VELJAN

Date: 07.08.2026

To,
BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001.
Dear Sirs,

Sub: Annual Report for the year 2025-26 of the Company "Veljan Denison Limited".

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith a copy of the 52nd Annual Report of the Company for the year 2025-26 for your records.

A copy of the Annual Report is also available on the website of the Company viz www.veljan.in.

This is for your information and records.

Thanking you,

Yours Faithfully
For **Veljan Denison Limited**

VELJAN DENISON LIMITED HYDERABAD

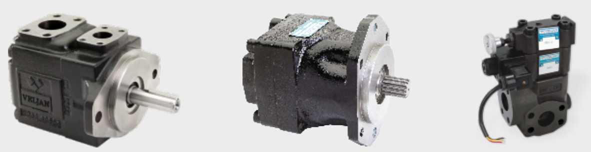
CS Ramyanka Yadav K
Company Secretary & Compliance Officer
(A45483)

As attached

VELJAN

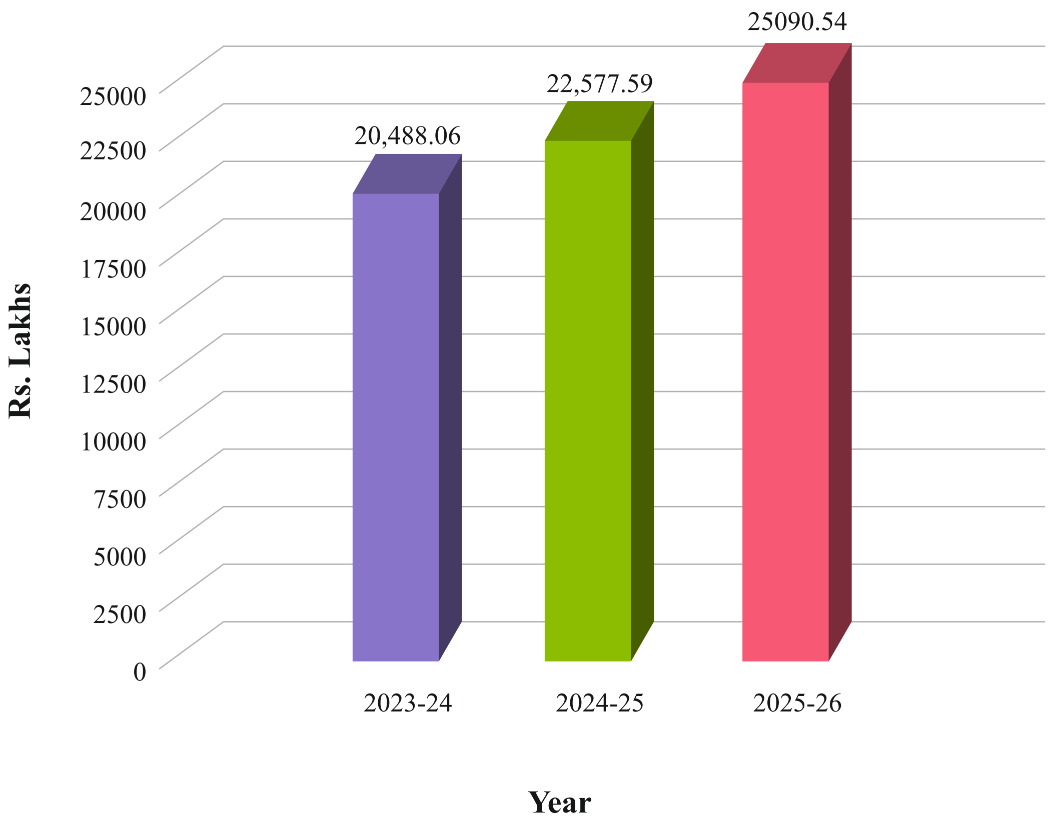
VELJAN DENISON LIMITED

52nd ANNUAL REPORT 2026

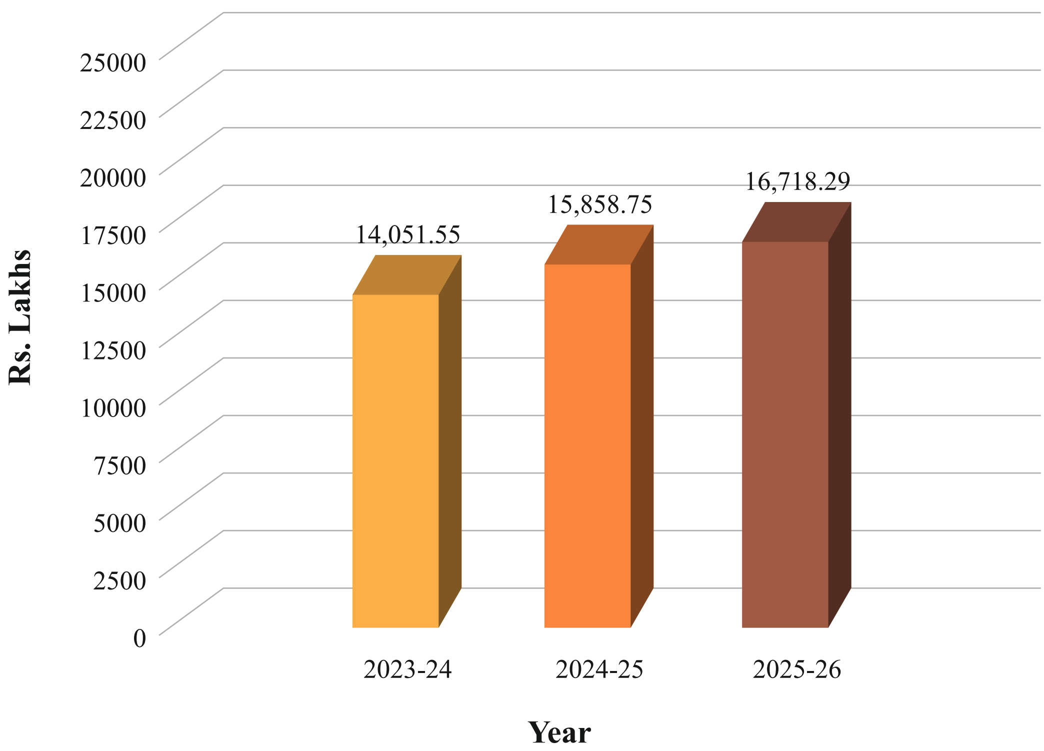


60 Years of Excellence

NET WORTH



REVENUE



BOARD OF DIRECTORS:

(as on 30.05.2026)

Mr. V.G. SRINIVAS (DIN.00181826)
Non Executive Director-Chairman

Mr. U. SRI KRISHNA (DIN.08880274)
Managing Director & CEO

Dr. A. SURESH (DIN.06931014)
Independent Director

Mrs. U.UMA DEVI (DIN.00125840)
Non-Executive Director- Woman

Mr. MANISH MOHAN MOTWANI (DIN.00394860)
Independent Director

Mr. VIDYA SAGAR GANNAMANI (DIN.10792128)
Independent Director

Mr. RAMESH KUMAR NIMMAGGADDA (DIN. 10506458)
Additional Director (Independent)

PROF. SUNAINA SINGH (DIN. 08397250)
Additional Director (Independent)

BOARD'S SUB – COMMITTEES

1. **Audit Committee**
   Dr. A. Suresh - Chairperson
   Mr. Manish Mohan Motwani
   Mr. G.Vidya Sagar
   Mr. U. Sri Krishna

2. **Corporate Social Responsibility(CSR) Committee**
   Mrs. U. Uma Devi-Chairperson
   Mr. V. G. Srinivas
   Mr. G.Vidya Sagar

3. **Nomination & Remuneration Committee**
   Mr.G. Vidya Sagar-Chairperson
   Mrs. U. Uma Devi
   Mr. Manish Mohan Motwani

4. **Stakeholder's Relationship Committee**
   Mr. V G Srinivas -Chairperson
   Mr. U. Sri Krishna
   Dr. A.Suresh

SENIOR MANAGEMENT
Chief Financial Officer: Mr. G. Subba Rao

Company Secretary & Compliance Officer
Mrs. K. Ramyanka Yadav

Statutory Auditors:
M/s. BRAHMAYYA & CO.
Chartered Accountants
Flat No 403 & 404, 4th Floor, Golden Green Apartments,
Erramanzil Colony, Hyderabad – 500082

Secretarial Auditor:
M/s. Chakravarthy & Associates
Regd Off: Plot No.256, Employees Colony
Yapral, Secunderabad, Hyderabad-500 087

Internal Auditor:
M/s. M V NARAYANA REDDY & CO
Chartered Accountants
Flat No.504, Vijaya Sree Apartments Behind Chermas,
Ameerpet, Hyderabad – 500073

Bankers:
Canara Bank
HDFC Bank Ltd.
HSBC Ltd

Registered Office:
A18, 19, A P I E, Balanagar, Hyderabad-500037
Ph. No.: 040-2776 3525
Fax No.: 040-23773963

Factory:
Plot No. 10A, Phase-I, I.D.A,
Patancheru - 502 319, Sangareddy District, Telangana
Ph. No.: 08455-242013, 242020 & 242049, 255300
Fax No.: 08455-242085

Registrar and Share Transfer Agents
M/s Venture Capital and
Corporate Investments Private Limited "AURUM", Door No.4-50/P-II/57/4F & 5F, Plot No.57, 4th & 5th Floors, Jayabheri Enclave Phase – II, Gachibowli, Hyderabad – 500 032, Telangana. Phone: +91 040 23818475/35164940

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Contents

HIGHLIGHTS OF TEN YEAR'S STANDALONE FINANCIAL PERFORMANCE

(Figures in Rs. Lakhs)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
1. Sales & other income	8,325.42	9,815.97	8,865.07	8,404.51	7,538.00	10,031.97	11,268.07	12,697.19	14,435.58	15,105.40
2. Profit Before int, dep & tax	2,377.95	2,868.61	2,722.86	2,282.40	1,526.46	2,813.92	2,539.37	3,307.95	3,621.26	4,032.02
3. Profit before extraordinary/ exceptional Items & Tax	1,942.55	2,482.39	2,266.33	1,811.37	1,023.80	2,320.92	1,976.49	2,730.97	3,074.10	3,450.87
4. Profit after Tax	1,452.67	1,627.73	1,633.30	1,343.58	685.50	1687.71	1,458.17	2,036.53	2,247.51	2,496.49
5. Net Fixed Assets	2,708.83	2,987.96	4,839.28	6,233.35	6,483.89	6,506.60	7,406.30	8,046.40	8,402.07	8,462.05
6. Share Capital	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	450.00	450.00
7. Reserves & Surplus	11249.32	12,607.87	13,970.36	14,771.42	15,456.92	16,919.63	18,085.31	19,829.34	21,512.98	23,596.14
8. Net Worth	11474.32	12,832.87	14,195.36	14,996.42	15,681.92	17,144.63	18,310.31	20,054.34	21,962.98	24,046.14
9. Return on Net worth(RONW) PAT/Networth	12.66%	12.68%	11.51%	8.96%	4.37%	9.84%	7.96%	10.16%	10.23%	10.38%
10. % of Employee cost to net turnover	9.48	7.55	8.00	8.90	9.38	8.46	9.07	8.64	9.44	9.24
11. Cash Earnings per share(Rs)	76.51	85.15	87.54	77.72	51.56	96.56	87.26	112.65	61.71	68.19
12. Earnings per share (Rs)	64.56	72.34	72.59	59.71	30.47	75.01	64.81	90.51	49.94	55.48
13. Dividend per Share (Rs)	10.00	10.00	10.00	10.00	10.00	10.00	13.00	13.00	8.50	8.50
14. Book Value per Share(Rs)	509.97	570.35	630.90	666.51	696.97	761.98	813.79	891.30	488.07	534.36
15. Sundry Debtors - No of Days	244.92	212.24	194.09	136.79	120.16	104.27	78.57	71.02	71.58	70.44
16. Turnover/Avg Inventory (Times)	2.75	3.29	2.99	1.79	1.48	1.62	1.67	1.53	1.54	1.50
17. Current Ratio	3.44	4.29	3.47	4.64	4.39	5.01	4.07	5.06	4.96	7.68
18. Debt-Equity Ratio	0.36	0.26	0.28	0.18	0.18	0.16	0.18	0.13	0.15	0.09

VELJAN DENISON LIMITED
(CIN: L29119TG1973PLC001670)
Regd. Office: A18, 19, A P I E, Balanagar, Hyderabad, Telangana – 500 037
Phone: +91-40-2776 3525 / 23773963
Web: www.veljan.in E-mail: info@veljan.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **52nd Annual General Meeting** of the members of **Veljan Denison Limited** (CIN:L29119TG1973PLC001670) will be held on **Saturday, the 29th day of August, 2026,** at **11.00 A.M.** at its Registered Office at **Plot No. A18 & 19, APIE, Balanagar, Hyderabad – 500 037 to transact the following business:**

ORDINARY BUSINESS:

1. (a) To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended on March 31, 2026 together with the reports of the Board of Directors and the Auditors thereon, and

   (b) To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended on March 31, 2026 together with the report of the Auditors thereon

2. To declare a final dividend of Rs. 8.50/- per equity share of Rs. 10/- each on the paid-up capital of Rs. 4.50 Crores for the financial year ended March 31, 2026.

3. To elect and appoint a Director in place of Mr.V G Srinivas (DIN.00181826), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Appointment of Mr. Ramesh Kumar Nimmagadda (DIN 10506458) as an Independent Director of the Company:**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), including any statutory modification(s) or re-enactment thereof for the time being in force and the Articles of Association of the Company, Mr. Ramesh Kumar Nimmagadda (DIN. 10506458), who in terms of Section 161 of the Act and based on the recommendations of the Nomination & Remuneration Committee and also recommended by the Board of Directors and who meets the criteria of Independence as required under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations and a declaration to that effect has been submitted by him and who is eligible for appointment as a Non-Executive Independent Director, be and is hereby appointed as a Non-Executive Independent Director of the Company for a 1st term of five consecutive years commencing from May 30, 2026 to May 29, 2031 (both days inclusive), and he will not be liable to retire by rotation.

   RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded for continuation of holding of office of Independent Director by Mr. Ramesh Kumar Nimmagadda (DIN 10506458) upon attaining the age of 75 (Seventy Five years) years on 18th May 2031 up to the expiry of his first term of office i.e. upto 29th May, 2031.

   RESOLVED FURTHER THAT any Director or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

5. **Appointment of Prof. Sunaina Singh (DIN. 08397250) as an Independent Director of the Company:**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), including any statutory modification(s) or re-enactment thereof for the time being in force and the Articles of Association of the Company, Prof. Sunaina Singh (DIN. 08397250), who in terms of Section 161 of the Act and based on the recommendations of the Nomination & Remuneration Committee and also recommended by the Board of Directors and who meets the criteria of

Independence as required under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations and a declaration to that effect has been submitted by her and who is eligible for appointment as a Non-Executive Independent Director, be and is hereby appointed as a Non-Executive Independent Director of the Company for a 1st term of five consecutive years commencing from May 30, 2026 to May 29, 2031 (both days inclusive), and she will not be liable to retire by rotation.

RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded for continuation of holding of office of Independent Director by Prof. Sunaina Singh (DIN 08397250) upon attaining the age of 75 (Seventy Five years) years on 15th May 2031 up to the expiry of her first term of office i.e.upto 29th May, 2031.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

6. **Re-appointment of Dr. A. Suresh (DIN: 06931014) as an Independent Director of the Company for a second consecutive term of five (5) years.**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, and pursuant to the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, Dr. A. Suresh (DIN: 06931014), who was appointed as an Independent Director for a first term of five years from 30.09.2021 to 29.09.2026 and who has submitted a declaration confirming that he satisfies the criteria of independence under the Companies Act, 2013 and the SEBI Listing Regulations and is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term of five (5) years with effect from 30.09.2026 up to 29.09.2031.

RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded for continuation of holding of office of Independent Director by Dr. A. Suresh (DIN: 06931014) upon attaining the age of 75 year (Seventy Five) years on 26th June 2031 up to the expiry of his second term of office i.e.upto 29th September, 2031.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof or any officer authorized by the Board) be and is hereby authorized to do all such acts, deeds, matters and things and to execute all such documents, filings and writings as may be considered necessary, proper or expedient to give effect to this Resolution."

7. **Adoption of New Memorandum of Association of the Company in conformity with the Companies Act, 2013**

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

"**RESOLVED THAT** pursuant to the provisions of Section 4, Section 13 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the rules made thereunder and subject to such approvals, permissions and sanctions as may be required, the existing Memorandum of Association of the Company, originally framed under the provisions of the Companies Act, 1956, be and is hereby substituted with a new Memorandum of Association in accordance with the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to take all necessary actions, including filing of necessary forms with the Registrar of Companies, making required disclosures to the Stock Exchanges and completing all statutory formalities, to give effect to this resolution."

8. **Adoption of New Articles of Association of the Company in conformity with the Companies Act, 2013**

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

"**RESOLVED THAT** pursuant to the provisions of Section 5, Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder and subject to such approvals, permissions and sanctions as may be required, the existing Articles of Association of the Company, originally framed under the provisions of the Companies Act, 1956, be and is hereby replaced and substituted with a new set of Articles of Association in conformity with the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to this resolution.”

9. Alteration of the Main Objects Clause of the Memorandum of Association of the Company:

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

“RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Incorporation) Rules, 2014, the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company and such other applicable laws, rules, regulations, circulars and guidelines for the time being in force, and subject to such approvals, permissions, sanctions and consents of the Registrar of Companies, Stock Exchange(s), statutory, regulatory or other authorities, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, the consent of the Members of the Company be and is hereby accorded to alter Clause III(A) (Main Objects) of the Memorandum of Association of the Company by inserting the new sub-clause 5 as mentioned below:

5. “To design, develop, research, engineer, manufacture, assemble, fabricate, cast, forge, machine, purchase, import, export, install, commission, test, repair, refurbish, maintain, service, lease, hire, distribute and deal in marine engineering equipment, ship machinery, naval systems, marine mechanical systems, marine hydraulic systems, marine electrical systems, marine automation systems, power transmission systems, deck machinery, underwater systems, propulsion control systems, vessel equipment , and all ancillary machinery thereto, equipment, instruments , software , and technologies connected therewith”.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board", which term shall include any Committee thereof or any person(s) authorised by the Board) be and is hereby authorised to do all such acts, deeds, matters and things, and to execute all such documents, writings and filings, including filing of necessary e-forms and other documents with the Registrar of Companies, the Stock Exchange(s) and other statutory, regulatory or governmental authorities, as may be required, and to take all such steps as may be necessary, expedient or desirable to give effect to this Resolution."

10. Ratification of the remuneration of Cost Accountants for the financial year 2026-27:

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 all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s SRK & Co, Cost Accountants appointed as the Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2026-27, be paid a remuneration of Rs. 1,15,000/- (Rupees One Lakh Fifteen Thousand only) for the financial year 2026-2027 plus applicable taxes and out-of-pocket expenses, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things which are necessary, to give effect to this resolution.”

11. To approve material related party transaction to be entered with M/s. Veljan Hydrair Limited, Associate company:

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

“**RESOLVED THAT** pursuant to the Regulations 2(1)(zc), 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the applicable provisions of the Companies Act, 2013 (“Act”) read with Rules made thereunder, other applicable laws/statutory provisions, if any [including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force], the Company's Policy on Related Party Transactions and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to enter/continue to enter into Material Related Party Transaction(s)/Contract(s)/ Arrangement(s)/Agreement(s) (whether by way of an individual transaction or transaction taken together or series of transactions or otherwise) with Veljan Hydrair Limited, a related party pursuant to Section 2(76) of the Act and Regulation 2(1) (zb) of the SEBI Listing Regulations, during financial year 2026-27, for an aggregate value not exceeding Rs.120 crores, on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the related party and the Company, provided that the said Transaction(s)/ Contract(s)/Arrangement(s)/Agreement(s) shall be carried out in the ordinary course of business and at arm's length basis."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Chief Financial Officer or Company Secretary or any other Officer(s)/Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s)."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

12. To approve material related party transaction to be entered with M/s.Suxus Systems Limited, Associate company:

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

"RESOLVED THAT pursuant to the Regulations 2(1)(zc), 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, other applicable laws/statutory provisions, if any [including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force], the Company's Policy on Related Party Transactions and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to enter/continue to enter into Material Related Party Transaction(s)/Contract(s)/ Arrangement(s)/Agreement(s) (whether by way of an individual transaction or transaction taken together or series of transactions or otherwise) with Suxus Systems Limited, a related party pursuant to Section 2(76) of the Act and Regulation 2(1) (zb) of the SEBI Listing Regulations, during financial year 2026-27, for an aggregate value not exceeding Rs.45 crores, on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the related party and the Company, provided that the said Transaction(s)/ Contract(s)/Arrangement(s)/Agreement(s) shall be carried out in the ordinary course of business and at arm's length basis."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Chief Financial Officer or Company Secretary or any other Officer(s)/Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s)."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

13. To approve material related party transaction to be entered with M/s.ECMAT Limited, Associate company:

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

"RESOLVED THAT pursuant to the Regulations 2(1)(zc), 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, other applicable laws/statutory provisions, if any [including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force], the Company's Policy on Related Party Transactions and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to enter/continue to enter into Material Related Party Transaction(s)/Contract(s)/ Arrangement(s)/Agreement(s) (whether by way of an individual transaction or transaction taken together or series of transactions or otherwise) with ECMAT Limited, a related party pursuant to Section 2(76) of the Act and Regulation 2(1) (zb) of the SEBI Listing Regulations, during financial year 2026-27, for an aggregate value not exceeding Rs.35 crores, on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the related party and the Company, provided that the said Transaction(s)/ Contract(s)/Arrangement(s)/Agreement(s) shall be carried out in the ordinary course of business and at arm's length basis."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Chief Financial Officer or Company Secretary or any other Officer(s)/Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s)."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

By order of the Board of Directors
FOR VELJAN DENISON LIMITED

Place: Hyderabad
Date: 03.08.2026

Sri Krishna Uppaluri
Managing Director & CEO
DIN. 08880274

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act') in respect of the Special Business specified under Item no(s) 4 to 13 of the accompanying Notice is annexed hereto. The Board of Directors has considered and decided to include the said items given above as Special Business in the forthcoming AGM, as they were unavoidable in nature.

2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member. A proxy form for the AGM is enclosed.

3. The instrument appointing a proxy, to be effective, must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of total share capital of the Company. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.

5. Brief resume of Directors /persons proposed to be appointed / reappointed as stipulated under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India is provided as annexure to this Notice.

6. All documents referred to in the Notice are available for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting.

7. The Attendance slip and proxy form and the instructions for e-voting are annexed hereto. The route map to the venue of the Annual General Meeting is attached and forms part of the Notice.

8. Register of members and transfer books of the Company will remain closed from Sunday, 23rd August, 2026 to Saturday, 29th August, 2026 (both days inclusive).

9. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 01st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Venture Capital and Corporate Investments Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to **comp_secy@veljan.in** or by post to the Company by 5.00.P.M IST on 26th August, 2026.

10. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document that may be required to avail the tax treaty benefits by sending an email to the RTA / Company. The aforesaid declarations and documents need to be submitted by the shareholders by 5.00.P.M IST on 26th August, 2026.

11. Members, who hold shares in electronic / demat form are requested to furnish the change of address, details of their bank accounts, viz, name of the bank, full address of the branch, account no. etc., to their respective Depository Participants and who hold shares in physical form to the Company's Registrars and Transfer Agents M/s. Venture Capital and Corporate Investments Private Limited, "AURUM", Door No.4-50/P-II/57/4F & 5F, Plot No.57, 4th & 5th Floors, Jayabheri Enclave Phase – II, Gachibowli, Hyderabad – 500 032, Telangana. Phone: +91 040 23818475/35164940 to enable the Company to transfer the dividend through ECS.

