on the recommendations of the Audit Committee and payable to Kiran J. Mehta & Co., Cost Accountants, Ahmedabad appointed by the Board to conduct the audit of cost records of the Company for the Financial Year 2026-27.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V, approval of the members be and is hereby accorded to the re-appointment of Mr. Bhadresh K. Shah (DIN: 00058177) as the Managing Director of the Company for a period of 5 years with effect from 01 October, 2026 on the terms and conditions of appointment and remuneration as contained in the draft Agreement with a liberty and power to the Board of Directors of the Company (including its Committee constituted for the purpose) to grant increments and to alter and vary the terms and conditions of the said appointment so as the total remuneration payable to him shall not exceed the limits specified in Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force and as agreed by and between the Board of Directors and Mr. Bhadresh K. Shah.

   RESOLVED FURTHER THAT in the event of any statutory amendment or modification by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary and alter the terms of appointment including salary, commission, perquisites, allowances, etc. payable to Mr. Bhadresh K. Shah within such prescribed limit or ceiling and as agreed by and between the Company and Mr. Bhadresh K. Shah without any further reference to the Company in General Meeting.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

By Order of the Board of Directors,

Place: Ahmedabad
Date: 26 May, 2026

S. N. Jetheliya
Company Secretary

Regd. Office:
115, G.V.M.M. Estate,
Odhav Road, Odhav,
Ahmedabad 382 415
CIN: L29259GJ1991PLC015182

NOTES

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.

2. Pursuant to General Circulars No. 14/2020 dated 08 April, 2020, No.17/2020 dated 13 April, 2020, No. 20/2020 dated 05 May, 2020, No. 02/2021 dated 13 January, 2021, No. 21/2021 dated 14 December, 2021, No. 2/2022 dated 05 May, 2022, No. 10/2022 dated 28 December, 2022, No. 09/2023 dated 25 September, 2023, No. 09/2024 dated 19 September, 2024 and No. 03/2025 dated 22 September, 2025 issued by the Ministry of Corporate Affairs (collectively referred to as MCA Circulars), the Company is convening the 36th Annual General Meeting ('AGM') through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ('SEBI'), vide its Circulars dated 12 May, 2020, 15 January, 2021, 13 May, 2022, 05 January, 2023, 07 October, 2023 and 03 October, 2024 ('SEBI Circulars') and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'). In compliance with the provisions of the Companies Act, 2013 ('Act'), the SEBI LODR Regulations and MCA Circulars, the 36th AGM of the Company is being held through VC/OAVM on Tuesday, 15 September, 2026 at 11:00 A.M. IST. The deemed venue for the AGM will be the Registered Office of the Company i.e. 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad 382 415.

   As this AGM is being held pursuant to the MCA Circulars for General Meetings through VC/OAVM, the facility to appoint proxy will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, a Body Corporate is entitled to appoint authorized representative to attend AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

   As this AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

3. The Company has fixed Saturday, 05 September, 2026, as the Record Date for determining the entitlement of the members to the Dividend for the Financial Year 2025-26, if declared at the AGM.

4. A Dividend of ₹ 16/- per share (800%) has been recommended by the Board of Directors for the year ended 31 March 2026 for the approval of the members at the ensuing AGM and if approved by the members, it will be paid on or before 14 October, 2026.

5. Members may note that the Income Tax Act, 2025, ("the IT Act") as amended by the Finance Act, 2026, mandates that dividends paid or distributed by a Company after 01 April, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of dividend. The Company will send an e-mail communication to all the members of the Company during the first week of June, 2026 with regard to deduction of tax on dividend, if recommended, as per the amendment introduced by the Finance Act, 2026 in the IT Act.

   Said e-mail communication contained the details of tax rates for various categories of shareholders (Resident Indian, Non-Resident Indian, FIIs, FPIs, etc.), the link to download various blank forms and separate link and e-mail ID to upload the signed forms and various documents by the shareholders to enable the Company to determine the applicable rate of TDS / Withholding Tax. The said facility to upload the documents/sending documents through e-mail is open till 29 August, 2026. Any communication received after 29 August, 2026 will not be considered.