12. Members are informed that the amount of dividend which remains unclaimed for a period of 7 years, the unpaid / unclaimed dividends along with underlying shares thereto liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Members are requested to refer website of the Company www.veljan.in, as the Company pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, makes details available.

Any member, who has not claimed dividend for the financial year ended 2019-20 onwards, is requested to approach the Company in this respect.

As per Section 124(6) of the Companies Act, 2013 read with IEPF Rules as amended from time to time, all the shares in respect of which dividend has remained unpaid/ unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. The Company will transfer unpaid / unclaimed dividend until the financial year 2018-19 along with underlying shares to IEPF authorities, if any. The Company will initiate the necessary steps on due dates to transfer shares held by the members to IEPF along with dividend remaining unpaid / unclaimed thereon.

Members may please note that in the event of transfer of such shares and unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authorities by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

13. The shareholders who have not encashed their earlier dividend warrants are requested to write to the Company immediately for claiming outstanding dividends declared by the Company.

14. As per RBI notification, with effect from 1 October 2009, National Electronic Clearing Service (NECS) replaced the remittance of the money through ECS and banks have been instructed to move to the NECS Platform. For the shareholders holding shares in electronic form, please furnish the new Bank Account Number as allotted to you by the bank after implementation of its Core Banking Solutions along with a photocopy of a cheque pertaining to the concerned account to your Depository Participant.

15. Pursuant to Section 72 of the Companies Act, 2013 and the Rules made there under the members holding shares in single name may, at any time, nominate in form SH-13, any person as his / her nominee to whom the securities shall vest in the event of his / her death. Nomination would help the nominees to get the shares transmitted in their favor without hassles. Members desirous of making any cancellation / variation in the said nomination can do so in SH-14.

16. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a “Green Initiative in Corporate Governance” and allowed companies to share documents with its members in the electronic mode. Regulation 36 of SEBI (LODR) Regulations, 2015 also permits companies to send soft copies of the Annual Report to all those shareholders who have registered their e-mail address for the said purpose. Members are requested to support this green initiative by registering/updating their e-mail addresses for receiving electronic communications.

17. The Equity shares of the Company are tradable in dematerialized form. In view of the same and to avail of the inbuilt advantages of the ECS payment, nomination facility and other advantages, the shareholders are requested to get their shares in demat form. The Company is registered with National Securities Depository Ltd. (‘NSDL’), and Central Depository Services (India) Ltd. (‘CDSL’), for dematerialization of its Equity Shares. The Company ISIN No. INE232E01013.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the 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. Members holding shares in physical form can submit their PAN details to the R & T Agent, namely M/s. Venture Capital and Corporate Investments Private Limited, “AURUM”, Door No.4-50/P-II/57/4F & 5F, Plot No.57, 4th & 5th Floors, Jayabheri Enclave Phase – II, Gachibowli, Hyderabad – 500 032, Telangana. Phone: +91 040 23818475/35164940.

19. SEBI has decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a Depository. This measure has come into effect from April 01, 2019. Notices have been issued to all Shareholders holding Shares in physical mode informing them that as per revised regulation 40 of the SEBI (LODR) Regulations, 2015, shares will no longer be transferred in physical mode. Shareholders are therefore requested to dematerialize their existing shares in physical form. In this regard SEBI has also clarified as follows:

    a) The above decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after April 01, 2019.

    b) Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.

    c) The transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019

20. Pursuant to the General Circular numbers 20/2020, 17/2020 and 14/2020 dated May 5, 2020, April 13, 2020 and April 8, 2020 respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), Soft copy of the Annual Report for 2025-26 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s)/RTA for communication purposes. No physical copy of the Notice and the Annual Report has been sent to members who have not registered their e-mail addresses with the Company / DPs /RTA unless any member has requested for a physical copy of the same. Members may also note that Notice of this Meeting and the Annual Report will also be available on the Company's website www.veljan.in for their download.

21. Members/ proxies are requested to fill in the enclosed attendance slip and deposit the same at the entrance of the meeting gate. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting.

22. Members seeking any information with regard to the accounts or any other queries may send their request to the Company at **comp_secy@veljan.in** at least seven days before the AGM and the Company will reply the same suitably.

23. To avoid entry of unauthorized persons into the meeting premises, the signature of the members shall be verified with the specimen signature recorded with the Company at the entrance of the Venue. Inconvenience to members in this regard is highly regretted. The members are requested to carry their folio number with them. Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification.

24. Voting through electronic means;

    In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e- voting services provided by National Securities Depository Limited (NSDL).

VOTING AT AGM:

The members who have not cast their votes through remote e voting may attend and cast their votes at the Annual General Meeting through Ballot Form, which shall be made available for use at the meeting.

The members who have already cast their votes through remote e voting may attend the meeting but shall not be entitled to vote thereat. If a Member casts votes by both modes, then voting done through Remote e voting shall prevail and vote at the AGM shall be treated as invalid.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -

The remote e-voting period begins on August 26, 2026 at 9:00 A.M. and ends on August 28, 2026 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 22nd, 2026 (Saturday) may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Saturday, August 22nd, 2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e - Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are 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 2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 3. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	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 Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders (holding securities in demat mode) 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. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

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

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

Login Type	Helpdesk Detials
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.com or call at 022 - 4886 7000
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

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is In300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cspchakravarthy@gmail.com with a copy marked to evoting@nsdl.com.Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 or send a request to at evoting@nsdl.com.

4. The voting rights shall be as per the number of equity share held by the Member(s) as on 22nd August 2026. Members are eligible to cast vote electronically only if they are holding shares as on that date.

5. The Companies (Management and Administration) Amendment Rules, 2014 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at 9.00 a.m. on Wednesday, 26th August, 2026 and shall close at 5.00 p.m. on Friday, 28th August, 2026. National Securities Depository Limited (NSDL) shall disable the e-voting module on 28th August, 2026 after 5.00 p.m.

6. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date (record date) of 22nd August, 2026.

7. Mr. N P Chakravarthy, Chakravarthy & Associates, Practicing Company Secretary (Membership No: A32380, CP No: 22563) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and she will submit her report within the period not exceeding two working days from the conclusion of E-voting. The Chairman will declare the results within two days from the conclusion of the AGM of the Company accordingly and will be placed at the company website and forward the same to the stock exchanges where the shares has been listed. Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of the AGM, i.e. Saturday, 29th August, 2026.

   Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e voting for the resolutions set out in this notice:

   1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to comp_secy@veljan.in.

   2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to comp_secy@veljan.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e Voting for Individual shareholders holding securities in demat mode.

   3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e voting by providing above mentioned documents.

   4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE ACT:

ITEM NO. 4:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting dated May 30, 2026 recommended the appointment of Mr. Ramesh Kumar Nimmagadda (DIN10506458) as a Additional Director in the capacity of Independent Director of the Company for a 1st term of five (5) years with effect from 30th May 2026, subject to the approval of the shareholders through a Special Resolution.

The Company has received all statutory disclosures / declarations, including:

(i) Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 ("the Appointment Rules"),

(ii) Intimation in Form DIR 8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act,

(iii) Declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under LODR Regulations,

(iv) Declaration that he has not been debarred from holding office of a Director by virtue of any order passed by the SEBI or any other such authority,

(v) Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge duties as an Independent Director of the Company;

(vi) Confirmation that he had not been a partner of a firm that had transactions during the last three financial years with Company or its subsidiaries amounting to 10 (ten) percent or more of its gross turnover.

In compliance with the provisions of Section 149 other applicable provisions of Companies Act 2013 read with the rules made thereunder to the Act and Regulation 17 of the LODR Regulations, the approval of the members is sought for the appointment of Mr. Ramesh Kumar Nimmagadda as an Independent Director of the Company, as a Special Resolution. Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 are set out in the Annexure to the Explanatory Statement.

The Board of Directors of the Company recommends the Special Resolution in respect of appointment of Mr. Ramesh Kumar Nimmagadda as an Independent Director of the Company as set out in the accompanied Notice for approval of the shareholders. None of the Directors or Key Managerial Persons of the company or their relatives is in any way concerned or interested, financially or otherwise, in the proposed resolution.

ITEM NO.5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting dated May 30, 2026 recommended the appointment of Prof. Sunaina Singh (DIN. 08397250) as a Additional Director in the capacity of Independent Director of the Company for a 1st term of five (5) years with effect from 30th May 2026, subject to the approval of the shareholders through a Special Resolution.

The Company has received all statutory disclosures / declarations, including:

(i) Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 ("the Appointment Rules"),

(ii) Intimation in Form DIR 8 in terms of the Appointment Rules to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act,

(iii) Declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under LODR Regulations,

(iv) Declaration that she has not been debarred from holding office of a Director by virtue of any order passed by the SEBI or any other such authority,

(v) Confirmation that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge duties as an Independent Director of the Company;

(vi) Confirmation that she has not been a partner of a firm that had transactions during the last three financial years with Company or its subsidiaries amounting to 10 (ten) percent or more of its gross turnover.

In compliance with the provisions of Section 149 other applicable provisions of Companies Act 2013 read with the rules made thereunder to the Act and Regulation 17 of the LODR Regulations, the approval of the members is sought for the appointment of Prof. Sunaina Singh as an Independent Director of the Company, as a Special Resolution. Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 are set out in the Annexure to the Explanatory Statement.

The Board of Directors of the Company recommends the Special Resolution in respect of appointment of Prof. Sunaina Singh as an Independent Director of the Company as set out in the accompanied Notice for approval of the shareholders.

None of the Directors or Key Managerial persons of the company or their relatives is in any way concerned or interested, financially or otherwise, in the proposed resolution.

ITEM NO. 6

Dr. A. Suresh (DIN: 06931014) was appointed as an Independent Director of the Company for a first term of five (5) consecutive years commencing from 30.09.2021 and ending on 29.09.2026.

The Nomination and Remuneration Committee has evaluated the performance of Dr. A. Suresh during his tenure as an Independent Director. Based on the outcome of the performance evaluation, his skills, knowledge, experience, integrity, professional competence, independence, and significant contribution to the Board and its Committees, the Committee recommended his re-appointment for a second consecutive term of five (5) years.

The Board of Directors, after considering the recommendation of the Nomination and Remuneration Committee, is of the opinion that Dr. A. Suresh possesses appropriate qualifications, expertise and experience and continues to fulfil the conditions specified under the Companies Act, 2013, the Rules made thereunder, Schedule IV to the Act and the SEBI Listing Regulations for appointment as an Independent Director. The Board is also satisfied that Dr. A. Suresh is a person of integrity and fulfils the conditions of independence prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations.

The Company has received from Dr. A. Suresh:

- Consent to act as Director in Form DIR-2;
- Declaration confirming compliance with the criteria of independence under the Companies Act, 2013 and the SEBI Listing Regulations;
- Confirmation that he is not disqualified from being appointed as a Director under Section 164 of the Companies Act, 2013;
- Confirmation that he is not debarred from holding the office of Director pursuant to any order of SEBI or any other statutory authority;
- Confirmation regarding compliance with the requirements relating to registration in the Independent Directors' Databank and online proficiency assessment, wherever applicable.

In the opinion of the Board, Dr. A. Suresh fulfils all the conditions for re-appointment as an Independent Director and is independent of the management of the Company. Considering his rich experience, industry knowledge, strategic guidance and valuable contribution to the Board, the Board believes that his continued association will be beneficial to the Company.

Accordingly, pursuant to Section 149(10) and other applicable provisions of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, approval of the Members by way of a Special Resolution is sought for his re-appointment as an Independent Director for a second consecutive term of five (5) years from 30.09.2026 to 29.09.2031.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the Members.

Dr. A. Suresh, Independent Director is not related to any Director on the Board / Key Managerial Personnel of the Company and neither interested in any way in this Resolution.

ITEM NO.7 & 8

The existing Memorandum of Association (“MOA”) and Articles of Association (“AOA”) of the Company were adopted pursuant to the provisions of the Companies Act, 1956.

The Companies Act, 2013 has replaced the Companies Act, 1956 and introduced several changes relating to the structure, contents and governance requirements of companies. In order to align the constitutional documents of the Company with the provisions of the Companies Act, 2013 and applicable rules made thereunder, the Board of Directors at its meeting held on 03.08.2026 has approved the proposal for adoption of a new MOA and AOA in substitution of the existing MOA and AOA.

The proposed MOA incorporates the requirements prescribed under Section 4 of the Companies Act, 2013, while the proposed AOA has been drafted in accordance with Section 5 and other applicable provisions of the Companies Act, 2013.

Pursuant to the provisions of Section 13 and Section 14 of the Companies Act, 2013, alteration and adoption of the MOA and AOA respectively require approval of the Members by way of Special Resolution.

As the Company is a listed entity, the Company shall comply with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including disclosure to the Stock Exchanges and providing e-voting facility to Members.

The draft copies of the proposed MOA and AOA are available for inspection by the Members electronically and at the Registered Office of the Company during business hours up to the date of the Meeting.

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

The Board recommends passing of the above resolutions No's. 7 and 8 as Special Resolutions.

Item No: 09

The Board of Directors considers it expedient to amend the Main Objects Clause of the Memorandum of Association ("MoA") of the Company by inserting a new sub-clause to broaden the main objectives in line with the future prospects of the company.

Accordingly, it is proposed to alter Clause III(A) (Main Objects) of the Memorandum of Association by inserting a new sub-clause, as set out in the Special Resolution at Item No. 9 of the Notice.

Pursuant to the provisions of Section 13 of the Companies Act, 2013, alteration of the Objects Clause of the Memorandum of Association requires the approval of the Members by way of a Special Resolution.

A copy of the Memorandum of Association of the Company together with the proposed amendments will be available for inspection by the Members at the Registered Office of the Company during business hours on all working days (except Saturdays, Sundays and public holidays) up to the date of the Annual General Meeting and shall also be available for inspection during the Annual General Meeting in accordance with the applicable provisions of the Companies Act, 2013 and Secretarial Standard-2 on General Meetings.

Board of Directors recommends the Special Resolution set out at Item No. 9 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution, except to the extent of their respective shareholding, if any, in the Company.

Item No: 10

Based on the recommendations of the Audit Committee, the Board of Directors, at its meeting held on August 03, 2026, approved the appointment of M/s. SRK & Co., Cost Accountants, Hyderabad, as Cost Auditors of the Company for the period 2026-27 at a remuneration of Rs. 1,15,000/- (One Lakh Fifteen Thousand Only) per financial year, plus applicable taxes and reimbursement of out-of-pocket expenses, if any.

As per the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, any remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No. 10 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 10 of the accompanying Notice for approval of the Members.

Item No: 11

To approve material related party transaction to be entered with Veljan Hydrair Limited, Related Party (company):

Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 states that no Company shall enter into transactions with a Related Party except with the prior consent of the Board and Members of the Company, where such transactions are either not (a) in Ordinary Course of Business or (b) on arm's length basis. The proposed transactions with the related parties as mentioned in the resolution are at arm's length and in the ordinary course of business of the Company.

However, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all material transactions with related parties required prior approval of the members of the Company through ordinary resolution would be required for the transactions entered with related party in excess of 10% of the Annual consolidated turnover of the Company as per the last audited Financial Statements of the Company. The Audit Committee and Board of Directors of the Company have approved the following proposed Related Party Transactions with Veljan Hydrair Limited, subject to the approval of the members, which was placed before them at its respective meetings held on 30th May, 2026. Further, the said transactions qualify as Material Related Party Transactions under the SEBI Listing Regulations, 2015 and accordingly, the members' approval is sought for the same. Accordingly, all related parties of the Company, including, among others, Veljan group entities and the Directors and Key Managerial Personnel of M/s.Veljan Hydrair Limited, M/s.Veljan Investments Limited, M/s. Suxus Systems Limited and M/s. JDM Hydropnuematics Limited will not vote on this resolution.

The Board recommends Special Resolution set out in Item No.11 of the accompanying notice for approval of members.

Except the above mentioned Veljan group Directors, none of the Directors or Key Managerial Personnel of the Company or their relatives are,in any way concerned or interested, financially or otherwise, in the said resolution.

Details of the existing as well as new material related party transactions with, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, are as follows:

S. No.	Particulars of the Information	Information provided by the management
1.	Name of the related party	Veljan Hydrair Limited
2.	Type, Material items and particulars of the proposed transaction	Purchase and sale of goods and other transactions for purpose of the business, subject to such contract(s) / arrangement(s) / transactions being carried at arm's length and in the ordinary course of business of the Company and Veljan Hydrair Limited
3.	Shareholding or contribution % or profit & loss sharing % of the listed entity whether direct or indirect, in the related party.	The Material related party is the shareholder of the listed entity Veljan Denison Limited, by directly holding 7.55 % of equity shares and the promoters and promoters group hold more than 2% in share capital of the Veljan Hydrair Limited.
4.	Tenure of the Proposed transaction	Period starting from 52^{nd} AGM for the F.Y 2025-26 till next AGM for the F Y 2026-27.
5.	Value of the proposed transaction	Rs.120.00 Crores
6.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	67.07%

7.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary, and where the listed entity is not a party to the transaction)	Not applicable
8.	Value of the proposed transactions as a percentage of the related party's annual standalone turnover for the immediately preceding financial year.	73.79%
9.	Justification as to why the RPT is in the interest of the listed entity	VDL, as a part of its collaboration agreements with erstwhile shareholders had geo-restricted usage of its own trademark and tradename. In order to access wider markets as the collaboration wound down, VHL undertook substantial marketing efforts and leveraged its long standing reputation and setup warehouse facilities in various locations to bring VDL products into wide ranging markets globally. VHL purchases products exclusively from VDL. VHL's highly reputed, trusted brand name has exceptional recall, and its wide service, warehousing and inventory network is unmatched. This ensures superior pricing power, quality and delivery performance. All transactions are undertaken at arms length.
10.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Not applicable
11.	Whether the transaction related to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not applicable

Item No: 12

To approve material related party transaction to be entered with M/s Suxus Systems Limited, Related Party (company):

Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 states that no Company shall enter into transactions with a Related Party except with the prior consent of the Board and Members of the Company, where such transactions are either not (a) in Ordinary Course of Business or (b) on arm's length basis. The proposed transactions with the related parties as mentioned in the resolution are at arm's length and in the ordinary course of business of the Company.

However, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all material transactions with related parties required prior approval of the members of the Company through ordinary resolution would be required for the transactions entered with related party in excess of 10% of the Annual consolidated turnover of the Company as per the last audited Financial Statements of the Company. The Audit Committee and Board of Directors of the Company have approved the following proposed Related Party Transactions with M/s Suxus Systems Limited, subject to the approval of the members, which was placed before them at its respective meetings held on 30th May, 2026. Further, the said transactions qualify as Material Related Party Transactions under the SEBI Listing Regulations, 2015 and accordingly, the members' approval is sought for the same. Accordingly, all related parties of the Company, including, among others, Veljan group entities and the Directors and Key Managerial Personnel of M/s.Veljan Hydrair Limited, M/s.Veljan Investments Limited, M/s. Suxus Systems Limited and M/s. JDM Hydropnuematics Limited will not vote on this resolution.

The Board recommends Special Resolution set out in Item No.12 of the accompanying notice for approval of members.

Except the above mentioned Veljan group Directors, none of the Directors or Key Managerial Personnel of the Company or their relatives are,in any way concerned or interested, financially or otherwise, in the said resolution.

Minimum Information to be provided for review of the Audit Committee and shareholders for Approval of RPTs:

S. No.	Particulars of the Information	Information provided by the management
1.	Name of the related party	Suxus Systems Limited
2.	Type, Material items and particulars of the proposed transaction	Purchase and sale of goods and other transactions for purpose of the business, subject to such contract(s) / arrangement(s) / transactions being carried at arm's length and in the ordinary course of business of the Company and Suxus Systems Limited
3.	Shareholding or contribution % or profit & loss sharing % of the listed entity whether direct or indirect, in the related party.	The Material related party is the shareholder of the listed entity Veljan Denison Limited, by directly holding 0.29 % of equity shares and the promoters and promoters group hold more than 2% in share capital of the Suxus Systems Limited
4.	Tenure of the Proposed transaction	Period starting from 52nd AGM for the F.Y 2025-26 till next AGM for the F Y 2026-27.
5.	Value of the proposed transaction	Rs.45.00 Crores
6.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	21.34%
7.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary, and where the listed entity is not a party to the transaction)	Not applicable
8.	Value of the proposed transactions as a percentage of the related party's annual standalone turnover for the immediately preceding financial year.	250%
9.	Justification as to why the RPT is in the interest of the listed entity	During the time of the collaboration with the foreign partners, certain critical components were sourced from the parent company's facilities and supply chains in Europe and USA. At the time of litigation with the foreign partner, Suxus has indigenously developed some of these critical components and supplied them to our company with exclusivity. These products require complex IP and technical know-how and are customized. All transactions are undertaken at arms length.
10.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Not applicable
11.	Whether the transaction related to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not applicable

Item No: 13 To approve material related party transaction to be entered with M/s ECMAT Limited, Related Party (company):

Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 states that no Company shall enter into transactions with a Related Party except with the prior consent of the Board and Members of the Company, where such transactions are either not (a) in Ordinary Course of Business or (b) on arm's length basis. The proposed transactions with the related parties as mentioned in the resolution are at arm's length and in the ordinary course of business of the Company.

However, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all material transactions with related parties required prior approval of the members of the Company through ordinary resolution would be required for the transactions entered with related party in excess of 10% of the Annual consolidated turnover of the Company as per the last audited Financial Statements of the Company. The Audit Committee and Board of Directors of the Company have approved the following proposed Related Party Transactions with M/s.ECMAT Limited, subject to the approval of the members, which was placed before them at its respective meetings held on 30th May, 2026. Further, the said transactions qualify as Material Related Party Transactions under the SEBI Listing Regulations, 2015 and accordingly, the members' approval is sought for the same. Accordingly, all related parties of the Company, including, among others, Veljan group entities and the Directors and Key Managerial Personnel of M/s.Veljan Hydrair Limited, M/s.Veljan Investments Limited, M/s. Suxus Systems Limited and M/s. JDM Hydropnuematics Limited will not vote on this resolution.

The Board recommends Special Resolution set out in item no.13 of the accompanying notice for approval of members.

Except the above mentioned Veljan group Directors, none of the Directors or Key Managerial Personnel of the Company or their relatives are,in any way concerned or interested, financially or otherwise, in the said resolution.

Minimum Information to be provided for review of the Audit Committee and shareholders for Approval of RPTs:

S. No.	Particulars of the Information	Information provided by the management
1.	Name of the related party	ECMAT Limited
2.	Type, Material items and particulars of the proposed transaction	Purchase and sale of goods and other transactions for purpose of the business, subject to such contract(s) like Job works etc / arrangement(s) / transactions being carried at arm's length and in the ordinary course of business of the Company and ECMAT Limited
3.	Shareholding or contribution % or profit & loss sharing % of the listed entity whether direct or indirect, in the related party.	The Material related party is the shareholder of the listed entity Veljan Denison Limited, by directly holding 0.29 % of equity shares and the promoters and promoters group hold more than 2% in share capital of the ECMAT Limited
4.	Tenure of the Proposed transaction	Period starting from 52nd AGM for the F.Y 2025-26 till next AGM for the FY 2026-27
5.	Value of the proposed transaction	Rs.35.00 Crores
6.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	22.48%
7.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary, and where the listed entity is not a party to the transaction)	Not applicable

8.	Value of the proposed transactions as a percentage of the related party's annual standalone turnover for the immediately preceding financial year.	166%
9.	Justification as to why the RPT is in the interest of the listed entity	During the time of the collaboration with the foreign partners, certain critical components were sourced from the parent company's facilities and supply chains in Europe and USA. At the time of litigation with the foreign partner, ECMAT has indigenously developed some of these critical components and supplied them to our company with exclusivity. These are critical products which require complex IP and technical know-how. All transactions are undertaken at arms length.
10.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Not applicable
11.	Whether the transaction related to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not applicable

By order of the Board of Directors
FOR VELJAN DENISON LIMITED

Place: Hyderabad
Date: 03.08.2026

Sri Krishna Uppaluri
Managing Director & CEO
DIN. 08880274

Details of Directors seeking appointment/re-appointment at the Annual General Meeting (pursuant to Reg 36(3) of the SEBI (Listing Obligations & Disclosures Requirement) Regulations,2015 and Secretarial Standard 2 on General Meetings).

Name of the Director	Mr. V G Srinivas	Mr.Ramesh Kumar Nimmagadda	Prof. Suniana Singh	Dr. A Suresh
DIN	00181826	10506458	08397250	06931014
Age	58 years	70 years	70 years	70 years
Date of first appointment in the board	30.03.2024	30.05.2026	30.05.2026	30.09.2021
Board Meeting attended during the year.	4/4	Not applicable	Not applicable	4/4
Brief Resume, Qualification and Experience	He is a qualified engineer and completed his Masters Degree in Fluid Power Systems at the University of Bath, UK.	Dr. Ramesh Kumar holds an M.A. and Ph.D. in Economics and a degree in Law and a distinguished member of the Indian Administrative Service (Andhra Pradesh cadre).	Prof. Sunaina Singh holds a Master of Arts (M.A.) in English from Kakatiya University (1979), where she was awarded the Gold Medal, and an M.Phil. in Indian Cultural Identity from Osmania University (1981). She also holds a Post Graduate Diploma in English Language Teaching from the Central Institute of English and Foreign Languages (CIEFL) (1983). She obtained her Ph.D. in Comparative Culture and Literature from Osmania University (1988), with research focusing on Margaret Atwood and Anita Desai. She pursued Post-Doctoral Research at the University of Toronto under a Faculty Award by the International Canadian Council, DFAIT (2005) and has completed a Certificate Programme in Leadership from the University of Nottingham (2013).	Dr. Suresh Akella has his undergraduate degree in Mechanical Engineering from Osmania University in 1978 and obtained a master's degree in design and Machine dynamics from IIT Madras in 1980.
Expertise in specific areas	Mr. V.G. Srinivas began his career at Hagglunds Denison	Expertise in field of Administration, Policy making and	Expertise in the field of Administration and Policy making.	Dr. Suresh Akella possesses over 40 years of experience in

	India Ltd on 1st January 1993 as a production manager. He also trained in USA and France at the facilities of the company's erstwhile joint venture partners. Over the course of his 20+ years of service, he went on to become Executive Director, and then Managing Director of the company. He has deep knowledge of the company's operations and its products.	Finance		research and development, manu-facturing, finite element analysis (FEM), numerical simulations, structural dynamics, turbine shaft vibration analysis, and engineering education. He has extensive expertise in mechanical engineering, product development, research leadership, and academic administration, with significant contributions to R&D, innovation, and industry–academia collaboration
Terms and Conditions of the Appointment and remuneration proposed, if any.	Non-Executive Director of the Company w.e.f March 30, 2024 and liable to retire by rotation. He is entitled to receive sitting fee for attending meeting of the Board and committees thereof and profit related commission, if any and as applicable.	Appointed as Independent Director for the first term of 5 years w.e.f 30.05.2026, subject to the approval of the shareholders at the ensuing AGM. He is entitled to receive sitting fee for attending meeting of the Board and committees thereof and profit related commission, if any and as applicable.	Appointed as Independent Director for the first term of 5 years w.e.f 30.05.2026, subject to the approval of the shareholders at the ensuing AGM. She is entitled to receive sitting fee for attending meeting of the Board and committees thereof and profit related commission, if any and as applicable.	Re-appointed for the Second term of 5 consecutive years w.e.f 30.09.2026, subject to the approval of the shareholders at the ensuing AGM. He is entitled to receive sitting fee for attending meeting of the Board and committees thereof and profit related commission, if any and as applicable.
Remuneration drawn, if any.	Mr. V. G. Srinivas is entitled to receive sitting fees for attending meetings of the Board and its Committees, as well as profit-related commission, if any, in accordance with the applicable provisions. During the year under review, he received sitting fees amounting to ₹25,000 and did not receive any profit-related commission. Subsequently, Mr. V. G. Srinivas, vide his letter dated 16.06.2025, voluntarily requested that no remuneration,	Not applicable	Not applicable	No other remune-ration has been received except the applicable sitting fees and profit related commission, if any and as applicable. For the period F Y 2025-26, Dr. Akella has drawn Sitting Fees Rs.2.20lakhs Profit based commission of Rs.5.79 Lakhs only.

	including sitting fees, be paid to him until further notice.			
Relationship between Directors interse	Mr. Velamati Gangadhar Srinivas is the brother of Mrs. U. Uma Devi, Non-executive Director and Maternal uncle to Mr. Sri Krishna Uppaluri, MD & CEO	Mr. Ramesh Kumar N. is not related to any of the Directors/Manager and other Key Managerial Person-nel of the Company.	Prof. Sunaina Singh is not related to any of the Directors/Manager and other Key Managerial Person-nel of the Company.	Dr. A Suresh is not related to any of the Directors/Manager and other Key Managerial Person-nel of the Company.
Names of listed entities in which the person also holds Membership of Committees of Board along with the Listed entities from which the person is resigned in the past three years	Veljan Denison Limited, Mr. V G Srinivas is a Non-Executive Director and is a Chairman for the Stakeholder Relationship Committee and member in Corporate Social Responsibility committee.	M/s.TAJ GVK Hotels and Resorts Limited- Independent Director M/s. Prasaditya ARC Limited – Independent Director	M/s Divis Laboratories Limited- Independent Director	In Veljan Denison Ltd, Dr. Akella serves as Chairman of the Audit Committee and Member of Stake holders Relationship committee.
Other Memberships / Chairmanship of committees of other board	Nil	In M/s. Prasaditya ARC Limited – Chairman in Audit Committee, Member in Executive, CSR and NRC Committee	Member in Stake holder Relationship committee and Nomination Remuneration committee in M/s Divis Laboratories Limited	Nil
No. of shares held as on date	771564 equity shares of face value Rs.10/- each.	Nil	Nil	Nil
Directorships held in other companies (excluding Foreign Companies)	M/s. Veljan Hydrair Limited M/s. Veljan Investments Limited M/s. JDM Hydro Pneumatics Limited M/s.Suxus Systems Ltd. M/s ECMAT Ltd.	Nil	Nil	Nil

Brief Profile of the Appointee Director, Mr.Ramesh Kumar Nimmagadda

Name	Mr. Ramesh Kumar Nimmagadda
DIN	10506458
Age	70 years
Date of Appointment	From the date of approval by the members of the Company in the ensuing AGM to be held on 29th August 2026.
Qualification/s	Dr. Ramesh Kumar holds an M.A. and Ph.D. in Economics and a degree in Law and a distinguished member of the Indian Administrative Service (Andhra Pradesh cadre).
Experience, Skills and capabilities required for the role	Dr. N. Ramesh Kumar is a distinguished member of the 1982 batch of the Indian Administrative Service (Andhra Pradesh cadre). During his career, he served as the youngest Executive Officer of Tirumala Tirupati Devasthanams (TTD), Commissioner of Commercial Taxes, Principal Secretary (Finance), and Special Chief Secretary to the Governors of Andhra Pradesh and Telangana during the State's bifurcation. After retirement, he served as the first State Election Commissioner of Andhra Pradesh (2016–2021). He is currently the Director General of the Administrative Staff College of India (ASCI).
Shareholding in the company	NIL
Relationship with other Directors/Manager and other Key Managerial Personnel of the company	Mr. N. Ramesh Kumar is not related to any of the Directors/ Manager and other Key Managerial Personnel of the Company.
Number of Meetings of the Board attended (FY 2025-26)	Not Applicable
Names of listed entities in which the person also holds the Directorships.	1. Taj GVK Hotels & Resorts Limited 2. Prasaditya ARC Limited
Names of listed entities in which the person also holds Membership of Committees of Board	In M/s. Prasaditya ARC Limited – Chairman in Audit Committee, Member in Executive, CSR and NRC Committees .
Directorship of other companies	NIL, except the above listed companies.
Listed Companies from which the person has resigned from the directorship in the past three years	Nil
Terms and Conditions of Appointment	Non-Executive Independent Director of the Company for a 1st term of five consecutive years commencing from 30th May 2026 and not liable to retire by rotation.
Details of last drawn Remuneration (FY 2025-26)	Not Applicable
Remuneration proposed to be paid	He is entitled to receive sitting fee for attending meeting of the Board and committees thereof and profit related commission, if any and as applicable.

Brief Profile of the Appointee Director, Prof.Sunaina Singh

Name	Prof.Sunaina Singh
DIN	08397250
Age	70 years
Date of Appointment Qualification	From the date of approval by the members of the Company in the ensuing AGM to be held on 29th, August 2026. Prof. Sunaina Singh holds a Master of Arts (M.A.) in English from Kakatiya University (1979), where she was awarded the Gold Medal, and an M.Phil. in Indian Cultural Identity from Osmania University (1981). She also holds a Post Graduate Diploma in English Language Teaching from the Central Institute of English and Foreign Languages (CIEFL) (1983). She obtained her Ph.D. in Comparative Culture and Literature from Osmania University (1988), with research focusing on Margaret Atwood and Anita Desai. She pursued Post-Doctoral Research at the University of Toronto under a Faculty Award by the International Canadian Council, DFAIT (2005) and has completed a Certificate Programme in Leadership from the University of Nottingham (2013).
Experience, Skills and capabilities required for the role	Prof. Sunaina Singh is an eminent academic leader and institution builder with significant contributions to higher education and global academic engagement. She has served as Vice Chancellor of Nalanda University (2017–2023), where she led transformative initiatives to strengthen academic and governance systems, and earlier as Vice Chancellor of The English and Foreign Languages University, where she implemented key reforms and secured NAAC 'A' Grade accreditation after 17 years. She has also served as Vice President of the Indian Council for Cultural Relations and President of the Shastri Indo-Canadian Institute, contributing significantly to international education and cultural cooperation. She is presently associated with various reputed national and international academic and advisory bodies.
Shareholding in the company	NIL
Relationship with other Directors/Manager and other Key Managerial Personnel of the company	Prof.Sunaina Singh is not related to any of the Directors/Manager and other Key Managerial Personnel of the Company.
Number of Meetings of the Board attended (FY 2025-26)	Not Applicable
Names of listed entities in which the person also holds the Directorships.	M/s. Divi's Laboratories Limited
Names of listed entities in which the person also holds Membership of Committees of Board	M/s. Divi's Laboratories Limited – Member in Nomination & Renumeration Committee and Stakeholder Relationship Committee.
Directorship of other companies	NIL
Listed Companies from which the person has resigned from the directorship in the past three years	NIL
Terms and Conditions of Appointment	Non-Executive Independent Director of the Company for a 1st term of five consecutive years commencing from 30th May 2026 and not liable to retire by rotation.
Details of last drawn Remuneration (FY 2025-26)	Not applicable
Remuneration proposed to be paid	She is entitled to receive sitting fee for attending meeting of the Board and committees thereof and profit related commission, if any and as applicable.

Brief Profile of the Appointee Director, Dr. Akella Suresh

Name	Dr. Akella Suresh
DIN	06931014
Age	70 years
Date of Appointment	03.08.2026 (2nd term)
Qualification/s	Dr. Suresh Akella has undergraduate degree in Mechanical Engineering from Osmania University in 1978 and obtained a master's degree in design and Machine dynamics from IIT Madras in 1980. He is not related to any directors of the Company. Details of his other directorships and membership / chairmanship of committees: NIL
Experience, Skills and capabilities required for the role	He pursued his interest in FEM and numerical simulations and obtained his PhD from University of Alberta, Canada in 1984 where he developed Timoshenko Beams and shafts to model Turbine shaft vibrations and balancing. He is a President's award receiver for NSS at the Sreyas Institute of Engineering & Technology in 2019. Dr. A.Suresh has more than 40 years of experience in R&D in manufacturing industries. He is presently Dean R & D at Sreyas Institute of Engineering & Technology affiliated to JNTUH He is a member of the Audit Committee of the Company.
Shareholding in the company	NIL
Relationship with other Directors/Manager and other Key Managerial Personnel of the company	Dr. A Suresh is not related to any of the Directors/Manager and other Key Managerial Personnel of the Company.
Number of Meetings of the Board attended (FY 2025-26)	4/4
Names of listed entities in which the person also holds the Directorships.	NIL
Names of listed entities in which the person also holds Membership of Committees of Board	In Veljan Denison Limited, Dr. A. Suresh is a Chairperson in Audit Committee and Member Stakeholder Relationship Committee.
Directorship of other companies	Not applicable
Listed Companies from which the person has resigned from the directorship in the past three years	NIL
Terms and Conditions of Appointment	Non-Executive Independent Director of the Company for a 2nd term of five consecutive years commencing from 30th September 2026 and not liable to retire by rotation.
Details of last drawn Remuneration (FY 2025-26)	No other remuneration has been received except the applicable sitting fees and profit related commission, if any and as applicable.
Remuneration proposed to be paid	He is entitled to receive sitting fee for attending meeting of the Board and committees thereof and profit related commission, if any and as applicable.

BOARD'S REPORT

To
The Members of
VELJAN DENISON LIMITED

Your Directors take pleasure in presenting the 52nd Annual Report on the affairs of the Company along with the Audited Financial Statements (both Standalone & Consolidated) for year ended March 31, 2026.

1. FINANCIAL RESULTS: **(Rs. in Lakhs)**

Particulars	Standalone		Consolidated	
	Year ended 31.03.2026	**Year ended 31.03.2025**	**Year ended 31.03.2026**	**Year ended 31.03.2025**
Income:				
Revenue from Operations	**14799.37**	14158.01	**16407.99**	15569.94
Other Income	**306.03**	277.56	**310.30**	288.81
Total Revenue	**15105.40**	14435.57	**16718.29**	15858.75
Expenditure				
Cost of Materials Consumed	**5717.39**	5766.65	**6089.79**	5993.97
Changes in inventories of Finished goods, Work-in- Process and Stock-in-Trade	**(20.22)**	(599.06)	**(20.22)**	(599.06)
Employee Benefit Expenses	**1367.47**	1335.94	**1974.04**	1863.84
Finance Costs	**38.37**	43.85	**58.57**	63.82
Depreciation & Amortization Expenses	**542.78**	503.31	**643.63**	603.93
Other Expenses	**4008.74**	4310.78	**4401.00**	4627.49
Total Expenses	**11654.54**	11361.47	**13146.81**	12553.99
Profit before Tax	**3450.87**	3074.10	**3571.48**	3304.76
Tax Expenses				
(1) i. Current Tax	**832.11**	737.69	**884.19**	812.71
ii. Previous period Tax	**38.16**	6.96	**38.16**	6.96
(2) Deferred Tax	**84.11**	81.94	**65.43**	113.16
Profit for the year (1)	**2496.49**	2247.51	**2583.70**	2371.93
Earning per Equity Share of the face value of Rs. 10 each Basic and Diluted (in Rs.)	**55.48**	49.94	**57.42**	52.71
Total Other Comprehensive Income (2)	**(30.81)**	43.63	**(30.81)**	43.63
Total (1+2)	**2465.68**	2291.14	**2552.89**	2415.56
Balance of profit /loss for earlier years	**762.88**	877.50	**909.91**	900.11
Less: Transfer to Bonus shares Reserve	**-**	225.00	**-**	225.00
Less: Transfer to Reserves	**2081.00**	1798.26	**2081.00**	1798.26
Less: Dividend paid on Equity Shares	**342.18**	349.83	**342.18**	317.13
Less: Dividend paid on Preference Shares	**-**	-	**-**	-
Less: Dividend Distribution Tax	**40.32**	32.67	**40.32**	65.37
Balance carried forward	**765.04**	**762.88**	**999.30**	**909.91**

2. COMPANY'S PERFORMANCE:

During the year under review, the standalone sales were higher at Rs. 14799.37 Lakhs as against Rs. 14158.01 Lacs in the previous year. The Profit before tax stood at Rs. 3450.87 Lakhs as against Rs. 3074.10 Lakhs for the previous year. The Net Profit stood at Rs. 2496.49 Lakhs as against Rs. 2247.51 Lakhs for the previous year.

During the year under review, the Company registered consolidated sales of Rs. 16407.99 Lakhs as against Rs. 15569.94 Lacs in the previous year and the consolidated net profit stood Rs. 2583.70 lakhs as against Rs. 2371.93 Lacs for the previous year.

3. FUTURE OUTLOOK:

While the global hydraulics market is large, it is also consolidated. A few global MNC conglomerates having substantive M&A activity have acquired various technology variants and niches to dominate the global market. Our company participates in a niche space with leadership in its specialised vane pumps. These are used in both industrial and mobile applications. Though these are mature markets, due to rising infrastructure spending and steady global growth, the demand for the company's products are expected to remain steady.

The company continues to invest resources in R&D of other varieties of hydraulic components in the pumps, motors and valves spaces. All of these are expected to steadily contribute to the growth of the company by introducing the company into new market spaces that it has thus far not had access to.

Further, the company has a strong balance sheet and sufficient availability of funding sources to invest quickly in capacities as and when demand surges or special situations arise. This will also allow the company to explore various organic and inorganic opportunities to accelerate its growth, as it did in the case of its acquisition of its UK subsidiary, ADAN.

Due to its trusted name, steadily increasing demand, and continuous R&D work, the company has grown over the last 5 years. Consequently, the future outlook for the company remains positive and the company is expected to grow and perform positively in the coming years.

4. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There were no material changes/ commitments affecting the financial position or operations of the Company between March 31, 2026 and the date of Board's Report.

5. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

Management Discussions and Analysis Report, as required under Regulation 34 of SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 is annexed and forms part of this report.

6. DIVIDEND:

Your Directors are pleased to recommend the payment of Dividend of Rs 8.50/- per equity share of Rs. 10/- each on the paid-up capital of Rs. 4.50 Crores for the year ended March 31, 2026. The Dividend if approved by the shareholders of the Company in the ensuing Annual General Meeting will be paid out of the profits of the Company to all Shareholders of the Company whose names appear on the Register of Members as on the specified record date.

Note: Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 01st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The shareholders are requested to update their PAN with the Company/ RTA or depositories. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

7. RESERVES:

The Company has transferred Rs. 2081.00 Lakhs to General Reserves of the Company.

8. DEPOSITS:

Your Company has not accepted any deposits from the public during the year under review and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

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

The information required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Account) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings/ outgo is annexed to this Report.

10. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES:

The Board of Directors met 4 times during the financial year ended March 31, 2026 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The Directors actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

The Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations. For further details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

None of the directors of the company is disqualified under the provisions of the Companies Act 2013 or under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

As per the provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Velamati Gangadhar Srinivas (DIN. 00181826), Non-Executive and Non- Independent Director, retire by rotation and being eligible offer, himself for re-appointment at this Annual General Meeting. The Board recommends his re-appointment at the ensuing AGM.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 30 May 2026, approved the appointment of Mr. Ramesh Kumar Nimmagadda (DIN: 10506458) and Prof. Sunaina Singh (DIN: 08397250) as Additional Directors in the category of Independent Directors of the Company, with effect from 30 May 2026, pursuant to the provisions of Sections 149, 150, 152 and 161 of the Companies Act, 2013, read with the applicable rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the approval of the Members at the ensuing Annual General Meeting.

Further, based on the recommendation of the Nomination and Remuneration Committee, the Board, at its meeting held on 03 August 2026, approved the re-appointment of Dr. Akella Suresh (DIN: 06931014) as an Independent Director of the Company for a second consecutive term of five (5) years, with effect from 30 September 2026 up to 29 September 2031, pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013, read with Schedule IV thereto and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the approval of the Members at the ensuing Annual General Meeting.

The Company has received the requisite declarations from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors possess the requisite integrity, expertise and experience, including proficiency, required to discharge their duties effectively and fulfil the conditions specified under the Act and the SEBI Listing Regulations

KEY MANAGERIAL PERSONNEL:

As on the date this report, the following are the Key Managerial Personnel of the Company:

1.	Mr. U. Sri Krishna	Managing Director & CEO
2.	Mr. G. Subba Rao	Chief Financial Officer
3.	Mrs. K Ramyanka Yadav	Company Secretary and Compliance Officer

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:

Appointments:

1. Mr.Vidya Sagar Gannamani was appointed as Independent Director of the Company w.e.f 30.05.2025 and regularized at the Annual General Meeting on 29.08.2025.
2. Mr. Ramesh Kumar Nimmagadda was appointed as an Additional Independent Director of the Company w.e.f. 30.05.2026, subject to the approval of the shareholders at the ensuing Annual General Meeting.

3. Prof. Sunaina Singh was appointed as an Additional Independent Director of the Company w.e.f. 30.05.2026, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Cessation:

1. Mr. G Narayan Rao, Independent Director has resigned from their respective positions on the Board and committees as well w.e.f 15.09.2025 due to the completion of term.

12. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations, 2015.

13. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 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 Audit and other Committees.

14. COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub section (3) of section 178 relating to the remuneration for the Directors, Key Managerial Personnel, and other employees.

15. DEPOSITORY SYSTEM:

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2026, 99.39% of the Company's total paid up capital representing 4472731 shares are in dematerialized form.

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1st April 2019. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. The Company has, directly as well as through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

16. AUDIT COMMITTEE RECOMMENDATIONS:

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

17. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems, accounting procedures and policies.

Internal Auditors:

The Board of Directors of the Company appointed M/s. M.V. Narayana Reddy & Co., Chartered Accountants as Internal Auditors of the Company for the Financial Year 2025-26 and to maintain its objectivity and Independence, the Internal Auditor submitted their reports to the Chairman of the Audit Committee of the Board.

18. AUDITORS:

The Members of the Company, at the 48th Annual General Meeting ("AGM"), appointed M/s. Brahmayya & Co., Chartered Accountants, Hyderabad (Firm Registration No. 000513S), as the Statutory Auditors of the Company for a term of five (5) consecutive years, to hold office from the conclusion of the 48th AGM until the conclusion of the 52nd AGM to be held in the calendar year 2027.

The Statutory Auditors have audited the financial statements of the Company for the financial year ended 31 March 2026. The Auditors' Report on the standalone and consolidated financial statements forms part of this Annual Report. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer of opinion.

Further, during the year under review, the Statutory Auditors have not reported any instance of fraud under Section 143(12) of the Companies Act, 2013.

19. SECRETARIAL AUDITORS & THEIR REPORT:

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. Chakravarthy & Associates, Practicing Company Secretary (CP No. 22563) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2026.

The Secretarial Audit was carried out by M/s, Chakravarthy & Associates, Practicing Company Secretary (CP No. 22563) for the financial year ended March 31, 2026. The Report given by the Secretarial Auditor is annexed and forms integral part of this Report.

20. ANNUAL SECRETARIAL COMPLIANCE REPORT:

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. Further, Secretarial Compliance Report dated May 28, 2026, was given by M/s, Chakravarthy & Associates, Practicing Company Secretary (CP No. 22563) which was submitted to Stock Exchanges within 60 days of the end of the financial year.

21. TRANSFER OF UNPAID/ UNCLAIMED AMOUNTS TO IEPF:

Pursuant to the provisions of Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, dividend / interest / refund of applications which remains unclaimed / unpaid for a period of 7 years is required to be transferred to IEPF. Further, the IEPF Rules mandate the companies to transfer all shares on which dividend remains unclaimed / unpaid for a period of 7 consecutive years to the demat account of the IEPF Authority. Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period.

During the financial year 2024-25, the dividend for the year remaining unpaid and unclaimed for 7 years was transferred by the Company to IEPF.

The Members / claimants whose shares or unclaimed dividends get transferred to IEPF may claim the shares or apply for refund from the IEPF Authority by following the refund procedure as detailed on the website of IEPF Authority at http://www.iepf.gov.in/IEPF/refund.html.

Details of the Nodal Officer: Mrs. Ramyanka Yadav K, Company Secretary & Compliance Officer.

22. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans, guarantees and investments have been disclosed in the financial statements.

The Company had not given any loans, guarantees or made investments as per the provisions of Section 186 of the Companies Act, 2013 during the financial year under review and also there are no outstanding amounts of loans given, guarantees provided and / or investments made at the beginning of the year.

23. DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE OF THE COMPANY:

The Company has a wholly owned subsidiary M/s. Adan holdings Limited, United Kingdom which is the holding company of M/s. Adan Limited.

The Company does not have any associate or joint venture during the year under review. Further no subsidiaries have been ceased to be a subsidiaries during the period under review.

During the period under review, the Company has not infused any capital in subsidiary company.

The details and performance of the subsidiary are given in Form **AOC -1** which is been annexed separately and forms part of this report.

24. TRANSACTIONS WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2025-26, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

In line with the provisions of Section 177 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, omnibus approval for the estimated value of transactions with the related parties for the financial year is obtained from the Audit Committee. The transactions with the related parties are routine and repetitive in nature.

The summary statement of transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed & approved by the Audit Committee and the Board of Directors on a quarterly basis. The summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business.

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed and forms integral part of this Report.

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions, which can be accessed at the Company's website http://veljan.in/investors.html.

25. CORPORATE SOCIAL RESPONSIBILITY:

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has made contributions to various activities as approved by the Committee and is in accordance with Schedule VII of the Companies Act, 2013 read with the relevant rules.

The contents of the CSR activities undertaken by the Company have been annexed separately and forms part of this report.

26. ANNUAL RETURN:

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT-7 will be available on the Company's website URL: https://www. veljan.in

27. PARTICULARS OF EMPLOYEES:

There are no employees in the company in receipt of amounts covered in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The disclosure pertaining to remuneration and other details of top 10 employees of the Company are made available for inspection at the Registered office of the Company with the Company Secretary and Compliance Officer during working hours and any Member interested in obtaining such information may write to the Company Secretary and Compliance Officer and the same shall be provided without any fee.

During the year, none of the employees are drawing a remuneration of Rs.1,39,60,000/- and above per annum or ₹11,63,333/- per month and above in aggregate per month, the limits specified under Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

28. STATEMENT ON MATERNITY BENEFIT COMPLIANCE:

The company is in compliance with the provision of the Maternity Benefit Act, 1961 for the financial year 2025-26, as no employee availed this benefit during the period FY 2025-2026.

29. MANAGERIAL REMUNERATION:

Details of the ratio of the remuneration of each of the director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 has been annexed separately and forms part of this report.

30. CORPORATE GOVERNANCE CERTIFICATE:

The Compliance certificate from the Secretarial Auditors regarding compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 is provided elsewhere and forms part of this report.

31. LISTING:

The Equity Shares of your Company are continued to be listed on BSE Limited. There are no payments outstanding to the Stock Exchange and the company has paid the listing fee for the financial year 2026-27.

32. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that (based on the representations received from the Management):

i) In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;

ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31.03.2026 and of the Profit of the Company for that period;

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

iv) they have prepared the Annual Accounts on a going concern basis;

v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

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

33. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has put in place a Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in accordance with the requirement of the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees of the Company are covered under the aforementioned Policy.

During the year under review, the company has not received any complaints pertaining to sexual harassment

34. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

35. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Your Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct. The Code of Conduct applies to all the employees, including Directors of the Company.

The Code of Conduct is available on the Company website to report any genuine concerns about unethical behavior, any actual or suspected fraud or violation of Company's Code of Conduct.

36. REPORT ON CORPORATE GOVERNANCE:

In accordance with the Regulation 34(3) of the SEBI (LODR) Regulations, 2015, the Company has complied with all mandatory recommendations. A Report on corporate Governance is provided elsewhere and forms part of this report.

37. INDUSTRIAL RELATIONS AND HUMAN RESOURCES:

Your company believes that its employees are one of the most valuable assets of the Company and the Board appreciates the employees across the cadres for their dedicated service to the company and expects their continuous support and higher level of productivity for achieving the targets set for the company. The total employee strength is over 262 as on March 31, 2026.

38. SHARE CAPITAL:

There is no change in the Authorized Share Capital of Rs. 6 crores and Paid up Share Capital of Rs.4.50 crores of the Company during the year under review post the issue of Bonus shares on 06.05.2024.

Further, the Company has not issued any shares with differential rights and hence no information as per the provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

39. INSURANCE:

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

40. CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business of the Company.

41. RISK MANAGEMENT:

The Board of Directors has formed a risk management policy to identify, evaluate, mitigate and monitor the risk associated with the business carried by the company. The Board reviews the risk management plan and ensures its effectiveness. A mechanism has been put in place which will be reviewed on regular intervals.

42. COMMITTEES OF THE BOARD:

The Board Has Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The composition and other details of these committees have been given in the Report on the Corporate Governance forming part of the Annual Report.

43. COST AUDIT:

Pursuant to provisions of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 cost audit is applicable for the Company and the Board has appointed M/s SRK & Co, Cost Auditors, Hyderabad as Cost Auditor of the Company for the Financial Year 2026-27.

44. COMPLIANCE OF SECRETARIAL STANDARDS:

The Company has duly complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India, for the Board and General Meetings.

45. CORPORATE POLICIES OF THE COMPANY:

The policies are reviewed periodically by the Board and updated as needed. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, mandate the formulation of certain policies for all listed companies. The corporate governance policies like Familiarization Programme for Independent Directors, Policy for Determination of Materiality of an Event or Information, Policy on Preservation of Documents and Policy on Related Party Transactions etc. for are available on the Company's website, at http://veljan.in/investors_policy.html.

46. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading ("Insider Trading Code") and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("UPSI").

The Code of Practices and Procedures for fair disclosure of UPSI is available on the website of the Company at http://veljan.in/investors.html.

47. GREEN INITIATIVES:

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 52nd Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

48. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

49. FAILURE TO IMPLEMENT CORPORATE ACTIONS:

During the year under review, no corporate actions were done by the Company which were failed to be implemented.

50. DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS:

During the year under review, there has been no one time settlement of loans taken from banks and financial institutions.

51. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016.

No corporate insolvency resolution processes were initiated against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

52. ACKNOWLEDGMENTS:

Your Directors acknowledge with a deep sense of gratitude the continued support extended by Investors, Customers, Business Associates, Bankers and Vendors.

Your Directors take this opportunity to thank the regulatory Authorities and Governmental Authorities for continued support and assistance.

Your Directors also place on record their appreciation for the contribution of all the employees of the Company in achieving the performance.

By order of the Board
FOR VELJAN DENISON LIMITED

Place: Hyderabad	**V G Srinivas**	**Sri Krishna Uppaluri**
Date: 03.08.2026	Director	Managing Director & CEO
	(DIN 00181826)	(DIN 08880274)

REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Veljan Denison Limited as follows:

1. **Company's Philosophy on Corporate Governance:**

   Company's endeavour is to maximize shareholder value. Veljan is committed to adopt best governance practices and its adherence in true spirit at all times. It has strong legacy of fair, transparent and ethical governance practices.

   Company has adopted a code of conduct, which is applicable to all employees and is posted on the website of the Company **www.veljan.in .** The Company also has in place a code for preventing insider trading.

   Company is fully compliant with the requirements of the listing regulations and applicable corporate governance norms and is committed to ensuring compliance with all modifications within the prescribed time.

2. **Governance Structure**

   Board of Directors: Provides strategic direction, formulates and ensures long-term business strategy, enhances shareholder value, and safeguards stakeholder interests.

   Board Committees: Leverage specialized expertise to provide insightful recommendations, ensure effective oversight, and guide strategic direction across key operational areas.

   Management: Implements policies, procedures, and oversees day-to-day operations, driving effective execution

3. **Board diversity:**

   The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage.

4. **Compliance with SEBI (listing obligations and disclosure requirements) regulations, 2015:**

   In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company framed the policies which are available on Company's website i.e. www.veljan.in

5. **Veljan code of conduct for the prevention of insider trading:**

   The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

   The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website https://www.veljan.in

6. **Board of Directors:**

   The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31, 2026, the Company's Board comprised of Six Directors, out of which three Promoter Directors and three Independent Directors on the Board including One Women Non-Executive Director. In terms of Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015 and section 149 of Companies Act 2013, the company is required to have one half of total Directors as independent Directors. The Non-Executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee, which considers their overall experience, expertise and industry knowledge. One third of the Non-Executive Directors other than Independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

7. **Number of Board Meetings**

During the Financial Year 2025-26, Four (4) meetings of the Board of Directors were held and the maximum time gap between two consecutive meetings did not exceed one hundred and twenty (120) days i.e, 30.05.2025, 02.08.2025, 07.11.2025 and 11.02.2026.

None of our Directors are related to each other except Mr.V G Srinivas, Non-Executive Director, Mrs. Uma Devi Uppaluri, Non - Executive Director and Mr. Sri Krishna Uppaluri,MD & CEO,

The number of directorships, Committee Chairmanships and memberships of each director is in compliance with the relevant provisions of the Companies Act, 2013 ("Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

8. **Attendance and directorships held:**

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors is members of more than ten Board-level committees are nor are they chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, and then they do not serve as independent director in more than three listed companies.

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown below.

Table - 1

Name of Director	Relationship with other Directors	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM	No. of Outside Directorships of Public Companies	No. of Committee Memberships	No. of Committee Chairmanships
Mr.V G Srinivas	Brother to Mrs. Uma Devi Uppaluri and Uncle to Mr. Sri Krishna Uppaluri.	Non-Executive Director	4	4	Yes	5	2	1
Mrs. Uma Devi Uppaluri	Mother to Mr. Sri Krishna Uppaluri and sister to Mr. V G Srinivas	Non-Executive Director	4	4	No	5	2	1
Mr. Sri Krishna Uppaluri	Son to Mrs. Uma Devi Uppaluri and Nephew to Mr. V G Srinivas	Managing Director & CEO	4	4	Yes	4	2	Nil
Dr. Akella Suresh	Nil	Independent Director	4	4	Yes	0	2	1
Mr.Vidya Sagar Gannamani	Nil	Independent Director	3	3	No	0	3	1
Mr. Manish Mohan Motwani	Nil	Independent Director	4	4	No	1	2	0

The Name of other listed entities where directors of the company are directors and the category of directorship are shown in following table: Nil

9. Shareholding of Non-Executive Directors of the Company as on March 31, 2026

S. No.	Name of the Director	Category#	No. of Equity Shares held
1.	Mr.V G Srinivas	P-NED	771564 shares
2.	Mrs. Uma Devi Uppaluri	P-NED	221668 shares
3.	Dr. Akella Suresh	ID-NED	0
4.	Mr.Vidya Sagar Gannamani	ID-NED	0
5.	Mr.Manish Mohan Motwani	ID-NED	0

PNED – Promoter Non-Executive Director, IDNE - Independent Non-Executive Director

10. Familiarisation Programme for the Independent Directors:

The Company conducts Familiarization Programme for Independent Directors to provide them an opportunity to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities. They have full opportunity to interact with Senior Management Personnel and are provided all documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry of which it is part.

The details of familiarisation programmes imparted to the Independent Directors of the Company has been disclosed on the website of the Company www.veljan.in.

11. Core Skills / Expertise / Competencies of the Board of Directors:

Skills / Expertise / Competencies of the Board of Directors

The Company has mix of Directors on the Board who possess the requisite qualifications, experience and expertise across multiple domains which facilitates quality decision making and enables them to contribute effectively to the Company in their capacity as Directors of the Company, more specifically in the areas of:

a. Knowledge of Company - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities)

b. Industry Knowledge and experience - knowledge of industry, sector and changes in industry specific policy and

c. Professional Skills and experience in the areas of finance, Safety & Corporate Social Responsibility and allied fields, projects, general corporate management and strategy development and implementation to assist the ongoing aspects of the business.

Sl No	Name of the Director	Skills / Expertise / Competencies
1.	Mr. Narayan Rao (till 15.09.2025)	Knowledge of Company, Industry Knowledge and experience, & Corporate management
2.	Dr. A. Suresh	Knowledge of Company, Industry Knowledge and experience & R & D Expertise
3.	Mrs. U. Uma Devi	Knowledge of Company, Industry Knowledge and experience, Corporate management & Financial Expertise
4.	Mr. Manish Mohan Motwani	Knowledge of Company, Industry Knowledge and experience, Corporate management & Financial Expertise
5.	Mr. V.G. Srinivas	Knowledge of Company, Industry Knowledge and experience and Corporate management
6.	Mr. U. Sri Krishna	Knowledge of Company, Industry Knowledge and experience, Corporate management & Financial Expertise
7.	Mr.Vidya Sagar Gannamani (w.e.f 30.05.2025)	Knowledge of Company, Industry Knowledge and experience & Corporate management and Human Resources Management.

In the opinion of the Board, all the independent directors fulfill the conditions specified in these regulations and are independent of the management.

12. Appointment/Re-appointment of Directors:

Details of Director seeking appointment/ reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") is annexed to the Notice convening the Annual General Meeting and forming part of this Annual Report.

13. Information supplied to the board:

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the Managing Director is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring.
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Substantial non-payment of goods sold by the Company except disputes
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14. Committees of the board:

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided in this report.

15. Performance Evaluation of Board, Committees and Directors:

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2025-26 on January 28, 2026, involving the following:

i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and

ii. Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on January 28, 2026, mainly to review the performance of Independent Directors and the Chairman & Managing Director as also the Board as a whole. All IDs were present at the said meeting.

(i) Board: Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.

(ii) Executive Directors: Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.

(iii) Independent Directors: Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.

(iv) Chairman: Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.

(v) Committees: Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Performance evaluation was done on the scale of 1 to 5, 1 being very poor and 5 being outstanding. The outcome of performance evaluation is given below:

Categories	Rating (out of 5)
Board as a whole	4.5
Individual Directors	
Mr.V G Srinivas	4.5
Mr.Sri Krishna Uppaluri	4.5
Mrs. Uma Devi Uppaluri	4.5
Dr. A Suresh	4.5
Mr. Manish Mohan Motwani	4.5
Mr.Vidya Sagar Gannamani	4.5
Audit Committee	4.75
Stakeholder Relationship Committee	4.75
Nomination & Remuneration Committee	4.75
Corporate Social Responsibility Committee	4.75

Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

Observations of Board evaluation carried out for the year	No observations.
Previous year's observations and actions taken	Since no observations were received, no actions were taken
Proposed actions based on current year observations	Since no observations were received, no actions were taken.

16. Declaration by Independent Directors:

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Section 149(6) of the Act.

17. Declaration by Board:

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in these regulations and are independent of the management. During the year under review, no Independent Director has resigned before expiry of his tenure.

18. Audit committee:

Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.

The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management, and the Board. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls and governance; and reviews the Company's statutory and internal audit processes.

A. Brief description of terms of reference: -

Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

(1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) Review and monitor the auditor's independence and performance, and effectiveness of audit process.

(5) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) changes, if any, in accounting policies and practices and reasons for the same;

(c) major accounting entries involving estimates based on the exercise of judgment by management;

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

(6) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(7) To review the financial statements, in particular, the investments made by the unlisted subsidiary Company.

(8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;

(9) To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor.

(10) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

(11) 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.

(12) Discussion with internal auditors any significant findings and follow up there on.

(13) 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.

(14) 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.

(15) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

(16) To review the functioning of the Whistle Blower mechanism.

(17) 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.

(18) Valuation of undertakings or assets of the Company, wherever it is necessary.

(19) Scrutiny of inter-corporate loans and investments.

(20) Evaluation of internal financial controls and risk management systems.

(21) Approval or any subsequent modification of transactions of the Company with related parties

(22) To appoint a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit Committee for valuation, if required to be made, in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a Company or its liabilities.

(23) To ensure proper system for storage, retrieval, display or printout of the electronic records as deemed appropriate and such records shall not be disposed of or rendered unusable, unless permitted by law provided that the back-up of the books of account and other books and papers of the Company maintained in electronic mode, including at a place outside India, if any, shall be kept in servers physically located in India on a periodic basis.

(24) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans /advances / investments existing as on the date of coming into force of this provision.

(25) Reviewing the compliances under SEBI (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

(26) To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

(27) Carrying out any other function as is mentioned in the terms of reference/approval of the Committee.

B. The Audit Committee shall have powers, which should include the following:

a. To investigate any activity within its terms of reference.

b. To seek information from any employee.

c. To obtain outside legal or other professional advice.

d. To secure attendance of outsiders with relevant expertise, if it considered necessary.

C. The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;

2. management letters / letters of internal control weaknesses issued by the statutory auditors;

3. internal audit reports relating to internal control weaknesses; and

4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

5. statement of deviations:

   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

   (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

D. Internal Audit:

The Company has adequate internal control and Internal Audit system commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

E. Composition, Meetings & Attendance:

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Dr. Suresh Akella, as Chairman of the Committee, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March 2026 are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Dr.A Suresh^	Chairman	NED(I)	4	4
Mr.Manish Mohan Motwani^	Member	NED(I)	4	4
Mr.U Sri Krishna	Member	ED	4	4
Mr.Vidya Sagar G@	Member	NED(I)	2	2
Mr. G Narayan Rao*	Member	NED(I)	2	2

Note:

a. * Mr. G.Narayan Rao ceased to be a member w.e.f 15.09.2025.

b. ^ The Committee is reconstituted where Dr.A Suresh has been elected as Chairman of the Committee and

c. @ Mr.Vidya Sagar Gannamani has been appointed as member w e.f 15.09.2025 and Mr. Manish Mohan Motwani continues to serve as member of the Audit Committee.

d. NED(I) – Non Executive Independent Director and ED – Executive Director

The Audit committee duly met 4 (Four) times during the financial year 2025-26 on 30.05.2025, 02.08.2025, 07.11.2025 and 11.02.2026 and the gap between any two meetings did not exceed 120 days.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

During the year, the Audit Committee inter alia reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company, which were presented to the Committee. The Chairman of the Audit Committee briefed the Board members on the significant discussions that took place at Audit Committee Meetings.

The Chairman of the Audit Committee was not present at the Annual General Meeting of the Company held on 29^{th} August, 2025. However, Chairman Mr. Manish Mohan Motwani has given a letter of authorisation to Mr. Sri Krishna Uppaluri, MD&CEO (Member-Audit Committee) to represent him at the AGM and Address the queries of Shareholders at the Meeting.

19. Nomination and remuneration committee:

The Nomination and Remuneration Committee ('NRC') functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its Charter adopted by the Board.

The NRC is vested with all the necessary powers, authority to identify persons who are qualified to become Directors, Key Managerial Personnel and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and shall carry out evaluation of every Director's performance.

Terms of Reference: The terms of reference of the Nomination & Remuneration Committee, inter alia, includes the following:

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b. Formulation of criteria for evaluation of performance of independent directors and the Board;

c. Devising a policy on Board diversity;

d. Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e. Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;

f. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.

g. Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);

h. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

i. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

j. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

k. Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") including the following:

   i. Determining the eligibility of employees to participate under the ESOP Scheme.

   ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;

   iii. Date of grant;

   iv. Determining the exercise price of the option under the ESOP Scheme;

l. Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/ plan ("ESOP Scheme") and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

m. Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

   i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and

   ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable;

n. Performing such other activities as may be delegated by the Board of Directors and/ or are statutorily prescribed under any law to be attended by the Nomination and Remuneration Committee; and

o. Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations or other applicable laws or by any other regulatory authority.

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting the short and long term performance objectives appropriate to the working of the Company and its goals

(iv) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;

(v) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

(vi) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;

(vii) 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;

(viii) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;

(ix) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;

(x) The grant, vest and exercise of option in case of employees who are on long leave;

(xi) Allow exercise of unvested options on such terms and conditions as it may deem fit; xii. The procedure for cashless exercise of options;

(xii) Forfeiture/ cancellation of options granted;

(xiii) Formulating and implementing 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 rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

- the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
- for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee who is granted such option

Composition of the committee, meetings and attendance during the year:

There were twice Nomination and Remuneration Committee Meetings held during the financial year 2025-26 on 30.05.2025 and 11.02.2026.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr.Vidya Sagar Gannamani*	Chairman	NED(I)	1	1
Mrs. Uma Devi Uppaluri	Member	NED	2	2
Mr.Manish Mohan Motwani^	Member	NED(I)	2	2
Mr. G Narayan Rao	Member	NED(I)	1	1

Note:

a. *Mr.Vidya Sagar Gannamani was appointed Chairperson and member w.e.f 15.09.2025

b. ^Mr.Manish Mohan Motwani, earlier Chairperson till 15.09.2025 continues to serve as member of the Nomination and Remuneration Committee.

c. Mr. G Narayan Rao ceased to be a member of the committee w.e.f.15.09.2025.

d. NED - Non-Executive Director and NED(I) -Non-Executive Director and Independent Director.

20. Stakeholder's relationship committee:

Terms of reference of the committee comprise of various matters provided under Regulation 20 of the Listing Regulations and section 178 of the Act, 2013 which inter-alia include:

(a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non receipt of annual reports, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;

(b) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time

(e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

(f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;

(g) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority;

(h) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;

(i) To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;

(j) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company; and

(k) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations

The Committee comprises of 3 Independent Directors and 1 Non-Executive Director. In the financial year 2025-26, 2 meetings of the Committee were held on 30.05.2025 and 11.02.2026. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. G. Vidya Sagar * (w.e.f 15.09.2025)	Chairperson	NED(I)	1	1
Mrs. Uma Devi U	Member	NED	4	4
Mr.Manish Mohan Motwani^	Member	NED(I)	4	4
Mr. G Narayan Rao@	Member	NED(I)	1	1

Note:

a. *Mr.Vidya Sagar Gannamani was appointed Chairperson and member w.e.f 15.09.2025

b. ^Mr.Manish Mohan Motwani, earlier Chairperson till 15.09.2025 continues to serve as member of the Nomination and Remuneration Committee.

c. @Mr. G Narayan Rao ceased to be a member of the committee w.e.f.15.09.2025.

21. Name and designation of compliance officer:

Mrs.Ramyanka Yadav K was appointed as a Company Secretary & Compliance Officer of the Company w.e.f. 13.02.2025.

22. Details of complaints/requests received, resolved and pending during the year 2025-26:

Number of Complaints	Number
Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / Metropolitan Stock Exchange / SCORE and so on	0
Number of complaints resolved	0
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2026	0
Complaints pending as on March 31, 2026	0
Number of Share transfers pending for approval, as on March 31, 2026	0

23. Performance evaluation criteria for Independent Directors:

The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

Policy:

1. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

2. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

    - General understanding of the company's business dynamics, global business and social perspective;
    - Educational and professional background
    - Standing in the profession;
    - Personal and professional ethics, integrity and values;
    - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

    2.1 The proposed appointee shall also fulfil the following requirements:

    - shall possess a Director Identification Number;
    - shall not be disqualified under the companies Act, 2013;
    - shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the

Committee Meeting;

- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other relevant laws.

3. Criteria of independence

    3.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

    3.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

    3.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.

4. Other directorships/ committee memberships

    4.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NRC Committee shall take into account the nature of and the time involved in a director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

    4.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

    4.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

    4.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

24. Pecuniary Relationship or Transactions of the Non-Executive Directors Vis-À-Vis the Listed Company:

None of the Non-Executive Directors Vis-À-Vis the Listed Company has a Pecuniary Relationship

A. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

Policy:

1. Remuneration to Executive Director and key managerial personnel

1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
(i) Basic pay
(ii) Perquisites and Allowances
(iii) Stock Options
(iv) Commission (Applicable in case of Executive Directors)
(v) Retrial benefits
(vi) Annual performance Bonus

1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

2. Remuneration to Non – Executive Directors

2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.

2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3. Remuneration to other employees

3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

25. Independent Directors' Meeting:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 28.01.2026, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;

2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarization program is given at company's website www.veljan.in.

i) Remuneration policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities should and individual performance.

Policy for selection of directors and determining directors' independence:

1. Scope:
This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

2.1 "Director" means a director appointed to the Board of a Company.

2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Remuneration policy for Directors, key managerial personnel and other employees:

1. Scope:

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:
In this policy the following terms shall have the following meanings:

2.1 "Director" means a director appointed to the Board of the company.