   For the information of the members, it is hereby clarified that **no tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend to be paid to him during the Financial Year does not exceed ₹ 10,000/- or if an eligible resident member has provided a valid declaration in Form 121 or other documents as may be applicable to different categories of members.** The rate of TDS will vary depending on the residential status of the shareholder and documents registered with the Company.

   The Company will issue soft copy of the TDS certificate to its shareholders through e-mail registered with the Company / RTA post payment of the dividend. The Shareholders will also be able to download the TDS details from the Income Tax Department's website https://www.incometax.gov.in.

   In case TDS is deducted at a higher rate in the absence of receipt of the aforementioned details/documents, an option is still available with the shareholder to file the Return of Income and claim an appropriate refund. No claim shall lie against the Company for such taxes deducted.

   In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the member/s, such member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any assessment/appellate proceedings before the Tax/ Government Authorities.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

If you are a member of the Company as on 05 September, 2026 and the dividend receivable by you is taxable under the IT Act, the Company shall be obligated to deduct taxes at source on the dividend payable to you as per the applicable provisions under the IT Act.

Members holding shares in dematerialized mode, are requested to update their records such as tax residential status, PAN and register their e-mail addresses, mobile numbers and other details with their relevant depositories through their DPs. The members holding shares in physical mode are requested to furnish details to the Company's RTA in the prescribed format.

6. 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 Participants with whom they are maintaining their Demat Accounts.

   SEBI vide its Circular dated 20 April, 2018, directed all the listed companies to record the Income Tax PAN and Bank Account Details of all their shareholders holding shares in physical form. All those shareholders who are yet to update their details with the Company are requested to do so at the earliest. This will help the shareholders to receive the dividend declared by the Company, directly in their respective bank accounts.

7. In compliance with the Circular of Ministry of Corporate Affairs for a "Green Initiative in the Corporate Governance" by allowing / permitting service of documents etc. in electronic form, electronic copy of the Annual Report of F.Y. 2025-26 will be sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purposes.

8. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection electronically during the period of AGM.

   The Company proposes to send documents, such as the Notice of the Annual General Meeting and Annual Report etc. henceforth to the members in electronic form at the e-mail address provided by them and made available to the Company by the Depositories from time to time.

   The un-audited quarterly and half-yearly financial results of the Company are uploaded on the website of the Company.

   In case you wish to receive the above documents in physical form, you are requested to please inform us on the below mentioned e-mail id. Please quote your Name, Demat Account No. [DP ID No. and Client ID No.].

   E-mail ID for reply: ric@aiaengineering.com.

9. The Ministry of Corporate Affairs has notified provisions relating to unpaid/unclaimed dividend under Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016.

   Those members who has so far not claimed their dividend amount for the below mentioned Financial Years, may claim or approach the Company for the payment thereof, otherwise the same will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government, pursuant to Section 125 of the Companies Act, 2013. Members are requested to note that after such dates, the members will be required to claim their dividend from IEPF Authority.

Sr. No.	Financial Year	Type of Dividend	Due date of Transfer to IEPF
1.	2018-19	Final Dividend	18 September, 2026
2.	2019-20	Interim Dividend	15 April, 2027
3.	2020-21	Final Dividend	10 October, 2028
4.	2021-22	Final Dividend	19 October, 2029
5.	2022-23	Final Dividend	26 October, 2030
6.	2023-24	Final Dividend	17 October, 2031
7.	2024-25	Final Dividend	22 October, 2032

   The IEPF Rules mandate the Companies to transfer also the shares of those shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years to the Demat Account of IEPF Authority. The Company is required to transfer all unclaimed shares to the Demat Account of the IEPF Authority in accordance with the IEPF Rules.

10. In accordance with the provisions of Section 72 of the Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at https://aiaengineering.com/investor-kyc/.

Members are requested to submit the said details to their respective DPs, in case the shares are held by them in dematerialized form and to the Company / RTA in case the shares are held by them in physical form.

11. Pursuant to SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 06 February, 2026, SEBI has mandated all listed companies to record PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers of holders of physical securities.

    The forms for updation of PAN, KYC, bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI circular are available on our website https://aiaengineering.com/investor-kyc/. In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest. Members who hold shares in dematerialized form and wish to update their PAN, KYC, Bank details and Nomination, are requested to contact their respective DPs.