2.2 "Key Managerial Personnel" means
(i) The Chief Executive Office or the Managing Director or the Manager;
(ii) The Company Secretary;
(iii) The Whole-Time Director;
(iv) The Chief Finance Officer; and
(v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

26. Corporate Social Responsibility committee:

The Committee comprises of 1 Independent Director and 2 Non-Executive Director. In the financial year 2025-26, 1 meeting of the Committee was held on 11.02.2026. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr.G Narayan Rao#	Chairperson	NED(I)	0	0
Mrs. Uma Devi U*	Member / Chairperson	NED	1	1
Mr. V G Srinivas	Member	NED	1	1
Mr. G Vidya Gannamani ^	Member	NED(I)	1	1

Note:
Mr.G. Narayan Rao ceases to be chairperson w.e.f 15.09.2025.
* Mrs. Uma Devi Uppaluri was appointed as chairperson w.e.f 15.09.2025.
^ Mr. Vidya Sagar Gannamani was appointed as member w.e.f 15.09.2025.

The Company has adopted a Corporate Social Responsibility (CSR) Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act. The policy, including overview of projects or programs proposed to be undertaken, is provided on the Company's website at **www.veljan.in**

Terms of Reference:

a) Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.

b) Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.

c) Monitor the CSR Policy of the Company from time to time

The minutes of the meetings of the Committee are placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

Monitoring Governance of Subsidiary Companies:

The financial statements of the overseas subsidiaries M/s Adan Holdings are reviewed by the Audit Committee. The minutes of the meetings of the subsidiaries are placed before the Board of Directors of the Company, and the Board has periodically noted and reviewed all significant transactions entered into by the subsidiaries. Investment proposals beyond threshold values are executed by the subsidiary companies only after positive recommendation by the Board, if any.

27. Non-executive directors' compensation and disclosures:

None of the Independent/Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

28. Disclosure of commodity price risks and commodity hedging activities:

Price and demand of the Company's finished products are inherently volatile and remain strongly influenced by global economic conditions. Any fluctuation in finished product prices or currency has direct impact on the Company's revenue and profits.

The Company considers exposure to commodity price fluctuations to be an integral part of our business and its usual policy is to sell its products at prevailing market prices. The Company has a well-defined policy framework wherein no speculative positions are taken and limited commodity hedging is done with endeavours to achieve month-average rates both in currency and metal prices. The Company follows the policy of taking forward cover for net foreign exposure, if the net is payable in foreign currency, with negligible exposure in non USD currencies All policies are periodically reviewed basis local and global economic environment.

29. Senior management:

Particulars of Senior Management as on March 31, 2026:

S. No.	Name of Senior Management	Designation	Change (Appointment / Resignation) during FY 2025-26
1	Mrs. Ramyanka Yadav K	Company Secretary and Compliance Officer	NA
2	Mr. G Subba Rao	Chief Financial Officer	NA

30. Remuneration of directors: (Rs. In lakhs)

Name of the Director	Salary (Rs)	Sitting fees (Rs)	Number of shares held	Profit Based Commission	Total (Rs in Lakhs)
Mr. V G Srinivas	-	0.25	771564	-	0.25
Mrs. Uma Devi Uppaluri	-	1.20	221668	5.79	6.99
Mr. Sri Krishna Uppaluri	48.59	-	23752	90.47	139.06
Dr.Akella Suresh	-	2.20	--	5.79	7.99
Mr. Manish Mohan Motwani	-	2.30	--	5.79	8.09
Mr. Vidya Sagar G	-	1.45	--	5.79	7.24
Mr.G Narayan Rao	-	1.10	–	5.79	6.89

31. Details on general body meetings:

A. Location, date and time of last three AGMs and special resolutions there at as under:

8. GENERAL BODY MEETING:

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2024-25	29.08.2025	3.00 P.M	Plot No.A18 & 19, A.P.I.E, Balanagar, Hyderabad-500037.	2 Ordinary and 3 Special Resolutions
2023-24	30.09.2024	11.30 AM	Plot No.A18 & 19, A.P.I.E, Balanagar, Hyderabad-500037.	3 Ordinary Resolutions and 1 special resolution
2022-23	30.09.2023	12.30 P.M	Plot No.A18 & 19, A.P.I.E, Balanagar, Hyderabad-500037. (Since the AGM was held through VC/ OAVM, The deemed venue for the AGM shall be the Registered Office of the Company)	1 Ordinary Resolution and 1 Special Resolution

32. Postal Ballot

During the financial year 2025-26, no Special Resolution was passed by the Company through Postal Ballot. No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Annual Report.

33. Means of Communication:

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with Members through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications.

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Financial Express and Navatelangana. These results are also made available on the website of the Company www.veljan.in. The website also displays vital information relating to the Company and its performance, official press releases and presentation to analysts.

All price sensitive information and matters that are material to Members are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through MSCI portal and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the website of the Company www.veljan.in .

34. Related Party Transactions

During the year under review,

All Related Party Transactions ("RPTs") entered into by the Company, were approved by the Audit Committee and were in the ordinary course of business and at arm's length. The Audit Committee also granted prior omnibus approval for RPTs which were in the ordinary course of business and on an arm's length that were repetitive in nature and also for unforeseen transactions, in line with the Policy on dealing with and materiality of Related Party Transactions and the applicable provisions of the Act read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force).

The Audit Committee reviewed, on a quarterly basis, the details of RPTs entered into by the Company pursuant to the omnibus approval granted.

The Company did not enter into any material RPTs nor did it enter into any significant transaction with its related parties that may have a potential conflict with the interests of the Company.

The RPTs undertaken by the Company were in compliance with the provisions set out in the Act read with the Rules issued thereunder and relevant provisions of the Listing Regulations.

SEBI vide its Circular dated 26th June 2025 and several subsequent amendments had notified the Industry Standards formulated by the Industry Standards Forum ("ISF") on minimum information to be provided to the audit committee and shareholders while seeking their approval for RPTs. This Industry Standard is applicable for all the approvals for RPTs sought on or after 1st September 2025. The Company had presented the requisite information as per the Industry Standards for the RPTs to be entered into by the Company during the financial year 2025-26 to the Audit Committee for their information.

Pursuant to Regulation 23(9) of the Listing Regulations, the Company had filed the half-yearly reports on RPTs with the stock exchanges on which the equity shares of the Company are listed.

35. General shareholder information:

A. Annual general meeting: The 52nd Annual General Meeting of the Company will be held on Saturday, 29.08.2026 at 11.30 AM at Plot No.A18 & 19, A.P.I.E, Balanagar, Hyderabad-500037.

B. Financial Year and Financial Year Calendar 2026-27 (Tentative Schedule): The financial calendar (tentative) shall be as under:

Financial Year	**2026-27**
First Quarterly Results	On or before 14.08.2026
Second Quarterly Results	On or before 14.11.2026
Third Quarterly Results	On or before 14.02.2027
Fourth Quarterly Results	On or before 29.05.2027

C. Dividend Payment Date: A Dividend of Rs.8.50/- per equity share of Rs.10/-each is proposed at the ensuing AGM and if approved will be paid within 30 days from the date of AGM.

D. Listing on stock exchanges & address:

The equity shares of the Company are listed on BSE Limited (BSE). The Company has paid the listing fees for the year 2026-27. The Details of the BSE Limited is Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.

Scrip code 505232

E. Registrar and share transfer agents:

M/s Venture Capital and Corporate Investments Pvt. Ltd
Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57,Jayabheri Enclave,
Phase II, Gachibowli, Seri Lingampally-500032, Telangana, India
Tel: 91-40-23818475/23818476/2386808023 Fax: 040 – 23868024
Email- info@vccilindia.com
Website: https://www.vccipl.com/

F. Share transfer system:

The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects. The Company Secretary has been empowered to approve the transfer of shares.

Effective April 1, 2019, SEBI has amended Regulation 40 of the SEBI Listing Regulations, which deals with transfer, transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

Shares received for transfer by the Company or its Registrar and Share Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/are duly transferred and dispatched within a period of 15 days from the date of receipt.

According to SEBI, this amendment will bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.
- Information in respect of transfer of shares to IEPF and unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below:

  Under the provisions of the Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and MCA also notifies the transfer of under laying shares of unclaimed / unpaid dividend for seven years to IEPF account.

  Your Company will undertake necessary steps for transfer of unclaimed / unpaid dividend and underplaying shares pertains to financial year 2018-19 in accordance with the applicable provisions of the Act and Rules and ensure the transfer to IEPF account. Shareholders are required to claim the unpaid dividend if any immediately.

  The unclaimed dividends as on March 31, 2026 with due date of transfer to IEPF is as follows:

Financial Year	**Date of transfer to IEPF**
2018-19	October 2026
2019-20	April 2027
2020-21	October 2028
2021-22	October 2029
2022-23	October 2030
2023-24	October 2031
2024-25	September 2032

G. Distribution of Shareholding as on 31st March, 2026:

Nominal Value Rs.	Holders		Amount	
	Number	% to Total	In Rs.	% to Total
Upto - 5000	4398	96.78	2182280	4.85
5001 - 10000	77	1.64	525380	1.17
10001 - 20000	30	0.64	420160	0.93
20001 - 30000	12	0.26	282660	0.63
30001 - 40000	5	0.11	181260	0.4
40001 - 50000	1	0.02	50000	0.11
50001 - 100000	7	0.15	616340	1.37
100001 and above	19	0.41	40741920	90.54
TOTAL	**4549**	**100**	**45000000**	**100**

H. Dematerialisation & liquidity of shares:

Veljan shares are tradable in Electronic Form. The Company has established electronic connectivity through Venture Capital and Corporate Investments Pvt. Ltd with both the depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE232E01013. As on March 31, 2026 97.10% of the shares were held in Dematerialised form and the rest in physical form.

Particulars	No. of Shares	% Share Capital
NSDL	866142	19.25
CDSL	3606589	80.14
PHYSICAL	27269	0.61
Total	**4500000**	100

We request the shareholders whose shares are held in physical mode to dematerialize the shares and update their bank accounts with the depository participants.

I. Outstanding GDRs/ ADRs/ Warrants or Convertible Instruments : No GDRs/ ADRs/Warrants has been issued by the Company or Convertible Instruments has been issued by the Company.

J. Commodity price risk or foreign risk and hedging activities : The Company does not have commodity price risk nor does the Company engage in hedging activities

K. Electronic connectivity: Demat ISIN Number: INE232E01013

L. National Securities Depository Limited

301, 3rd Floor, Naman Chambers, Plot C-32, G-Block, Bandra Kurla Complex (BKC)
Bandra East, Mumbai, Maharashtra – 400051

M. Central Depository Services (India) Limited

Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013

N. **Shareholding Pattern as on 31st March, 2026:**

Category	Number of Shareholders	No. of Shares held	Percentage of Shareholding (%)
Promoters	10	3374194	74.98
Mutual Funds and UTI	0	0	0.00
Banks, Financial Institutions, Insurance Companies	0	0	0.00
FIIs	0	0	0.00
Bodies Corporate	39	15978	0.36
Indian Public	4282	542058	11.99
Non-Resident Indians	60	23204	0.52
IEPF	1	492702	10.95
Others	157	51864	1.15
Total	**4549**	**4500000**	**100**

36. Other Disclosures:

a) disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;

b) Non-Compliances by the Company

During the Financial Year 2025-26, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any other statutory authority for non-compliance of any matter related to capital markets except the following:

Sr. No.	Compliance Requirement (Regulations / circulars / guide- lines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Observations/ Remarks of the Practicing Company Secretary	Management Response	Re- marks
1	Filing of Annual Report for the Financial Year 2024-25 within the prescribed timeline	Regulation 34 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay of 33 days in filing the annual Report for the F Y 2024-25 as alleged by the Stock Exchange	Stock Exchange	Fine	delay in submission of the Annual Report F Y 2024-25	Based on the records and explanation provided by the management, there was no actual delay in filing the Annual Report for F Y 2024-25. The Company had submitted the requisite Clarification and supporting documents before the BSE Limited, BSE Limited subsequently waived the penalty levied on the Company.	The Company submitted clarification along with the supporting documents to BSE Limited, purusant to which the penalty imposed was waived off by the Stock Exchange	Matter stands resolved and no further action is pending

c) Vigil Mechanism and Whistle Blower Policy

In Compliance with the provisions of section 177 of the Act and Regulation 22 of SEBI Listing Regulations, the Company has in place the Whistle Blower Policy and Vigil Mechanism for Directors, employees and other stakeholders which provides a platform to them for raising their voice about any breach of code of conduct, financial irregularities, illegal or unethical practices, unethical behaviour, actual or suspected fraud. Adequate safeguards are provided against victimization to those who use such mechanism and direct access to the Chairman of the Audit Committee in appropriate cases is provided. During the year under review, no employee was denied access to the Audit Committee.

The policy on Vigil Mechanism and Whistle Blower Policy has been posted on the website of the Company and can be accessed through the following link: www.veljan.in

Details of compliance with mandatory requirements on Corporate Governance under the SEBI Listing Regulations

The Company has complied with the mandatory requirements on Corporate Governance under the SEBI Listing Regulations.

d) web link where policy for determining 'material' subsidiaries is disclosed; https://www.veljan.in/policies

e) web link where policy on dealing with related party transactions; https://www.veljan.in/policies

f) disclosure of commodity price risks and commodity hedging activities. Not Applicable

g) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the Financial Year 2025-26, the Company has not raised funds through preferential allotment and qualified institutions placement.

h) Practicing company secretary certification:

A certificate from a Company Secretary in Practice that as on March 31, 2026, none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority is annexed to this Report.

i) Recommendation of Committee(s) of the Board of Directors

During the year, all recommendations of Committees of Board of Directors, were accepted by the Board

j) Total fee for all services paid by the listed entity and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part;

Payment to Auditors	**Amount in Rs.(INR)**
Statutory Audit fees including limited review	6,00,000
Certification & other attest services	1,15,000
Non–audit services	NIL
Outlays and Taxes	NIL

k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual Harassment at Workplace ('POSH') which is available on the website of the Company. There was on Complaints received during the financial year.

l) Loans and Advances in the nature of Loans to Firms/ Companies in which Directors are interested by name and amount. The details of loans and advances in the nature of loans to firms/ companies in which Directors are interested, being disclosed in notes to Standalone Financial Statements of the Company forming part of the Annual Report.

m) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

The details is being mentioned in the Form AOC-1

37. Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V:
The company has complied with the requirement of Corporate Governance Report of sub–paras (2) to (10) of Schedule–V of the Securities Exchange Board of India (LODR) Regulations, 2015.

38. Adoption of discretionary requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

With regard to discretionary requirements, the Company has adopted clauses relating to the internal auditor directly reporting to the Audit Committee.

39. The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes. Regulation 46(2)(b) to (i) Functional Website

40. Disclosures with respect to demat suspense account/ unclaimed suspense account : The company has issued Bonus issued in 1:1 ratio in the F Y 2023-24, the bonus shares unclaimed as on the date of report which remains in the Demat Bonus shares (unclaimed) are 29006 Equity Shares.

41. Disclosure of certain types of agreements binding listed entities
There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

42. Insider Trading:
In terms of the SEBI (Prohibition of Insider Trading) Regulations 2015 ("PIT Regulations"), the Company has a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company. Further, in terms of the PIT Regulations, the Company has in place a Code of Practices and Procedures of Fair Disclosures of Unpublished Price Sensitive Information.

43. Board Procedures
The Board meets at least once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of your Company.

The Board Meetings are governed by a structured Agenda. The agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board has access to any information within your Company which includes the information as specified in Schedule II of the SEBI Listing Regulations.

45. Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of the SEBI Listing Regulations, a meeting of the Independent Directors of the Company was held on 11.02.2026 without the presence of Non-Independent Directors and Company's Management.

The Company Secretary was an invitee to the said meeting and acted as a facilitator to the Independent Directors.

46. Mandatory requirements

To the extent applicable, during the year under review the Company has complied all the mandatory requirements of the SEBI Listing Regulations.

47. Disclosure of Accounting Treatment

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules.

48. Non- mandatory requirements:

The Company has adopted the following non-mandatory requirements on Corporate Governance:-

I. Audit qualifications

There was no audit qualification on your Company's financial statements, during the year under review.

49. Code of Conduct

The Board of Directors has laid down a Code of Conduct, which is applicable to all Directors and Senior Management Personnel of the Company. The Code has also been posted on the website of the Company.

All Board Members and Senior Management Personnel have affirmed with the compliance of Code of Conduct for the Financial Year 2025-26.

An annual declaration signed by the Managing Director and CEO of the Company affirming compliance to the Code by the Board of Directors and the Senior Management is annexed to this Report. The Code of Conduct is available on website of the Company and can be accessed through the following link: www.veljan.in.

50. CEO/ CFO Certification

In terms of regulation 17(8) of the Listing Regulations, the CFO made a certification to the Board of Directors which has been reviewed by the Audit Committee and taken on record by the Board and enclosed to this Annual Report.

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and senior management personnel of the Company. The code of conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2026 as envisaged in Listing Regulations.

Place: Hyderabad
Date: 03.08.2026

Sri Krishna Uppaluri
Managing Director & CEO
DIN: 08880274

COMPLIANCE CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI LODR, 2015
MD/ CFO CERTIFICATION

To
The Board of Directors
Veljan Denison Ltd.
Hyderabad

In relation to the Audited Financial Accounts (Standalone & Consolidated) of the Company as at 31 March 2026, we hereby certify that:

We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:

(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 comply with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or volatile of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit committee that

(i) the significant changes in internal control over financial reporting during the year;

(ii) the significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

For **Veljan Denison Limited**

Date: 30.05.2026
Place: Hyderabad

Sri Krishna Uppaluri
Managing Director & CEO
DIN: 08880274

G. Subba Rao
C.F. O

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Veljan Denison Limited
Hyderabad

I have examined the compliance with the conditions of Corporate Governance by Veljan Denison Limited ("the Company") for the financial year ended 31st March, 2026, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

I have conducted my examination on the basis of the relevant records and documents maintained by the Company and furnished to me for the purpose of this examination and the information and explanations provided by the Company during the course of such examination.

The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the examination of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has, in all material respects, complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

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

For **Chakravarthy & Associates**

Sd/-
Nadupalli Phani Chakravarthy
Practicing Company Secretary
ACS No. A32380 | CP No. 22563
UDIN: A032380H001005517
Peer Review Certificate No.: 6621/2025

Place: Hyderabad
Date: 03.08.2026

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The global hydraulic market was estimated to be in the region of USD 58 billion in 2026 and is anticipated to grow at a CAGR of 4.5% over the next 8 years. Of this, the largest market remains the USA, followed by China. The major factors for the growth of the industry are the demand for material handling equipment, cutting-edge agricultural equipment and growing adoption of hydraulic equipment by various industries. Your company manufactures niche hydraulic pumps, valves and motors which are used in both industrial and mobile systems. It is a leader in a niche silent, heavy duty, high pressure vane pump and motor technology and has gradually been increasing its market presence in other varieties of hydraulic pump and motor technologies.

Geographically, Asia-Pacific remains the strongest demand centre for hydraulic components, supported by high industrial output, infrastructure growth, and capital investments in manufacturing. North America and Europe continue to shift toward smarter, energy-efficient hydraulic solutions, creating opportunities for product lines that offer performance with reduced energy consumption and maintenance. Latin America and Africa present growing, albeit fragmented, opportunities in the agriculture and construction sectors.

OUTLOOK:

Market Growth: The hydraulic sector is experiencing steady growth. This is largely due to increased industrial automation, rising infrastructure projects, and expanding manufacturing sectors worldwide. Further, new product development efforts are gradually allowing your company access to customers in new segments within the hydraulics space. The growth of the Indian infrastructure industry and increased government allocations to the infrastructure sector are positive signs for the demand for the company's products in India. Your company has a strong balance sheet that is capable of flexibly investing in both IP and machinery to tap into this growth. In the past year, the company has developed a number of new products, both within its specialization of twin-lip vane technology where it holds a substantial market share and outside of this within alternative technologies where the company has negligible market presence so as to increase the size of its addressable markets and lay a platform for growth over the coming years.
Technological Advancements: Innovations in hydraulic system technologies are enhancing system efficiency and performance. Developments include smart sensors, advanced control systems, and more durable materials, which are making systems more reliable and cost-effective. Your company has been ramping up its technology development efforts in recent years. A number of design improvements to push the operating envelope of existing products are being implemented both through internal R&D efforts and through external partnerships.

Energy Efficiency: There is a strong push towards improving energy efficiency within these systems. Companies are investing in technologies that reduce energy consumption and lower operating costs, such as variable frequency drives and energy-efficient pumps. In both these areas, your company has dedicated R&D resources and is making steady progress.

Sustainability: Environmental regulations and sustainability goals are pushing the industry towards greener technologies. Companies are focusing on reducing emissions, improving recyclability of components, and developing eco-friendly fluids. Your company monitors these trends regularly, ensures that its products are adaptable to the latest fluids, and is not expected to be impacted by these changes in the medium term.

Hybrid Systems: The development of hybrid systems that combine hydraulic, electric technologies could lead to more versatile and efficient solutions. These systems can offer the benefits of both hydraulic power and the precision of electric drives.

Customization and Flexibility: There will be an increasing demand for customized and flexible solutions to meet specific industrial requirements. Modular and adaptable systems will likely become more common to accommodate a wide range of applications. Your company, with its highly flexible product portfolio incorporating a wide variety of modular customizations is a beneficiary of these trends. Its manufacturing systems, which are designed to handle high mix manufacturing efficiently, give it cost advantages over competitors. The company also maintains a large inventory of intermediate parts to allow for fast deliveries even with its high mix.

OPPORTUNITIES:

Veljan Denison Ltd, with its strong technology base and extensive manufacturing and operational expertise, is located ideally to be a part of the India growth story. It remains a strong brand recognized for high quality products, which allows new products to be developed and accepted by customers. Consistent investment in products and processes, coupled with well priced solutions give it opportunities to actively grow in its enduring customer relationships. Further, the company's trusted brand name, established quality, and strong distribution network will allow for smooth introduction of upgraded products and technologies into the market.

RISKS AND CONCERNS:

Safety Hazards: The hydraulic industry often deals with high pressures, fast-moving components, and heavy machinery. Accidents involving hydraulic systems can result in severe injuries or fatalities if not properly managed. Hydraulic fluid leaks, explosions, and unexpected movements of hydraulic components can all pose significant safety risks.

Fluid Leakage and Environmental Impact: Hydraulic systems use fluids to transmit power. Leaks in hydraulic systems can lead to fluid contamination and spillage, which can have negative environmental consequences. Hydraulic fluids can be harmful to the environment and water sources if not handled and disposed of properly

Maintenance and Inspection: Hydraulic systems require regular maintenance and inspection to ensure they are functioning properly and safely. Neglecting maintenance can lead to equipment failures, unexpected downtime, and safety hazards.

Component Wear and Tear: Hydraulic components like pumps, valves, and hoses undergo wear and tear over time due to the high pressures and forces involved. This can lead to inefficiencies, reduced performance, and increased risk of system failure.

Energy Efficiency: Hydraulic systems have historically been criticized for their energy inefficiency, as hydraulic fluid leaks, internal friction, and pressure losses can reduce overall system efficiency. As environmental concerns and energy costs rise, there is a growing demand for more energy-efficient hydraulic solutions.

Geopolitical Impacts: The prevailing global uncertainty and continuous reorganization of supply chains both in India and in other countries has the potential to impact the company's revenues.

Technology Risks: In today's fast-paced world, technologies are ever evolving. There is always the risk of changing preferences in pumping technologies, novel technologies arriving to displace existing ones, and increasing competition for existing markets especially from copycat products.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate Internal Control Procedures commensurate with the size of the Company.

FINANCIAL PERFORMANCE REVIEW:

The analysis of performance of the Company is given below:

- **Sales Turnover:**

  The Comparative position of sales turnover achieved by the Company is as under:

(Rs in Lakhs)

Product	2025-26	2024-25
Revenue from Operations (Net)	14799.37	14158.01
Changes in inventories of Finished goods and Work-in-process	(20.22)	(599.06)
Total	**14819.59**	**14757.07**

- **Key Performance Indicators**

  An analysis of the key indicators as percentage to revenue is given below:

S.No	Particulars	2025-26	2024-25
1.	Revenue from Operations (Net)	**14819.59**	14757.07
2.	Cost of materials consumed -% of revenue from operations	**5717.39** **38.58%**	5766.65 39.08%
3.	Employee Benefit Expense - % of revenue from operations	**1367.47** **9.23%**	1335.94 9.05%
4.	Other Expenses - % of revenue from operations	**4008.74** **27.05%**	4310.78 29.21%
5.	Finance Costs - % of revenue from operations	**38.37** **0.26%**	43.85 0.30%
6.	Depreciation Expense - % of revenue from operations	**542.78** **3.66%**	503.31 3.41%
7.	Profit Before Tax - % of revenue from operations	**3450.87** **23.28%**	3074.10 20.83%
8.	Profit After Tax - % of revenue from operations	**2496.49** **16.84%**	2247.51 15.23%

HUMAN RESOURCES / INDUSTRIAL RELATIONS:

A cordial environment prevailed in the manufacturing unit and offices of the Company during the year. The Company has been continuously training its employees in the newer technologies. Industrial relations continued to be cordial. The number employees as on March 31, 2026 stood at **262.**

CAUTIONARY STATEMENT:

Cautionary Statement in this “Management Discussion & Analysis” may be considered being “forward looking statements” within the meaning of applicable securities law so regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

DISCLOSURE WITH RESPECT TO ACCOUNTING TREATMENT:

The Financial Statements does not contain any treatment, which differs from any standard prescribed in any Accounting Standard.

Annexure - 1

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

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014:

(A) Conservation of Energy:

i) The operations of the company are not energy intensive however, conscious efforts are made at all levels of operations to conserve energy and minimise its use.

ii) The steps taken by the Company for utilizing alternate sources of energy: Use of solar light in possible areas

iii) The capital investment on energy conservation equipment: NIL

(B) Technology absorption:

i) The efforts made towards technology absorption: Continuous interaction and exchange of information in the industry is being maintained with a view to absorbing, adapting and innovating new methods that maybe possible.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Quality improvement, cost reduction and import substitution.

iii) In case of imported technology (imported during the last three years reckoned from beginning of the financial year)-

a) The year of import: NIL

b) Whether the technology has been fully absorbed: NIL

c) If not fully absorbed, areas where absorption has not taken place and the reasons thereof: Not applicable

iv) The expenditure incurred on Research and Development: 91.69 Lakhs

(C) Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Foreign Exchange used: Rs. 245.47 Lakhs (Previous Year Rs. 796.02 Lakhs)

Foreign Exchange earned Rs. 26.31 Lakhs (Previous Year: 63.58 Lakhs)

By order of the Board of Directors
FOR **VELJAN DENISON LIMITED**

Place: Hyderabad
Date: 03.08.2026

Sri Krishna Uppaluri
Managing Director & CEO
DIN. 08880274

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) read with Schedule V, Part C, Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors
Veljan Denison Limited
A18 & 19, APIE, Balanagar,
Hyderabad, Telangana - 500037, India.

I have examined the relevant registers, records, forms, returns and disclosures received from Veljan Denison Limited having CIN: L29119TG1973PLC001670 and having its registered office at A18 & 19, APIE, Balanagar, Hyderabad, Telangana – 500037, India (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, Part C, Clause 10(i) of the Securities and 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 verification of the status of the Director Identification Number (DIN) at the MCA portal) as considered necessary and the explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company, as stated below, for the financial year ended March 31, 2026, has been debarred or disqualified from being appointed or continuing as a Director of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any other statutory authority.

S. No	DIN No	Name of the Director	Designation	Date of Appointment	Date of Cessation
1.	08880274	Mr. Sri Krishna Uppaluri	Managing Director & CEO	15.09.2023	NA
2.	00125840	Mrs. Uma Devi Uppaluri	Non-Executive Director	30.07.2014	NA
3.	00181826	Mr. Velamati Gangadhar Srinivas	Non-Executive Director	30.03.2024	NA
4.	00394860	Mr. Manish Mohan Motwani	Independent Director	30.03.2024	NA
5.	06931014	Mr. Suresh Akella	Independent Director	30.09.2021	NA
6.	00029120	Mr. Vidyasagar Gannamani	Independent Director	30.05.2025	NA
7.	10792128	Mr. Narayana Rao Garapaty	Independent Director	31.07.2020	15.09.2025

➢ Note: Mr. Narayana Rao Garapaty retired as an Independent Director of the Company with effect from 15 September 2025, and the cessation was duly filed with the Registrar of Companies in Form DIR-12. During his tenure in the financial year 2025–26, he was not debarred or disqualified from being appointed or continuing as a director by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any other statutory authority.

The responsibility for ensuring the eligibility of the Directors for their appointment or continuation on the Board rests with the management of the Company. My responsibility is to express an opinion on these based on my verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Chakravarthy & Associates**

Sd/-
Nadupalli Phani Chakravarthy
Practicing Company Secretary
M. No. A32380; C.P. No. 22563
Peer Review Certificate No. 6621/2025

Place: Hyderabad
Date: 03.08.2026
UDIN: A032380H001005462

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

1. Adan Holdings Limited

(Rs.in lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Adan Holdings Ltd
2.	The date since when subsidiary was acquired	08.08.2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company i.e. 01.04.2025 to 31.03.2026
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Conversion exchange rate for Closing per 1GBP: Rs. 125.63
5.	Share capital	0.000
6.	Reserves & surplus	276.36
7.	Total assets	276.99
8.	Total Liabilities	276.99
9.	Investments	276.99
10.	Turnover	-
11.	Profit before taxation	-
12.	Provision for taxation	-
13.	Profit after taxation	-
14.	Proposed Dividend	-
15.	% of shareholding	100%

1. Adan Limited (Wholly owned subsidiary of Adan Holdings Limited)

(Rs.in lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Adan Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company i.e. 01.04.2025 to 31.03.2026
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Conversion exchange rate for Closing per 1GBP: Rs. 125.63 Conversion exchange rate for average per 1GBP: Rs. 118.44
4.	Share capital	3.77
5.	Reserves & surplus	2066.47
6.	Total assets	2522.70
7.	Total Liabilities	2522.70
8.	Investments	-
9.	Turnover	1642.91
10.	Profit before taxation	133.28
11.	Provision for taxation	-
12.	Profit after taxation	99.89
13.	Proposed Dividend	-
14.	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: NIL

2. Names of subsidiaries which have been liquidated or sold during the year: NIL

Part "B": Associates and Joint Ventures NIL

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures Not Applicable

1. Names of associates or joint ventures which are yet to commence operations: NIL

2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

Part "B": Associates and Joint Ventures NIL

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures Not Applicable

1. Names of associates or joint ventures which are yet to commence operations: NIL

2. 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

Place: Hyderabad
Date: 02.08.2025

Sri Krishna Uppaluri
Managing Director & CEO
DIN: 08880274

Form No. AOC-2

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

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

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in General Meeting as required under first provision to section 188.	

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

	Name(s) of related party	Relationship	
	M/s. Veljan Hydrair Ltd	Group Company	
	M/s. Suxus Systems Ltd	Group Company	
	M/s. Ecmat Ltd	Group Company	
	Nature of contracts / arrangements / transactions	All proposed transactions are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business and at arms' length. All the transactions are for sale, purchase of goods or materials within Veljan group.	
	Duration of the contracts/arrangements/transactions	One year w.e.f 01.04.2026	
	Salient terms of the contracts or arrangements or transactions including the value, if any:	Name of the Company	Maximum Value of Transaction per annum
		Veljan Hydrair Ltd	120 Crores
		Suxus Systems Ltd	45 Crores
		Ecmat Ltd	35 Crores
	Date(s) of approval by the Board, if any	30.05.2026	
	Amount paid as advances, if any	NA	

By order of the Board of Directors
FOR **VELJAN DENISON LIMITED**

Place: Hyderabad
Date: 03.08.2026

Sri Krishna Uppaluri
Managing Director & CEO
DIN: 08880274

DETAILS OF RATIO OF REMUNERATION OF DIRECTORS

{Section 197(12) and Rule 5 of Companies
(Appointment and Remuneration of Managerial Personnel) Rules,2014}

(I) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Name of the Director	Ratio
Mr. U. Sri Krishna (12 months)	51.30

(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Name of the Employee	Designation	% Increase
Mr. U. Sri Krishna	Managing Director & CEO	1.10
Mr. G Subba Rao	Chief Financial Officer	1.14
Mrs. Ramyanka Yadav K	Company Secretary & CO	-

(iii) the percentage increase in the median remuneration of employees in the financial year: 3.95%

(iv) the number of permanent employees on the rolls of company: 262

(v) comparison of the remuneration of the Key Managerial Personnel against the performance of the company

Aggregate remuneration of key managerial personnel in 2025 - 2026	
Remuneration in 2026 (Rs in Lakhs)	169.42
Revenue (Rs in Lakhs)	14799.38
Remuneration as a % of revenue	1.15
Profit before Tax (PBT) (Rs in Lakhs)	3450.86
Remuneration of KMP (as a % of PBT)	4.91

(vi) 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:

There was a marginal increase in managerial remuneration and the increase in remuneration is after taking into consideration of the responsibilities carried out by the managerial personal.

(vii) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

Key Managerial Personnel	% of Revenue	% of PBT
Mr. U. Sri Krishna	0.94	4.03
Mr. G. Subba Rao	0.09	0.37
Mrs. Ramyanka Yadav	0.12	0.51

(viii) The key parameters for any variable component of remuneration availed by the directors : Executive Director is entitled 2.5% on profits as part of remuneration and 1% on profits is paid as commission to non executive directors.

(ix) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

Name	Remune-ration for month	Designation	Nature of employ-ment whether contrac-tual or other wise	Department	Education	VDL Experier	Total experience Still date	% of equity shares held by the employee in the company	Whether any such employee is a relative of any director / manager of the company and if so, name of such director or manager
Sri Krishna Uppaluri	388700	MD&CEO	Full Time	Production General	MS	7 yrs	7 yrs	253752	Yes
Vasu babu Kommalapati	286623	Vice President Production	Full Time	Production	B. Tech Mechanical	4 yrs	27 yrs	Nil	No
K. Ramyanka Yadav	149804	CS & CO	Full Time	Secretarial & Corporate Affairs	CS	1.5 yrs	14 yrs	Nil	No
D. Anuradha	144501	Sr Manager	Full Time	IT	MSc-IT	23 yrs	35 yrs	Nil	No
M. Yadagiri	118251	Sr Manager	Full Time	Production	B Tech Mechanical	21 yrs	20 yrs	Nil	No
G. Subba Rao	93680	Chief Financial Officer	Full Time	Accounts	B Com	7 yrs	37 yrs	Nil	No
M. Nagamani	92098	Manager	Full Time	Design	B Tech Mechanical	21 yrs	20 yrs	Nil	No
M. Prathapa Reddy	92026	Sr Manager	Full Time	Quality Control Department	B Tech Mechanical	5 yrs	37 yrs	Nil	No
Borusu Suryanarayana	91475	Manager	Full Time	Marketing	MBA	2 yrs	28 yrs	Nil	No
CH.D.Srinivasa Rao	90100	Manager	Full Time	Production	B Tech Mechanical	6 yrs	13 yrs	Nil	No

We hereby affirm that the remuneration paid to the Directors and Employees is as per remuneration policy of the Company.

by order of the Board of Directors
For **Veljan Denison Ltd.**

Place : Hyderabad
Date : 03-08-2026

Sri Krishna Uppaluri
Managing Director & CEO
DIN: 0880274

Annexure to Directors Report
ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline of the Corporate Social Responsibility (CSR) Policy:** The 'Veljan CSR Policy' encompasses the Company's philosophy of "Serving Society through Industry" and is designed to employ Company's resources, strengths and strategies in discharging its responsibility as a Corporate Citizen.

2. **The Composition of the CSR Committee:**

Name of the Director	Designation	No. of Meetings Held	No. of Meetings Attended
Mrs. U. Uma Devi #	Non-Executive Director & Chairperson	1	1
Mr. V G Srinivas	Non-Executive Director & Member	1	1
Mr. Vidya Sagar G	Non-Executive Director & Member	1	1
Mr.G. Narayan Rao*	Independent Director & Chairman	-	-

(**Note:** The Committee was reconstituted with effect from 15.09.2025. where # Mrs. Uma Devi Uppaluri was elected as the Chairperson of the Committee. Mr. G. Narayan Rao* ceased to be the Chairman and a Member of the Committee upon completion of his tenure on 15.09.2025)

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://www.veljan.in/corporate-social-responsibility

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl No	Financial Year	Amount available for set-off from preceding financial years (in Rs. Lakhs)	Amount required to be setoff for the financial year, if any (in Rs. Lakhs)
1	2024-25	33.01	20.22
2	2023-24	36.30	3.29
3	2022-23	47.29	7.89

6. Average net profit of the company as per section 135(5): Rs. 2593.83 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 51.88 Lakhs

   (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

   (c) Amount unpsent to be set off for the financial year, if any: Rs.20.22 Lakhs

   (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 51.88 Lakhs and actual spent 31.66 Lakhs (balance obligation has been set-off against previous excess spent in F.Y 2022-23)

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent (in Rs. Lakhs) Rs. 20.22 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
Rs. 51.88 lakhs (out of which Rs. 20.22 lakhs set-off against the previous excess spent in year F Y 2022-23)	-	-	-	-	-

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

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

S.No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount Spent for the project	Mode of Implemen-tation	Mode of Implementation Through Implementing Agency	
					District	Rs in lakhs	Direct	Name	CSR No
1	Contribution to Sivananda Rehabilitation Home	(i)	Yes	Telangana	Hyderabad	24.81	Direct	NA	NA
2	Contribution to Save the Child	(i) & (ii)	Yes	Delhi	Delhi	1.01	Direct	NA	NA
3	Contribution to Indian Red Cross Society	(i)	Yes	Delhi	Delhi	5.84	Direct	NA	NA

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 31.66 Lakhs

(g) Excess amount for set off, if any: NIL

(h) Amount Unspent: Rs.20.22 Lakhs (set-off against the previous excess spent in the F Y 2022-23)

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable.

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): The Company has spent excess amount in the previous years and the excess amount has been utilized for setoff for the unspent amount of Rs. 20.22 Lakhs.

12. The Company had incurred excess CSR expenditure during FY 2022–23. In accordance with Rule 7(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, such excess expenditure could be set off against the CSR obligation of the immediately succeeding three financial years. Accordingly, the said excess CSR expenditure is no longer available for set off from FY 2026–27 onwards.

Date: 03.08.2026
Place: Hyderabad

Uma Devi Uppaluri
Chairperson of CSR Committee

FORM MR-3
Secretarial Audit Report

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014
for the financial year ended 31st March, 2026

To
The Members of
M/s. Veljan Denison Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Veljan Denison Limited (hereinafter referred to as "the Company"). The Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conduct, statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of the Secretarial Audit, I hereby report that, in my opinion, the Company has, during the financial year commencing on 1st April, 2025 and ending on 31st March, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and adequate compliance mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter.

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Veljan Denison Limited (“The Company”) for the financial year ended on 31st March, 2026, according to the provisions of:

   a. The Companies Act, 2013 (the Act) and the rules made there under;

   b. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;

   c. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

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

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) is furnished hereunder for the financial year 2025-26: -

   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 and Amended Regulations 2018;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable except to the extent of event-based compliances, wherever applicable.

   d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not applicable, as the Company has not issued any Employee Stock Options or Sweat Equity during the year under review.

   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not applicable, as the Company has not issued any Non-Convertible Securities during the year under review.

   f. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; Not applicable, as the Company is not registered as a Registrar to an Issue and Share Transfer Agent.

   g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable, as the Company has neither delisted nor proposed to delist its equity shares during the year under review.

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. Not applicable, as the Company has neither bought back nor proposed to buy back any of its securities during the year under review.

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

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

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

   b. Securities and Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Company.

   c. Listing Agreements entered into by the Company with BSE Limited.

4. As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I report that

   a. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

   b. The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

      - External Commercial Borrowings were not attracted to the Company under the financial year under report;

      - Foreign Direct Investment (FDI) was compiled by the company under the financial year under report;

      - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

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

6. I 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.

   a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

   b. I further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. other than those already disclosed to Stock Exchange i.e., BSE.

For **Chakravarthy & Associates**

Sd/-
Nadupalli Phani Chakravarthy
Practicing Company Secretary
M. No. A32380; C.P. No. 22563
Peer Review Certificate No. 6621/2025

Place: Hyderabad
Date: 03.08.2026
UDIN: A032380H001005431

Annexure- A to Secretarial Audit Report

To
The Members of
M/s. Veljan Denison Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

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

3. I have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Chakravarthy & Associates**

Sd/-
Nadupalli Phani Chakravarthy
Practicing Company Secretary
M. No. A32380; C.P. No. 22563
Peer Review Certificate No. 6621/2025

Place: Hyderabad
Date: 03.08.2026
UDIN: A032380H001005431

INDEPENDENT AUDITOR'S REPORT

To the Members of VELJAN DENISON LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of VELJAN DENISON LIMITED ("the company"), which comprise the standalone Balance Sheet as at March 31, 2026, 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 for the year ended on that date, and a summary of the material accounting policies and other explanatory information (herein after referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the accompanying standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, the 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 of the financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditors responsibility for the Audit of Standalone Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

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

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

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 during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India.

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 the 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 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 Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls 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 in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2) 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,

c) the standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, standalone statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account,

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act,

f) With respect to the adequacy of internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g) With respect to the Managerial remuneration to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company of Rs.2.13Lakhs pertaining to Financial Year 2017 18.(Refer Note 9 to the standalone financial Statements).

iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. 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 (a) and (b) above, contain any material misstatement.

v a. 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.

b. As stated in note 55 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.

vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

Place : New Jersey
Date : 30.05.2026

(K.SHRAVAN)
Partner
Membership No. 215798
UDIN: 26215798NNWUQD8559

Annexure - A to the Auditor's Report:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date ,to the members of VELJAN DENISON LIMITED, for the year ended March 31,2026.,

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

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.

b. The Company has a regular program of physical verification of its property, plant and equipment, and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and 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 all the immovable properties (other than Properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company, except for the following which is not held in the name of the Company:

Description of the property	Gross Carrying value (in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not held in name
APIIC Land (Pashamylaram) Land Survey No.199,200, 201,202, Extent 16,920 Sq. Mtrs	Rs. 474.66	-	No	Since 2008	Pending registration

d. The company did not revalue its Property, Plant and Equipment or intangible assets during the year. Accordingly, clause 3 (i)(d) of the Order is not applicable.

e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

ii. a. The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

b. In our opinion and according to the information and explanation given to us and the records of the Company examined by us during the course of the audit, the quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account of the Company.

iii. During the year the Company has not made investments in, granted any loans or advance in the nature of loans, guarantee or security, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)(f)of the said Order are not applicable for the year under report.

iv. The Company has not given any loans or made any investments or given any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, clause 3 (iv) of the Order is not applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. a. According to the records, the company is regular in depositing undisputed statutory dues including Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 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, there are no statutory dues relating to Goods and service tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues which have not been deposited on account of any dispute except the following.

Name of the Statue	Nature of Dues	Amount (Rs. In lakhs)	Amount paid under protest (Rs. In Lakhs)	Period to which amount related	Forum where dispute is pending
Goods and Service Tax Act, 2017	Goods Service Tax and	71.51	15.76	Financial Year 2018 - 2022	Appeal yet to be filed before Hon'ble GST Appellate Tribunal.

viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.

b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

c. The term loans were applied for the purpose for which the loans were obtained;

d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f. According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

x. a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3 (x)(a) of the Order is not applicable.

b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.

xi. a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

xii. In our opinion and 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. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. a. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;

b. We have considered the reports of the Internal Auditors for the period under audit.;

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable

b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

xvii. The company has not incurred any cash losses in the financial year and also in the immediately preceding financial year.

xviii. There is no resignation of statutory auditors of the Company during the year.

xix. 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 financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We 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. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

Place : New Jersey
Date : 30.05.2026

(K.SHRAVAN)
Partner
Membership No. 215798
UDIN: 26215798NNWUQD8559

Annexure – B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of VELJAN DENISON LIMITED ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud and 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 financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

Place : New Jersey
Date : 30.05.2026

(K.SHRAVAN)
Partner
Membership No. 215798
UDIN: 26215798NNWUQD8559

STANDALONE BALANCE SHEET AS AT 31ST, MARCH 2026

(Figures in Rs. Lakhs)

Particulars	Refer Note No	AS AT 31-03-2026	AS AT 31-03-2025
ASSETS			
1. NON-CURRENT ASSETS			
a) Property, Plant & Equipment	2	**8,235.16**	8,177.49
b) Capital work-in-Progress	2	**223.01**	219.29
c) Intangible Assets	2	**3.88**	5.29
d) Financial Assets			
i. Other Financial Asset	3	**84.98**	91.60
ii. Investment	4	**1,390.22**	1,390.22
e) Other Non Current Assets	5	**14.05**	145.56
		9,951.30	10,029.45
2. CURRENT ASSETS			
a) Inventories	6	**6,780.82**	7,028.41
b) Financial Assets			
i. Trade receivables	7	**3,370.00**	3,276.28
ii. Cash and cash equivalents	8	**1,078.57**	601.44
iii. Bank Balances Other than (b) (ii) above	9	**4,773.04**	3,848.50
iv. Loans	10	**16.40**	11.52
v. Other Financial Assets	11	**200.68**	140.18
c) Other Current Assets	12	**535.61**	701.64
d) Current Tax assets (Net)		**71.64**	54.23
		16,826.76	15,662.20
Total Assets		**26,778.06**	25,691.65
EQUITY AND LIABILITIES			
1. EQUITY			
a) Equity Share Capital	13	**450.00**	450.00
b) Other Equity	14	**23,596.14**	21,512.98
		24,046.14	21,962.98
2. LIABILITIES			
NON - CURRENT LIABILITIES			
a) Deferred Tax Liability	29	**524.78**	451.03
b) Long Term Borrowings	15	**15.27**	30.76
		540.05	481.79
3. CURRENT LIABILITIES			
a) Financial Liabilities			
Short Term Borrowings	16	**71.82**	779.89
b) Trade Payable			
i. Total outstanding dues of Micro & Small Enterprises	17	**330.83**	839.21
ii. Total outstanding dues other than (b) (i) above		**599.01**	373.44
iii. Other Financial Liabilities	18	**886.32**	939.94
c) Other Current Liabilities	19	**303.89**	314.40
		2,191.87	3,246.88
Total Equity & Liabilities		**26,778.06**	25,691.65

The accompanying notes 1 to 57 form an integral part of these financial statements.

As per our report of even date
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn. No. 000513S

Shravan. K
Partner
Membership No. 215798

Place: New Jersey
Date : 30-05-2026

For and on behalf of Board of Directors

Srinivas VG
Director
DIN. 00181826

K. Ramyanka Yadav
CS & CO
Membership No.A45483

U. Sri Krishna
MD & CEO
DIN. 08880274

G. Subba Rao
C F O
Place: Hyderabad
Date : 30-05-2026

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2026 (Figures in Rs. Lakhs)

Particulars	Refer Note No	For the Year Ended 31-03-2026	For the Year Ended 31-03-2025
1. INCOME:			
a) Revenue from operations	20	**14,799.37**	14,158.01
b) Other Income	21	**306.03**	277.56
Total Income (a+b)		**15,105.40**	14,435.57
2. EXPENSES:			
a) Cost of Materials Consumed	22	**5,717.39**	5,766.65
b) Changes in inventories of finished goods and work-in-process	23	**(20.22)**	(599.06)
c) Employee benefits expense	24	**1,367.47**	1,335.94
d) Finance cost	25	**38.37**	43.85
e) Depreciation & Amortisation Expenses	26	**542.78**	503.31
f) Other expenses	27	**4,008.74**	4,310.78
Total Expenses		**11,654.53**	11,361.47
3. Profit Before exceptional items and tax (1-2)		**3,450.87**	3,074.10
4. Exceptional items		**-**	-
5. Profit Before tax (3-4)		**3,450.87**	3,074.10
6. Tax expenses:			
a) Current Tax		**832.11**	737.69
b) Tax relating to previous periods		**38.16**	6.96
c) Deferred Tax		**84.11**	81.94
Total Tax Expenses		**954.38**	826.59
7. Profit for the year (5-6)		**2,496.49**	2,247.51
8. Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit & loss		**(41.17)**	58.30
Income tax relating to items that will not be reclassified to P & L		**10.36**	(14.67)
Total Other Comprehensive Income for the year		**(30.81)**	43.63
9. Total Comprehensive Income for the year (7+8)		**2,465.68**	2,291.14
Earning per equity share of Rs. 10/- Each			
(1) Basic & Diluted	36	**55.48**	49.94

The accompanying notes 1 to 57 form an integral part of these financial statements.