12. Re-appointment of Director:

    Mrs. Bhumika S. Shodhan (DIN: 02099400), Non-Independent Non-Executive Director of the Company will retire by rotation at the ensuing 36th Annual General Meeting of the members of the Company and being eligible, has offered herself for re-appointment.

    Mr. Bhadresh K. Shah (DIN: 00058177) had been appointed as a Managing Director for a period of 5 years from 01 October, 2021 to 30 September, 2026. The Board, on the recommendation of Nomination and Remuneration Committee, has re-appointed him as a Managing Director for a further period of 5 years from 01 October, 2026 and proposed a resolution for Members' approval at the ensuing Annual General Meeting.

    Pursuant to the requirements under the SEBI LODR Regulations relating to Corporate Governance, a Statement containing brief resume of the above Directors together with the details of shares held by them, if any, is annexed hereto.

13. **Voting through Electronic means:**

    In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies [Management and Administration] Rules, 2014, the Company is providing e-voting facility to members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services [India] Limited (CDSL) to facilitate e-voting.

    (i) Mr. Tushar M. Vora, Practicing Company Secretary [Membership No. FCS 3459] has been appointed as the Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner.

    (ii) Members who have cast their vote by remote e-voting prior to the meeting can also attend the meeting but shall not be entitled to cast their vote again.

    (iii) The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 08 September, 2026 only shall be entitled to avail the facility of remote e-voting.

    (iv) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-Voting as provided in the Notice convening the meeting, which is available on the website of the Company and CDSL.

    The detailed process, instructions and manner of e-Voting facility, joining virtual AGM and e-voting during AGM is given as under:

    E-Voting System – For Remote e-Voting, joining virtual AGM and e-Voting during AGM

    1. As you are aware, the General Meetings of the companies are conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated 08 April, 2020, Circular No.17/2020 dated 13 April, 2020 and Circular No. 20/2020 dated 05 May, 2020. The forthcoming AGM will thus be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

    2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 08 April, 2020, 13 April, 2020 and 05 May, 2020 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 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.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 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.

4. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated08 April, 2020 the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/ OAVM and cast their votes through e-Voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13 April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.aiaengineering.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 08 April, 2020 and MCA Circular No. 17/2020 dated 13 April, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. In continuation to this Ministry's General Circular No. 20/2020 dated 05 May, 2020, General Circular No. 02/2022 dated 05 May, 2022, General Circular No. 10/2022 dated 28 December, 2022, General Circular No. No. 09/2023 dated 25 September, 2023, General Circular No. 09/2024 19 September, 2024 and General Circular No. 03/2025 dated 22 September, 2025 and after due examination, MCA has decided to allow companies to conduct their AGMs through VC or OAVM in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05 May, 2020.

THE INTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The voting period begins on Friday, 11 September, 2026 at 9.00 a.m. and ends on Monday, 14 September, 2026 at 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 i.e. Tuesday, 08 September, 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.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09 December, 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 09 December, 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 e-mail Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	**Login Method**
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	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 & Myeasi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting 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, so that the user can visit the e-Voting Service Provider's 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 & My Easi New 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 e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company's name or e-Voting Service Provider's name and you will be re-directed to e-Voting Service Provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-Voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held 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's name or e-Voting Service Provider's name and you will be redirected to e-Voting Service Provider's 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.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on 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.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company's name or e-Voting Service Provider's name and you will be redirected to e-Voting Service Provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 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 meeting for **Physical Shareholders and Shareholders other than individual shareholders holding shares in Demat form.**

1) The shareholders should log on to the e-Voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-Voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

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

(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 **EVSN – 260704001** - AIA Engineering Limited.

(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 –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 e-mailed 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 will be mapped automatically & can be delink in case of any wrong mapping.
- 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 mandatorily 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 e-mail address viz; ric@aiaengineering.com, if they have voted from individual tab & not uploaded the same on the CDSL e-Voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-Voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-Voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote 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 atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at viren.thakkar@aiaengineering.com, snj@aiaengineering.com, paresh.shukla@aiaengineering.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to the Meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at viren.thakkar@aiaengineering.com, snj@aiaengineering.com, paresh.shukla@aiaengineering.com. These queries will be replied by the company suitably by e-mail.
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/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-Voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the shareholders attending the meeting.

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

1. Members holding shares in physical mode - please provide to the Company/RTA, duly filled and signed Form No. ISR-1 and ISR-2, format of which is available on the website of the Company / RTA.
2. For Demat shareholders - Please update your e-mail id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your E-mail id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

REQUEST TO THE MEMBERS

Members desiring any relevant information on the Accounts at the Annual General Meeting are requested to write to the Company at least Ten days in advance at its Registered Office/Corporate Office, so as to enable the Company to keep the information ready.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO SPECIAL BUSINESS MENTIONED IN THE ACCOMPANYING NOTICE:

ITEM NO. 4

The Board of Directors on the recommendation of the Audit Committee, appointed Kiran J. Mehta, Cost Accountants, Ahmedabad as the Cost Auditors to carry out the audit of cost records of the Company for the Financial Year 2026-27 and fixed a remuneration of ₹ 5.00 Lakhs plus applicable tax and out of pocket expenses.

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014, the remuneration fixed by the Board of Directors shall be ratified by the members by passing a resolution.

Rationale

Kiran J. Mehta, & Co., Practicing Cost Accountants, Ahmedabad are very reputed firm and having long association with the Company. They are fully aware of the business complexity of the Company as well as having vide experience in Cost Audit functions.

Accordingly, consent of the members is being sought for passing of an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors to carry out the audit of cost records of the Company for the Financial Year 2026-27.

None of the Directors, Key Managerial Personnel or their relatives can be considered to be concerned or interested in the resolution.

The Board recommends passing of the said Resolution as an Ordinary Resolution for the approval of members of the Company.

ITEM NO. 5

The Members at the 31st Annual General Meeting of the Company held on 03 September, 2021 re-appointed Mr. Bhadresh K. Shah as Managing Director for a period of 5 years with effect from 01 October, 2021 on a remuneration of ₹ 8.50 lakhs per month. The term of his present appointment will expire on 30 September, 2026.

The Nomination and Remuneration Committee of the Company at its meeting held on 26 May, 2026 and subsequently, the Board at its meeting held on 26 May, 2026 has re-appointed Mr. Bhadresh K. Shah as Managing Director unanimously for a further period of 5 years on a remuneration of ₹ 8.50 Lakhs per month with effect from 01 October, 2026 subject to the approval of Members in the Annual General Meeting. The other terms and conditions are set out in the draft Agreement to be entered into by the Company with him, which is available for inspection to the members at the Registered Office of the Company on all working days except Saturday between 9.00 a.m. to 5.00 p.m. till the date of Annual General Meeting.

Mr. Bhadresh K. Shah, is B. Tech (Metallurgy) from Indian Institute of Technology, Kanpur. He has a career spanning over 55 years in the manufacturing and design of various kinds of value added, impact, abrasion and corrosion resistant high chrome castings. These components include products like Grinding Media, Liners, Diaphragms, Vertical Mill Parts etc. all manufactured in High Chrome Metallurgy. The main application of these products is in the grinding operation in the mills in the Cement, Thermal Power and Mining Industries. He is very well versed in all aspects of production, cost and technical administration. His emphasis on manufacturing process improvements, new product development, quality and adhering to international manufacturing standards has ensured that Company's products are recognized domestically as well as internationally.

Rationale

The excellent growth and reputation enjoyed by the Company is attributable to the concentrated efforts and hard work put in by Mr. Bhadresh K. Shah. The Board of Directors felt that it is in the best interest of the Company to continue to avail the services of Mr. Bhadresh K. Shah as Managing Director. The Board recommends the resolution to the members for their approval. The brief particulars of his terms and conditions of re-appointment and remuneration are mentioned herein below:

1. The Managing Director shall be subject to the superintendence, control and direction of the Board of Directors and he will be entrusted with substantial powers of management and will also perform such other duties as may be entrusted to him, from time to time.
2. Period of appointment: Five years with effect from 01 October, 2026.
3. Remuneration payable to Mr. Bhadresh K. Shah:

(a) Salary: ₹ 8.50 lakhs on per month with effect from 01 October, 2026 with such increment/revision as may be approved by the Board of Directors.