As per our report of even date
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn. No. 000513S

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Membership No. 215798

Place: New Jersey
Date : 30-05-2026

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STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st, MARCH 2026 (Figures in Rs. Lakhs)

A. EQUITY SHARE CAPITAL:

For the year ended 31st March, 2026	Amount	For the year ended March 31st, 2025	Amount
Balance as at 1st April 2025	450.00	Balance as at 1st April 2024	225.00
Changes in equity Shares Capital during the year ended	-	Changes in equity Share Capital during the year ended	225.00
Balance as at 31st March 2026	450.00	Balance as at 31st March 2025	450.00

B. OTHER EQUITY :

For the Year ended 31st March 2026

Particulars	Reserves and Surplus					
	Security Premium	Capital redemption reserve	Investment allowance reserve	General reserve	Retained Earnings	Total
Balance as at 1st April 2024	45.00	3.00	12.80	18,891.04	877.50	19,829.34
Profit for the Year	-	-	-	-	2,247.51	2,247.51
Other comprehensive income for the year (net of tax)	-	-	-	-	43.63	43.63
Total Comprehensive Income	**45.00**	**3.00**	**12.80**	**18,891.04**	**3,168.64**	**22,120.48**
Dividend paid	-	-	-	-	(382.50)	(382.50)
Transfer on issue of Bonus Shares	-	-	-	-	(225.00)	(225.00)
Transfer to General Reserve	-	-	-	1,798.26	(1,798.26)	-
Balance as at 31st March 2025	**45.00**	**3.00**	**12.80**	**20,689.30**	**762.88**	**21,512.98**
Balance as at 1st April 2025	45.00	3.00	12.80	20,689.30	762.88	21,512.98
Profit for the Year	-	-	-	-	2,496.49	2,496.49
Other comprehensive income for the year (net of tax)	-	-	-	-	(30.81)	(30.81)
Total Comprehensive Income	**45.00**	**3.00**	**12.80**	**20,689.30**	**3,228.54**	**23,978.66**
Dividend paid	-	-	-	-	(382.50)	(382.50)
Transfer on issue of Bonus Shares	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	2,081.00	(2,081.00)	-
Balance as at 31st March 2026	**45.00**	**3.00**	**12.80**	**22,770.30**	**765.04**	**23,596.14**

The Description of the nature and purpose of reserves within equity is as follows.

i) Security premium : Premium received on issue of equity shares credited to Securities Premium Reserve. It can be utilised as per the provision of Section 63 of the Companies Act, 2013.

ii) Capital Redemption Reserve: Created on cancellation of equity shares under the scheme of arrangement and redemption of preference shares. It can be utliised as per the provision of section 63 of the Companies Act, 2013.

iii) Capital Reserve: Comprise of Capital subsidy received for setting up manufacturing plant.

iv) Retained Earnings : This Reserve represents the cumulative profits of the Company. This Reserve can be utilised in accordance with the provisions of Companies Act,2013.

As per our report of even date
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn. No. 000513S

Shravan. K
Partner
Membership No. 215798

Place: New Jersey
Date : 30-05-2026

For and on behalf of Board of Directors

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U. Sri Krishna
MD & CEO
DIN. 08880274

G. Subba Rao
C F O
Place: Hyderabad
Date : 30-05-2026

STATEMENT OF STANDALONE CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2026

(Figures in Rs. Lakhs)

Particulars	For the Year Ended 31-03-2026	For the Year Ended 31-03-2025
A. Cash Flow From Operating Activities		
Profit/ (Loss) before tax	**3,450.87**	3,074.10
Adjustments for:		
Depreciation and amortization expense	**542.78**	503.31
Interest Income	**(295.77)**	(264.66)
Finance Cost	**38.37**	43.85
Loss on Sale of Assets	**3.59**	2.45
Tools & Dies Written Off	**29.19**	26.17
Operating Profit before working capital Changes	**3,769.03**	3,385.25
Movement in Working Capital		
Decrease/(increase) in inventories	**218.40**	(1,072.34)
Decrease/(increase) in trade receivables	**(93.72)**	(423.60)
Increase / (decrease) Trade payables	**(282.81)**	326.30
Decrease / (Increase) in financial assets	**1.42**	(22.54)
Decrease / (Increase) in non-financial assets	**156.84**	46.06
Increase / (decrease) in financial liabilities	**(65.09)**	151.04
Increase / (decrease) in other liabilities	**(10.51)**	42.85
Cash Generated from Operations	**3,693.56**	2,433.02
Taxes Paid	**(887.68)**	(796.28)
Net Cash flow from Operating Activities (A)	**2,805.88**	1,636.73
B. Cash Flow From Investing Activities		
Purchase of Property plant and equipment and intangible assets incl. CWIP	**(498.34)**	(871.23)
Proceeds from sale of assets	**0.50**	6.87
Movement in other bank balances	**(924.56)**	(106.63)
Interest Received	**235.59**	277.74
Net cash flow generated/(used) from investing activities (B)	**(1,186.81)**	(693.25)
C. Cash flows from financing activities		
Proceeds from/(repayment of) short-term loans and borrowings, net	**(723.57)**	85.92
Dividend paid	**(380.00)**	(405.21)
Interest paid	**(38.37)**	(43.85)
D. Net cash from/(used in) financing activities ©)	**(1,141.94)**	(363.14)
Net increase in cash and cash equivalents (A+B+C)	**477.13**	580.33
Cash and cash equivalents at the beginning of the period/year	**601.44**	21.10
Cash and cash equivalents at the end of the year	**1,078.57**	601.44
Component of Cash and Cash Equivalent		
Cash in Hand	**0.04**	2.23
Balance with banks in current account	**1.97**	0.16
Cash Credit - Debit Balances	**75.56**	556.58
Fixed Deposits with maturity less than 3 months	**1,001.00**	42.47
Total Cash and Cash Equivalents in Cash Flow Statement	**1,078.57**	601.44

1. The above cash flow statement has been prepared under the Indirect Method set out in the Ind AS-7 specified under Section 133 of the Companies Act 2013.

2. Previous year figures have been regrouped and re-casted wherever necessary to conform to the current classification.

As per our report of even date
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn. No. 000513S

Shravan. K
Partner
Membership No. 215798

Place: New Jersey
Date : 30-05-2026

For and on behalf of Board of Directors

Srinivas VG
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U. Sri Krishna
MD & CEO
DIN. 08880274

G. Subba Rao
C F O
Place: Hyderabad
Date : 30-05-2026

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

NOTE NO. 1

CORPORATE INFORMATION:

Veljan Denison Limited (the "Company") is a Public Limited Company incorporated on 19th December, 1973 with its Registered Office at Plot No. A18 &19 APIE, Balanagar Hyderabad 500 037 Telangana State. The Company is engaged in the business of Manufacturing of Hydraulic Pumps, Motors, Valves and Custom Built Power Packs. The Company is listed on Bombay Stock Exchange Limited, Mumbai.

The financial statements of the company for the year ended 31st, March 2026 are approved for issue by the Company's Board of Directors on 30th May, 2026.

MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

1. Material Accounting Policies:

1.1. Statement of Compliance:

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under section 133 of the Companies Act 2013, amendments there to and other relevant provisions of the Act.

1.2. Basis of Preparation of Financial Statements.

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 and other relevant provisions of the Act.

These Ind AS Financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been followed consistently except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hither to in use.

1.3. Functional and presentation currency

The financial statements are presented in INR(Rs.) which is also the company's functional currency and all values are in Rupees in lakhs except when otherwise indicated.

1.4. Classification of Assets and Liabilities as Current and Non Current:

The Company has determined its operating cycle as 12 months for the purpose of classification of current and non-current assets and liabilities. This is based on the nature of product and the time between the acquisition of inventories for processing and their realization in cash and cash equivalents.

Deferred tax assets and deferred tax liabilities are classified as non –current assets and liabilities.

1.5. Use of Estimates & Judgments:

The estimates and Judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances.

1.6. Property, Plant and Equipment – Tangible Assets:

i. Property, Plant and Equipment other than land are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

ii. Capital Work In Progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

iii. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

Depreciation and Amortization Method:

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the assets costing Rs. 5,000/- or below on which depreciation is charged @ 100%.

Depreciation on additions is being provided on pro rata basis from the date of such additions. Depreciation on assets sold, discarded or demolished during the year is being provided up to the date on which such assets are sold, discarded or demolished.

The estimated useful lives for the Property, plant and equipment are as follows:

Asset Classification	Useful Life
Buildings	30-60
Electrical Installations	10
Plant & Equipment	15
Furniture & Fixtures & Canteen Equipments	10
Office Equipment	3-5
Vehicles	8

1.7. Intangible Assets:

Intangible assets are stated at cost less accumulated amortization. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

Intangible assets are amortized over their useful life.

1.8. Impairment of Assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for Impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value.

Recoverable value: Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the statement of profit and loss in the year in which an asset identified as impaired.

1.9. Cash & Cash Equivalents:

For the purpose of presentation in the statement of cashflows, cash and cash equivalents includes cash on hand, deposits held at call with principal institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.10. Trade Receivable:

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

1.11. Inventory:

Inventories of raw materials, consumable stores and packing materials are valued at cost on weighted average method, finished goods and work in process are valued at cost on weighted average method or realisable value whichever less. Jigs & Fixtures and patterns are valued after providing for amortisation at 20% and 10% respectively under written down value method. Initial tools were capitalised and amortised at 10% on written down value and further issue of tools are charged to revenue as and when issued.

1.12. Financial Instrument:

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

a. Financial Asset:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

Initial recognition and measurement:

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that company commits to purchase or sell the asset.

Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified as measured at:

1) Amortised cost

2) Fair value through profit and loss (FVTPL)

3) Fair value through Other Comprehensive Income (FVTOCI)

Financial Asset measured at amortized cost:

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flow 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 are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

The company while applying above criteria has classified all the financial assets (except investments in equity share) at amortized cost.

Financial Assets Measured at fair value through other comprehensive Income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets collecting contractual cash flow that are solely payment of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI) interest income measured using the EIR method and impairment losses, if any are recognized in the statement of Profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of profit and loss.

Financial Assets at fair value through profit or loss (FVTPL):

Financial Asset are measured at fair value through profit & loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit & loss.

De-recognition of Financial Assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivable. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

b. Financial Liabilities

Initial recognition and measurement:

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value

Subsequent Measurement:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial Liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

All the financial liabilities of the company are subsequently measured at amortised cost using effective interest method.

Derecognition of Financial Liabilities

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

1.13. Foreign Currency Transactions:

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

1.14. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

1.15. Revenue Recognition:

Revenue is recognized when the significant risks and rewards of ownership are transferred to buyer. Revenue can be reliably measured and it is probable that future Economic benefits will flow to the Company.

a. Sale of Products:

Revenue from the sale of goods measured fair value of consideration received or receivable net of returns, trade discounts and allowances, and excluding taxes collected on behalf of Government.

b. Interest Income:

Interest on deposits with Government departments and financial Institutions are recognized in statement of profit and loss when the right to receive/receivable during the period.

1.16 Employee Benefits:

Short-term employee benefits are expensed as the related service is provided. A Liability is recognised for the amount expected to be paid 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 obligation can be estimated reliably.

a. Defined Contribution Plans:

Contribution towards provident fund for employees is made to the regulatory authorities, where the company has no further obligations. Such benefits are classified as defined Contribution schemes as the company does not carry any further obligations, apart from the Contributions made on a monthly basis.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

b. Defined benefit plans:

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contribution to LIC.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI) net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of profit and loss.

1.17. Taxes on Income:

Tax expense comprises of current and deferred tax:

a. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act.

b. Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

1.18. Provisions:

Provisions are recognized when, as a result of past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

1.19. Contingent Liabilities:

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

1.20. Claims:

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.21. 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 intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.22. Earnings per share:

The Company presents basic and diluted earnings per share ('EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

1.23. Cash flow statement:

Cash flows are reported using the Indirect method. Whereby profit for the period is adjusted for effects of transactions of a non-cash nature. Any deferrals are accruals of past or future operating cash receipts or payments and item of Income or expenses associated with investing or financing cash flows. The cash flows from operating investing and financing activities of the company are segregated.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

1.24. Segment Reporting:

The operations of the company are related to one segment i.e Hydraulic equipment.

1.25. 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.

1.26. Recent Accounting Pronouncements:

a) Application of New and amended standards

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. During the year ended March 31, 2026, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 applicable to the Company w.e.f. 1st April, 2025

i) Amendments to Ind AS 21 - Lack of exchangeability

The amendment requires the Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments do not have a material impact on the Company's financial statements.

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

Amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8. The amendments have not resulted in additional disclosures and have not had an impact on the classification of Company's liabilities.

iii) Amendments to Ind AS 12 – International Tax Reform Pillar Two Model Rules.

Amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date

The mandatory temporary exception – the use of which is required to be disclosed applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendments had no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules.

iv) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments do not have a material impact on the Company's financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

b) Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, up to the date of issuance of the financial statements.

1.27. The areas involving critical estimates or judgments are:

Estimates of useful life of property, plant and equipment and intangibles

Measurement of defined benefit obligation

Recognition of deferred taxes

Estimation of impairment

Estimation of provision and contingent liabilities

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs. Lakhs)

NOTE NO. 2 - PROPERTY, PLANT & EQUIPMENT

S. No.	Particulars	GROSS BLOCK			
		As at 01.04.2025	Additions	Deductions	As at 31.03.2026
a.	**Land**				
	Land	870.36	-	-	870.36
b.	**BUILDING**				
	Factory Buildings	2,391.96	-	-	2,391.96
	Other Buildings	379.16	-	-	379.16
c.	**PLANT & EQUIPMENT**				
	Water Works	4.31	-	-	4.31
	Electrical Installations	30.69	-	-	30.69
	Plant and Machinery	10,181.25	518.23	6.00	10,693.48
	Inspection & Testing Equipments	228.65	17.34	-	245.99
	Office Equipments	207.65	12.81	-	220.46
	Air conditioners	19.17	-	-	19.17
	Furniture & Fixtures	223.13	2.06	-	225.19
	Canteen Equipments	5.65	-	-	5.65
	Vehicles	98.54	-	-	98.54
	Material Handling Equipments	43.17	52.41	-	95.58
	Sub Total	14,683.69	**602.84**	**6.00**	15,280.54
d.	**CAPITAL WORK IN PROGRESS**				
	Capital Work in progress	219.29	3.72	-	223.01
	Sub Total	219.29	**3.72**	-	223.01
e.	**INTANGIBLE ASSETS**				
	Software	112.27	0.30	-	112.57
	Sub Total	112.27	0.30	-	112.57
	Grand Total	**15,015.25**	**606.86**	**6.00**	**15,616.12**

The land balance includes an amount of Rs. 4.74 Crores pertaining to TGIIC land at Pashamylaram for which the registration yet to be completed.

Aging of Capital Work in Progress as on 31.03.2026

	Particulars	<1 Year	1 - 2 years	2 - 3 years	> 3 Years
a.	**Projects in progress**				
1.	Machinery	3.72	5.44	35.38	45.5
	Sub Total	**3.72**	**5.44**	**35.38**	**45.53**
b.	**Project temporarily suspended (Factory)**	-	-	-	132.94
	Sub Total	-	-	-	132.94
	Total (A+B)	**3.72**	**5.44**	**35.38**	**178.47**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs. Lakhs)

DEPRECIATION				NET BLOCK	
As at 01.04.2025	For the period on Assets value	Deductions	Upto 31.03.2026	As at 31.03.2026	As at 31.03.2025
				870.36	870.36
363.37	64.21	-	427.58	1,964.38	2,028.58
56.12	5.96	-	62.08	317.08	323.04
4.08	0.01	-	4.09	0.22	0.24
6.38	2.56	-	8.94	21.75	24.31
5,541.11	421.22	1.90	5,960.42	4,733.06	4,640.15
162.72	5.72	-	168.44	77.55	65.93
182.85	7.33	-	190.18	30.28	24.80
15.03	0.52	-	15.55	3.62	4.14
144.02	19.22	-	163.24	61.95	79.10
0.69	0.47	-	1.16	4.49	4.95
3.02	11.68	-	14.70	83.84	95.52
26.81	2.17	-	28.98	66.60	16.37
6,506.20	**541.07**	**1.90**	**7,045.37**	**8,235.16**	**8,177.49**
-	-	-	-	223.01	219.29
-	-	-	-	223.01	219.29
106.98	1.71	-	108.69	3.88	5.29
106.98	1.71	-	108.69	3.88	5.29
6,613.18	**542.78**	**1.90**	**7,154.06**	**8,462.06**	**8,402.07**

Total					
90.07					
90.07					
132.94					
132.94					
223.01					

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars		AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 3			
OTHER FINANCIAL ASSET - NON CURRENT:			
a) Rental Deposits		**32.16**	38.78
b) Security Deposits Recoverable (TSCPDCL & Telephones)		**52.82**	52.82
	TOTAL	**84.98**	91.60
NOTE NO. 4			
INVESTMENT			
i) Non Current Investments			
Investment in Equity Instruments (Unquoted)			
In subsidiary Company (at Cost)			
Adan Holdings Ltd, U K , Two Equity shares		**1,390.22**	1,390.22
(31st March 2025: 2 Equity shares of GBP 1 Each)			
	TOTAL	**1,390.22**	1,390.22
NOTE NO.5			
Other Non Current Assets			
a) Advance for Capital Purchases		**2.78**	102.32
b) Advance with Gratuity Fund (LIC Funded)		**11.27**	43.24
	TOTAL	**14.05**	145.56
NOTE NO. 6			
INVENTORIES:			
As valued and Certified by the Management			
a) Raw Materials*		**2,241.19**	2,539.94
(Valued at cost on weighted average method)			
b) Finished Goods		**1,011.04**	1,101.06
(Valued at cost on weighted average method or net realisable value which ever is less)			
c) Stores & Spares		**219.99**	214.12
(Valued at cost on weighted average method)			
d) Stock-in-Process		**3,054.82**	2,944.58
(Valued at cost on weighted average method or realisable value which ever is less)			
e) Jigs &Fixtures, Patterns and Tools & Implements		**253.78**	228.71
	TOTAL	**6,780.82**	7,028.41
All inventories of the Company have been hypothecated to secure borrowings of the Company (refer note 16)			
*Details of Raw materials			
Steels		**584.04**	567.28
Castings		**550.54**	660.99
Components (Domestic)		**773.36**	816.57
Imported Material		**333.25**	495.10
	TOTAL	**2,241.19**	2,539.94

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 7		
TRADE RECEIVABLES:		
a) Trade receivables considered good- secured	**-**	-
b) Trade receivables considered good-unsecured	**3,354.39**	3,230.67
c) Trade receivable which have significant increase in credit risk	**-**	-
d) Trade Receivable - credit impaired	**33.61**	45.61
TOTAL	**3,370.00**	3,276.28

TRADE RECEIVABLE OUTSTANDING FOR THE FOLLOWING PERIODS FROM DUE DATE OF PAYMENT

Period	Undisputed trade receivable considered good	Undisputed trade receivables Credit impaired	Disputed trade receivables considered good	Disputed trade receivables Credit impaired	Total
Balance as at March 31, 2026					
<6months	**3,363.70**	-	-	-	3,363.70
6 months to 1 year	**2.22**	-	-	-	2.22
1 - 2 Years	**-**	-	-	-	-
2 - 3 Years	**30.93**	-	-	-	30.93
> 3 Years	**50.90**	-	-	33.61	84.51
TOTAL	**3447.75**	**-**	-	**33.61**	**3,481.36**
Less: Expected credit loss allowance	**77.75**	-	-	33.61	111.36
TOTAL	**3370.00**	**-**	-	-	**3,370.00**
As on 31-03-25					
<6months	**3,107.67**	-		-	3,107.67
6 months to 1 year	**19.39**	-	-	-	19.39
1 - 2 Years	**98.98**	-	-	-	98.98
2 - 3 Years	**46.14**	-	-	-	46.14
> 3 Years	**41.49**	**-**	-	45.61	87.10
TOTAL	**3313.67**	**-**	-	**45.61**	**3,359.28**
Less: Expected credit loss allowance	**37.39**	-	-	**45.61**	83.00
TOTAL	**3276.28**	**-**		**-**	**3,276.28**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 8		
CASH AND CASH EQUIVALENTS:		
a) Balances With Scheduled Bank Accounts:		
i) In Current Accounts	**1.97**	2.23
ii) In Cash Credit - Debit Balance	**75.56**	556.58
b) Cash on Hand	**0.04**	0.16
c) Fixed Deposits - With maturity Less than 3 months	**1,001.00**	42.47
TOTAL	**1,078.57**	601.44
NOTE NO. 9		
OTHER BANK BALANCES CURRENT:		
a) Bank Deposits with maturity period less than 12 months	**4,719.56**	3,797.52
b) Balance with Banks against Dividends payments	**53.48**	50.98
TOTAL	**4,773.04**	3,848.50

*During the year ended March 31, 2026, there was delay in transferring Rs. 2.13 lakhs pertaining to FY 2017-2018 to the Investor Education and Protection Fund (IEPF), which was due on 29 October 2025 but was transferred on 27 January 2026.