(b) Perquisites and allowances:

i) Housing

1. Expenses pertaining to electricity bill of his residence will be borne/ reimbursed by the Company.
2. Company shall provide furniture, fixtures and furnishings at the residence of Managing Director.
3. Expenses pertaining to repairs, maintenances & cleaning of the house, furniture and fixtures or other appliances etc. will be borne/ reimbursed by the Company.

ii) Medical Expenses

Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalization, nursing home and surgical charges for himself and family.

iii) Leave Travel Concession

Leave Travel Concession (LTC) in respect of himself and family not exceeding one month's salary per annum. The LTC entitlement for any one year to the extent not availed shall be allowed to be accumulated up to the next two years.

iv) Club Fees

Reimbursement of membership fees for 3 clubs in India including admission and life membership fee.

v) Personal Accident Insurance

Personal Accident Insurance Policy of such amount, premium of which shall not exceed ₹ 50,000/- per annum.

vi) Gratuity

Gratuity at a rate of half month's salary for each completed year of service.

vii) Leave

Leave with full pay or encashment thereof as per the Rules of the Company.

viii) Other Perquisites

Subject to overall ceiling on remuneration mentioned herein below, the Managing Director may be given other allowances, benefits and perquisites as the Board of Directors may decide from time to time.

Explanation:

Perquisites shall be evaluated as per Income-Tax Rules, wherever applicable and in absence of any such Rule, perquisites shall be evaluated at actual cost.

(c) Amenities:

i) Conveyance facilities

Company shall provide suitable conveyance facilities as may be required by the Managing Director.

ii) Communication facilities

Company shall provide telephone and other communication facilities at the Managing Director's residence. Notwithstanding anything contained to the contrary herein contained, where in any Financial Year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay salary and perquisites as specified above and in addition thereto perquisites not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 from time to time.

The Managing Director so long as he functions as such shall not be paid any sitting fees for attending the meetings of Board or Committees thereof.

Mr. Bhadresh K. Shah shall not be liable to retire by rotation under Section 152 of the Companies Act, 2013, so long as he is the Managing Director and if he ceases from any date to be a Director of the Company for any reason whatsoever, he shall also cease to be the Managing Director from such date.

Mr. Bhadresh K. Shah is deemed to be interested in the said resolution as it relates to his re-appointment. Except Mrs. Bhumika S. Shodhan and Mrs. Khushali S. Solanki, none of the other Directors is in any way concerned or interested in the above resolution.

As per the provisions of Section 196 (3) and Proviso to Clause (c) of Part I of Schedule V of the Companies Act, 2013, no person, who has attained the age of seventy years shall be eligible for appointment or continue to remain appointed as a Managing Director of a Company, unless his appointment is approved by a Special Resolution passed by the Company in General Meeting.

Mr. Bhadresh K. Shah has already attained the age of seventy years, it is required to obtain approval of shareholders by passing a Special Resolution.

Accordingly, on passing of this Special Resolution, it shall also be treated as the Special Resolution passed under Section 196 (3) and Proviso to Clause (c) of Part I of Schedule V of the Companies Act, 2013.

The Board recommends passing of the said resolution by way of a Special Resolution for the approval of the Members of the Company.

By Order of the Board of Directors,

Place: Ahmedabad
S. N. Jetheliya

Date: 26 May, 2026
Company Secretary

Regd. Office:
115, G.V.M.M. Estate,
Odhav Road, Odhav,
Ahmedabad 382 415
CIN: L29259GJ1991PLC015182

Relevant details as stipulated under Regulation 36(3) of the SEBI LODR Regulations and Secretarial Standard on General Meetings ("SS-2") issued by The Institute of Company Secretaries of India, with regard to the Directors seeking Appointment/ Re-appointment at the forthcoming Annual General Meeting

Item No. 3

Name of the Director	**Mrs. Bhumika Shyamal Shodhan**
Age	46 years
Date of first appointment on the Board of the Company	07 November, 2014
Qualification	Diploma in Fashion Designing
Experience (brief resume)	She possesses rich and varied experience in Marketing, Administration and Accounts.
Disclosure of Relationship	She is a daughter of Mr. Bhadresh K. Shah (MD) and sister of Mrs. Khushali S. Solanki (Non-Executive Director).
No. of shares in listed company	9,852
Terms and Conditions of Re-appointment	As per Resolution at Item No. 3 of the Notice convening this Annual General Meeting, Mrs. Bhumika S. Shodhan is liable to retire by rotation and is proposed to be re-appointed as a Director of the Company.
Remuneration last drawn (including sitting fee if any)	₹ 2.40 Lakhs (Sitting Fee)
Remuneration proposed to be paid	She shall be paid remuneration by way of sitting fee.
Number of meetings of the Board attended during the Financial Year	Please refer Corporate Governance Report Section of the Annual Report of Financial Year 2025-26.
Directorship held in other public Companies	
Chairmanship/Membership of Committees of other Boards	
Listed entities from which the Director has resigned in the past three years	NIL

Item No. 5

Name of the Director	**Mr. Bhadresh Kantilal Shah**
Age	74 years
Date of first appointment on the Board of the Company	11 March, 1991
Qualification	B. Tech (Metallurgy)
Experience (brief resume)	He is B. Tech (Metallurgy) from Indian Institute of Technology, Kanpur. He has a career spanning over 55 years in the manufacturing and design of various kinds of value added, impact, abrasion and corrosion resistant high chrome castings. These components include products like Grinding Media, Liners, Diaphragms, Vertical Mill Parts etc. all manufactured in High Chrome Metallurgy. The main application of these products is in the grinding operation in the mills in the Cement, Thermal Power and Mining Industries. He is very well versed in all aspects of production, cost and technical administration. His emphasis on manufacturing process improvements, new product development, quality and adhering to international manufacturing standards has ensured that Company's products are recognized domestically as well as internationally.
Disclosure of Relationship	He is the father of Mrs. Khushali S. Solanki and Mrs. Bhumika S. Shodhan, Non-Executive Directors of the Company.
No. of shares in listed company	5,45,68,663
Terms and Conditions of Re-appointment	As per Resolution at Item No. 4 of the Notice convening this Annual General Meeting read with Explanatory Statement thereto, Mr. Bhadresh K. Shah is proposed to be re-appointed as a Managing Director of the Company for a period of Five (5) years from 01 October, 2026.
Remuneration last drawn (including sitting fee if any)	₹ 8.50 Lakhs Per Month since 01 October, 2021
Remuneration proposed to be paid	₹ 8.50 Lakhs Per Month

Name of the Director	Mr. Bhadresh Kantilal Shah
Number of meetings of the Board attended during the Financial Year	Please refer Corporate Governance Report Section of the Annual Report of Financial Year 2025-26.
Directorship held in other public Companies	
Chairmanship/Membership of Committees of other Boards	
Listed entities from which the Director has resigned in the past three years	NIL

By Order of the Board of Directors,

Place: Ahmedabad
Date: 26 May, 2026

S. N. Jetheliya
Company Secretary

Contact Details:

Company	AIA Engineering Limited	
Regd. Office	115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad-382 415, Gujarat, India E-mail: snj@aiaengineering.com, ric@aiaengineering.com	
Corporate Office	11/12, Sigma Corporates, B/h. HOF Showroom, Off. S. G. Highway, Sindhu Bhavan Road, Bodakdev, Ahmedabad – 380 054 E-mail: snj@aiaengineering.com, ric@aiaengineering.com	
Registrar and Share Transfer Agent	**Registered Office** MUFG Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Phone: +91-22-49186270 Fax: +91-22-49186060 E-mail: rnt.helpdesk@in.mpms.mufg.com	**Local Address:-** MUFG Intime India Private Limited 5th Floor, 506 to 508 Amarnath Business Centre -1 Nr. St. Xavier's College Corner Off. C. G. Road, Ellisbridge, Ahmedabad 380 006 Phone – 079- 26465179
e-voting Agency	Central Depository Services (India) Limited E-mail: helpdesk.evoting@cdslindia.com	
Scrutinizer	CS Tushar Vora, Practicing Company Secretary E-mail: cstusharvora@gmail.com	

AIA Engineering Limited

If undelivered, please return to:

Corporate Office: 11-12, Sigma Corporates, B/h. HOF Show Room,
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Ahmedabad - 380 054

Tel.: +91-79-66047800, **Fax:** +91-79-66047848

E-mail: snj@aiaengineering.com,

Website: www.aiaengineering.com

CIN: L29259GJ1991PLC015182