NOTE NO.10		
SHORT TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)		
Staff advances	**16.40**	11.52
TOTAL	**16.40**	11.52
NOTE NO.11		
OTHER FINANCIAL ASSETS - CURRENT:		
a) Security deposits recoverable	**104.43**	104.11
b) Interest Accrued	**96.25**	36.07
TOTAL	**200.68**	140.18
NOTE NO.12		
OTHER CURRENT ASSETS:		
Unsecured, considered good		
a) Advance for purchase of Raw materials & Stores	**93.92**	179.30
b) Pre-paid Expense	**33.56**	38.30
c) Claim Receivable (VAT)	**194.06**	194.06
d) G S T Receivable	**197.79**	288.56
e) Other Receivable	**16.28**	1.42
TOTAL	**535.61**	701.64

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 13

SHARE CAPITAL:	AS AT 31-03-2026		AS AT 31-03-2025	
	Numbers	**Rs.**	Numbers	Rs.
A. AUTHORISED				
Equity Shares of Rs 10/- each	**60,00,000**	**600.00**	60,00,000	600.00
	60,00,000	**600.00**	60,00,000	600.00
B. ISSUED, SUBSCRIBED AND PAID UP				
Equity Shares of Rs 10/- each fully paid up	**45,00,000**	**450.00**	45,00,000	450.00

C. Terms / rights attached to equity shares

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

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

D. Reconciliation of the shares out standing at the beginning and at the end of Year:

Particular	**As At 31st March 2026**		As At 31st March 2025	
	No of Shares held	**Rs. in Lakhs**	No of Shares held	Rs. in Lakhs
At the beginning of the year	**45,00,000**	**450.00**	22,50,000	225.00
Bonus Issue of Equity Shares	**-**	**-**	22,50,000	225.00
Share redeemed/bought back during the Year	**-**	**-**	-	-
Shares outstanding at the end of the Year	**45,00,000**	**450.00**	45,00,000.00	450.00

E. Details of Share Holders Holding more than 5% Shares in the company

	As At 31st March 2026		As At 31st March 2025	
Name of the Share Holder	**No of Shares held**	**% of Holding**	No of Shares held	% of Holding
Equity Shares				
V Chukkamamba	**8,83,988**	**19.64**	8,82,940	19.62
Gangadhar Srinivas Velamati	**7,71,564**	**17.15**	4,06,858	9.04
V C Janardan Rao	**-**	**-**	6,19,506	13.77
Veljan Investments Ltd	**4,87,900**	**10.84**	4,87,900	10.84
Sri krishna Uppaluri	**2,53,752**	**5.64**	-	-
Veljan Hydrair Limited	**3,39,660**	**7.55**	3,39,660	7.55

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

F. Details of Shareholding of Promoters

Shares held by Promoters at the end of the year

Promoter Name	AS AT 31-03-2026 No. of Shares	% of total shares	% Change during the year
V Chukkamamba	**8,83,988**	19.64	(0.12)
Gangadhar Srinivas Velamati	**7,71,564**	17.15	(89.64)
Veljan Investments Ltd	**4,87,900**	10.84	-
Sri krishna Uppaluri	**2,53,752**	5.64	(100.00)
Veljan Hydrair Limited	**3,39,660**	7.55	-
Umadevi Uppaluri	**2,21,668**	4.93	-
Sarojinidevi Kilaru	**1,99,704**	4.44	-
Lalithadevi Sanjay Jayavarthanavelu	**1,96,170**	4.36	-
Suxus Systems Ltd	**13,104**	0.29	-
JDM Hydropneumatics Limited	**6,684**	0.15	-
TOTAL	**33,74,194**	74.99	-

Shares held by Promoters at the end of the year

Promoter Name	AS AT 31-03-2025 No. of Shares	% of total shares	% Change during the year
V Chukkamamba	**8,82,940**	19.62	47.86
V C Janardan Rao	**6,19,506**	13.77	100.00
Veljan Investments Ltd	**4,87,900**	10.84	100.00
Gangadhar Srinivas Velamati	**4,06,858**	9.04	751.88
Veljan Hydrair Limited	**3,39,660**	7.55	100.00
Umadevi Uppaluri	**2,21,668**	4.93	100.00
Sarojinidevi Kilaru	**1,99,704**	4.44	100.00
Lalithadevi Sanjay Jayavarthanavelu	**1,96,170**	4.36	100.00
Suxus Systems Ltd	**13,104**	0.29	100.00
JDM Hydropneumatics Limited	**6,684**	0.15	100.00
TOTAL	**33,74,194**	74.99	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 14		
OTHER EQUITY:		
a) Security Premium		
At the beginning and at the end of the period	**45.00**	45.00
Closing Balance	**45.00**	45.00
b) Capital Redemption Reserve		
At the beginning and at the end of the period	**3.00**	3.00
Closing Balance	**3.00**	3.00
c) Investment Allowance Reserve		
At the beginning and at the end of the period	**12.80**	12.80
Closing Balance	**12.80**	12.80
d) General Reserve		
At the beginning and at the end of the period	**20,689.30**	18,891.04
Add: Current Year Transfer	**2,081.00**	1,798.26
Closing Balance	**22,770.30**	20,689.30
e) Retained Earnings		
At the beginning of the year	**762.88**	877.50
Add: Profit For the year	**2,496.49**	2,247.51
Other comprehensive income for the year (net of tax)	**(30.81)**	43.63
Total Surplus	**3,228.54**	3,168.64
Less: Appropriations:		
Dividend on Equity Shares	**382.50**	382.50
Transfer to General Reserve	**2,081.00**	1,798.26
Transfer on Issue of Bonus Shares	**-**	225.00
At the end of the period	**765.04**	762.88
TOTAL	**23,596.14**	21,512.98
NOTE NO. 15		
LONG TERM BORROWING		
a) Vehicle Loan	**15.27**	**30.76**
TOTAL	**15.27**	**30.76**

Security and Terms of Repayment:
The above vehicle loan secured by hypothication of the respective vehicle. The Vehicle Loan carries an interest rate of 8.76% p.a and payable in 36 Equated Monthly Installments of Rs. 1.57 Lakhs.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 16		
SHORT TERM BORROWING:		
SECURED		
1. Working Capital Loans :		
a) Cash Credit From : Canara Bank	-	-
b) Cash Credit From : H D F C Bank Ltd	-	43.68
c) Cash Credit From : H S B C Bank Ltd	55.04	719.43
TOTAL	55.04	763.11
2. Current maturities of long term debit (refer note no.15)	16.78	16.78
TOTAL	16.78	16.78
TOTAL	71.82	779.89

Working Capital Loans from banks are Canara Bank, HDFC Bank and HSBC Bank. The Loans are repayable on demand, which are secured on pari pasu basis by hypothecation of Raw Materials, Work-in-Process, Finished Goods, Stores&spares and Book Debts and second charge on the fixed Assets of the Company. Further guaranteed by One Director of the company in the Capacity to the extent of Rs. 2,000 Lakhs (excluding HSBC Bank).

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 17		
TRADE PAYABLES:		
Sundry creditors		
a) Micro and Small Enterprises	330.83	839.21
b) Other than Micro and Small Enterprises	599.01	373.44
TOTAL	929.84	1212.65

NOTE NO. 17a Trade payable aging Schedule

Particulars	Unbilled dues	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
As on 31.03.2026						
i) MSME	-	330.83	-	-	-	330.83
ii) Others	-	565.02	19.05	6.56	8.38	599.01
iii) Disputed dues MSME	-	-	-	-	-	-
iv) Disputed dues others	-	-	-	-	-	-
TOTAL	-	895.85	19.05	6.56	8.38	929.84
As on 31.03.2025						
i) MSME	-	839.21	-	-	-	839.21
ii) Others	-	347.44	6.98	5.27	13.75	373.44
iii) Disputed dues MSME	-	-	-	-	-	-
iv) Disputed dues others	-	-	-	-	-	-
TOTAL	-	1,186.65	6.98	5.27	13.75	1,212.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 18		
OTHER FINANCIAL LIABILITIES - CURRENT:		
a) Unclaimed Dividends	**53.48**	50.98
b) Creditors for Capital Purchases	**61.26**	52.29
c) Creditors - Expenses	**771.58**	836.67
TOTAL	**886.32**	939.94
NOTE NO. 19		
OTHER CURRENT LIABILITIES:		
a) Advance from Customers	**54.71**	54.95
b) Statutory Liabilities		
i. Tax Deducted at Source	**8.78**	11.57
ii. Goods and Service Tax	**230.73**	237.68
iii. Other Statutory Dues	**9.67**	10.20
TOTAL	**303.89**	314.40

Particulars	Current Year 31-03-2026	Previous Year 31-03-2025
NOTE NO.20		
REVENUE FROM OPERATIONS :		
Sale of Products		
Pumps, Motors, Valves & Spares	**14,774.16**	14,125.78
Scrap Sales	**25.21**	32.23
TOTAL	**14,799.37**	14,158.01
Notes:		
a) Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss:		
Revenue as per contracted price	**14,808.40**	14,161.39
Less: Discounts	**(9.03)**	(3.38)
Revenue from contract with customers	**14,799.37**	14,158.01
b) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers:		
Trade Receivables (Refer Note 7)	**3,370.00**	3,276.28
Contract Liabilities (Refer Note 19a)	**54.71**	54.95

The contract liabilities primarily related to the advance consideration received from the customers.

c) Performance obligation:

All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company does not have any remaining performance obligation for sale of goods or rendering of services which remains unsatisfied as at March 31, 2026 and March 31, 2025.

d) Disaggregation of revenue:

Refer Note 54 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contract with customers".

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars		Current Year 31-03-2026	Previous Year 31-03-2025
NOTE NO. 21			
OTHER INCOME :			
A. INTEREST INCOME ON			
a) Margin Money & Fixed Deposits		**295.77**	264.66
B. OTHER NON - OPERATING INCOME			
a) Miscellaneous receipts		**4.18**	4.90
b) Credit Balances written Back		**6.08**	8.00
	TOTAL	**306.03**	277.56
NOTE NO. 22			
COST OF MATERIALS CONSUMED* :			
Opening Stock		**2,539.94**	2,145.79
Add: Purchases		**5,418.64**	6,160.80
		7,958.58	8,306.59
Less Closing stock		**2,241.19**	2,539.94
	TOTAL	**5,717.39**	5,766.65
Imported and Indigenous Raw Material Consumed			
Imported		**295.13**	248.64
% of Consumption		**5.16**	4.31
Indigenous		**5,422.26**	5,518.01
% of Consumption		**94.84**	95.69
	TOTAL	**5,717.39**	5,766.65
***Details of Raw Material Consumed**			
Steels Consumed		**764.19**	774.20
Castings Consumed		**2,191.68**	2,215.45
Components Consumed		**2,466.39**	2,528.36
Imported Raw Material Consumed		**295.13**	248.64
	TOTAL	**5,717.39**	5,766.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars		Current Year 31-03-2026	Previous Year 31-03-2025
NOTE NO. 23			
CHANGES IN INVENTORIES OF STOCK IN TRADE AND STOCK IN PROCESS:			
(Increase)/Decrease of Stocks			
Stock in Trade at the beginning of the period		**1,101.06**	1,009.67
Stock-in-Process at the beginning of the period		**2,944.58**	2,436.90
	TOTAL	**4,045.64**	3,446.57
Stock in Trade at the end of the period		**1,011.04**	1,101.06
Stock-in-Process at the end of the period		**3,054.82**	2,944.58
	TOTAL	**4,065.86**	4,045.63
(Increase) / Decrease in Stocks		**(20.22)**	(599.06)
NOTE NO.24			
EMPLOYEE BENEFITS EXPENSE			
a) Salaries, Wages and Bonus		**1,223.02**	1,179.71
b) Contribution to Provident Fund		**48.55**	48.23
c) Workmen & Staff Welfare Expenses		**54.36**	68.10
d) Group Gratuity & Deposit Linked Insurance		**30.11**	28.44
e) Contribution to Employee State Insurance		**11.43**	11.46
	TOTAL	**1,367.47**	1,335.94
NOTE NO.25			
FINANCE COST:			
Interest on Working Capital & Other Loans		**19.88**	27.18
Bank Charges		**18.49**	16.67
	TOTAL	**38.37**	43.85
NOTE NO.26			
DEPRECIATION & AMORTISATION EXPENSES:			
a) Depreciation on Property, Plant & Equipment		**541.07**	500.00
b) Amortisation of Intangible Assets		**1.71**	3.31
	TOTAL	**542.78**	503.31

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 27		
OTHER EXPENSES:		
Job Expenses	**2,086.02**	2,263.31
Stores Consumed	**484.18**	487.65
Packing Material Consumed	**182.75**	185.83
Carriage Inward	**90.66**	96.21
Power and Fuel	**342.13**	329.43
Repairs & Maintenance		
Building	**11.19**	16.66
Plant and Machinery	**95.86**	119.05
Others	**120.42**	129.01
Tools & Dies written off	**29.19**	26.17
Rent	**59.83**	56.26
Licenses and Taxes	**44.36**	17.20
Insurance	**27.64**	30.20
Printing & Stationery	**13.98**	15.72
Postage & Telephones	**4.34**	4.93
Travelling & Conveyance	**39.48**	39.41
Foreign Travelling Expenses	**29.19**	7.62
Vehicle Maintenance	**3.75**	4.78
Professional & Legal Charges	**56.53**	38.23
Selling & Distribution Expenses	**26.86**	24.70
Advertisement	**2.15**	65.70
Remuneration to Auditors:		
For Audit Fees	**4.50**	4.50
For Tax Audit Fees	**1.50**	1.50
Donations	**0.12**	0.12
C S R Expenses (Refer Note 33)	**31.66**	44.87
General Expenses	**72.62**	75.45
Loss on Sale of fixed assets	**3.59**	2.45
Prior Period Expenses	**0.11**	-
R & D Expenditure	**91.69**	85.13
Expected Credit loss allowance	**28.36**	42.00
Bad Debts Written Off	**20.90**	39.80
Penalties	**3.18**	56.89
TOTAL	**4,008.74**	4,310.78

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 28

1. Reconciliation of Tax Expenses

INCOME TAX:

Particulars	Current Year 31-03-2026	Previous Year 31-03-2025
Amount recognized in statement of		
Profit and Loss account		
Current Tax	**832.11**	737.69
Earlier Year	**38.16**	6.96
Deferred tax	**84.11**	81.94
Total Income Tax Expenses	**954.38**	826.59
Reconciliation of effective tax rate		
Profit before tax	**3,450.87**	3,074.10
Enacted Tax Rate in India	**25.17%**	25.17%
Computed Tax Expense at Enacted tax in India	**868.52**	773.69
Effect of non-deductible expenses	**16.90**	25.61
Effect of Earlier Year Taxes	**38.16**	6.96
Others	**30.80**	20.33
Total	**954.38**	826.59
Effective tax rate	**27.66**	26.89

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 29

2. DEFERRED TAX LIABILITIES (NET):

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
Deferred Tax Liabilities on:		
Property, Plant and Equipment	**562.35**	504.92
Advance with Gratuity Fund		
Deferred Tax Asset on:		
Expenditure allowable on payment basis under Section 43B of Income Tax Act, 1961	**(37.57)**	(53.89)
Deferred Tax Liability (Net)	**524.78**	451.03

B. Movement in deferred tax liabilities

Particulars	Balance as on April 01, 2025	Recognised in P & L	Recognised in OCI	Balance as on March 31, 2026
Deferred Tax Liabilities on:				
Property, Plant and Equipment	**504.92**	**57.43**	-	562.35
Deferred Tax Asset on:				
Expenditure allowable on payment basis under Section 43B of Income Tax Act, 1961	**53.89**	**26.68**	10.36	37.57
Net deferred tax charge/(income) and deferred tax liabilities	**451.03**	**84.11**	(10.36)	524.78

NOTE NO.30

Fair Value Measurement Hierarchy:

Valuation techniques with significant unobservable inputs:

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on absorbable market date (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provide the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy as at 31st, March 2026

Particulars	Fair Value hierarchy (level)	As at 31-03-2026	As at 31-03-2025
Financial Asset measured at amortized cost			
Loans to employees	3	**16.40**	11.52
Security Deposits	3	**32.16**	38.78

NOTE NO. 31

Financial Risk Management:

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

I. Market Risk

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of financial instruments. The value of a financial instrument may change as a result of changes in the interest rates. Foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including instruments and deposits, foreign currency receivables, payable and borrowings.

Commodity Risk

Commodity price risk arises due to fluctuation in raw material prices linked to various external factors, which can affect the production cost of the Company. The Company actively manages inventory and in many cases sale prices are linked to major raw material prices. These risks are reviewed and managed by senior management on continuous basis.

II. Credit Risk:

Credit risk arises when a customer or counter party does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk its operating activities (primarily trade receivables) and from its financing / investing activities including deposits with banks. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

III. Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company 's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

V. Technology Risk

The Company operates in a highly technical field with constant innovation and continuous evolution in technologies used. The company mitigates this risk through regular contact with customers, regular reviews of new technological trends, continuous improvement and investment in its manufacturing practices, along with investments in research, design, and development.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 32

Capital Management:

The Company's objectives when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and the benefits for other stakeholders.

2. Maintain an optimal capital structure to reduce the cost of Capital Consistent with others in industry. The company monitors capital on the basis of the following gearing ratio:

Debt/to equity ratio

Particulars	As at 31-03-2026	As at 31-03-2025
Debt	87.09	810.65
Equity	24,046.14	21,962.98
Debt to equity ratio	0.004	0.037

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

NOTE NO. 33

CORPORATE SOCIAL RESPONSIBILITY:

As per section 135 of the Company Act 2013, a Company has to spend 2% of its average net profits of three immediate preceding financial Years as details below.

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
a. Gross amount required to be spent by the Company during the year	51.88	46.85
b. Amount spent during the year on construction/acquisition of any asset	-	-
c. Amount of expenditure other than B above	31.66	43.56
d. Set off of previous year carry forward amount against the shortfall	20.22	3.29
e. Short fall at the end of the year	-	-
f. Details of related party transaction	-	-
g. Nature of CSR Activities i) Eradicating Hunger, Poverty and malnutrition activities ii) Disaster Management activities iii) Other Activities	-	
h. Carry forward balance	-	37.94

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 34

CONTINGENT LIABILITIES & COMMITMENT

Particulars	As at 31-03-2026	As at 31-03-2025
A. Contingent Liabilities not provided for on account of		
1) Towards Guarantees and Letters of credit issued by bank to the extent of	**79.45**	174.92
2) Goods and Service Tax Matters	**71.51**	145.17
B. Commitments Capital Commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	**8.23**	71.36

NOTE NO. 35

Employee benefits plan

a) Defined contribution plans

Refer Note No. 24 for the Company's contribution to the defined contribution plans with respect to employee benefit funds i.e Provident Fund and Employees' State Insurance Scheme.

b) Defined benefit plan

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

1. Changes in Present Value of obligations as on 31/03/2026

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Present Value of Obligations at the beginning of the year	**141.58**	160.37
Interest Cost	**9.58**	12.58
Current Service Cost	**19.51**	15.06
Benefits paid	**(8.63)**	(17.49)
Actuarial Loss on Obligation	**41.74**	(28.94)
Present Value of Obligation at the end of the year	**203.78**	141.58

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Changes in the fair value of Plan Assets

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Fair Value of plan assets at the beginning of the year	184.82	188.94
Return on plan assets	13.46	12.58
Contributions by the employer	24.84	-
Benefits paid	(8.63)	(17.49)
Actuarial (gain)/loss on plan assets	0.55	0.79
fair value of plan assets as at the end of the Year	215.04	184.82

Calculation of benefit liability / (asset)

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Defined benefit obligation	203.77	141.58
Fairvalue of plan assets	215.04	184.82
Net defined benefit liability/(asset) as at the end of the year	(11.27)	(43.24)

Assumptions

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Discount Rate	7.70%	6.98%
Salary Growth Rate	5.00%	5.00%
Expected Rate of Return on Plan Assets	7.63%	7.68%

NOTE NO. 36

EARNINGS PER EQUITY SHARE:

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
a) Net Profit after tax attributable to equity shareholders	2496.49	2,247.51
b) Weighted average number of equity shares of Rs10/- each (in Numbers) (Refer note below)	45,00,000	45,00,000
c) Earning per Equity Share (face value of Rs. 10 each) (Basic and Diluted) a / b (In Rupees)	55.48	49.94

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 37

ANALYTICAL RATIOS:

S.No.	Ratio	Period	Numerator	Denominator	As at 31-03-2026	As at 31-03-2025	% of Variance	Reason for Variance
1.	Current Ratio	2026	16,827	2,192	7.68			Variance on account of increase in deposits and bank balance and decrease in liabilities
		2025	15,662	3,247		4.82	59.15	
2.	Debt-Equity Ratio	2026	87	24,046	0.00			Variance on account of decrease in short term borrowings and increased reserves
		2025	811	21,963		0.04	(90.19)	
3.	Debt Service Coverage Ratio	2026	3,078	19	162			Variance on account of increase in earnings and increase in long term borrowing repayments (Loan availed in FY 24-25)
		2025	2,795	3		885	(81.44)	
4.	Return on Equity Ratio	2026	2,496	23,005	0.11			
		2025	2,248	21,009		0.11	1.44	
5.	Inventory Turnover Ratio	2026	14,799	6,905	2.14			
		2025	14,158	6,505		2.18	(1.52)	
6.	Trade Receivables Turnover Ratio	2026	14,799	3,323	4.45			
		2025	14,158	3,064		4.62	(3.62)	
7.	Trade Payables Turnover Ratio	2026	5,419	1,071	5.06			
		2025	6,161	1,050		5.87	(13.79)	
8.	Net Capital Turnover Ratio	2026	14,799	14,635	1.01			
		2025	14,158	12,415		1.14	(11.33)	
9.	Net Profit Ratio	2026	2,496	14,799	0.17			
		2025	2,248	14,158		0.16	6.26	
10.	Return on Capital Employed Ratio	2026	3,489	24,654	0.14			
		2025	3,118	23,219		0.13	5.40	
11.	Return on Investment Ratio	2026	100	1,390	0.72			
		2025	139	1,390		0.81	(11.33)	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 38

Title deeds of immovable properties:

The title deeds of all the immovable properties, as disclosed in note no.2 to the financial statements, are held in the name of the Company.

NOTE NO. 39

Valuation of Property Plant & Equipment, intangible asset:

The Company has not revalued its property, plant and equipment or intangible assets or both during the current year.

NOTE NO. 40

Loans or advances to specified persons:

No loans or advances in the nature of loans are granted to Promoters, Directors, Key Management Personnels and the related parties(as defined under Companies Act,1913) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

NOTE NO. 41

Details of benami property held:

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

NOTE NO. 42

Borrowing secured against current assets:

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

NOTE NO. 43

Wilful defaulter:

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

NOTE NO. 44

Relationship with struck off Companies:

The Company has no transactions with the Companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 45

Registration of charges or satisfaction with Registrar of Companies (ROC):

The Company does not have any charges to be registered/satisfied as at March 31,2026 with Registrar of Company(ROC). However, as per records available with the ROC, the following charges appears to be registered in respect of the Company as on March 31, 2026:

Charge holder name	Amount
Mercedes-Benz Financial Services India (P) Limited	50.00
The Hongkong and Shanghai Banking Corporation Limited	1,000.00
HDFC Bank Ltd	2,900.00
Canara Bank	1,900.00

NOTE NO. 46

Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Section 2 (87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

NOTE NO. 47

Compliance with approved scheme(s) of arrangements:

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

NOTE NO. 48

Utilisation of borrowed funds and share premium:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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 (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 NO. 49

Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

NOTE NO. 50

Details of crypto currency or virtual currency:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 51

Utilisation of borrowings availed from banks and financial institutions:

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

NOTE NO. 52

Disclosure of Related party Transaction (As per Ind AS)

A. Key Management Personnel (KMP)

Sri U. Sri Krishna	MD & CEO
Mrs. K. Ramyanka Yadav	Company Secretary and Compliance Officer
Sri G. Subba Rao	C F O

B. Non- Executive Directors

Sri Srinivas VG	Non-Executive and Non-Independent Director
Smt. U. Uma Devi	Non-Executive and Non-Independent Director
Sri A. Suresh	Independent Director
Sri G. Narayana Rao (Till 15.09.2025)	Independent Director
Sri Manish Mohan Motwani	Independent Director
Sri Vidya Sagar G	Independent Director

C. Subsidaries

Adan Holdings Limited	Subsidiary Company
Adan Limited	Step Down Subsidiary

D. Entities in which the Key Management and their relations are interested

M/s. Veljan Hydrair Ltd.

M/s. Veljan Investments Ltd.

M/s. Suxus Systems Ltd.

M/s. JDM Hydro Pnuematics Ltd.

M/s. Ecmat Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

A. Transactions during the year

Particulars	Key Management Personnel*		Directors*		Enterprises in which the Key Management Personnel and their relatives are interested	
	Current Year 31-03-2026	Previous Year 31-03-2025	Current Year 31-03-2026	Previous Year 31-03-2025	Current Year 31-03-2026	Previous Year 31-03-2025
i) Short-term employee benefits:						
Remuneration	**48.37**	42.09	**8.50**	8.80	**-**	-
Commission	**90.47**	84.51	**28.95**	33.80	**-**	-
ii) Sale of Goods:						
Veljan Hydrair Limited					**5,716.22**	5,294.72
Ecmat Limited					**0.38**	1.00
Adan Limited UK					**81.18**	63.58
Suxus Systems Limited					**38.55**	22.17
iii) Purchase of Raw Materials, Goods & Expenses						
Veljan Hydrair Limited					**68.79**	40.58
Suxus Systems Limited					**2,063.06**	2,260.38
Adan Limited UK					**9.07**	68.70
iv) Rent Paid or Payable:						
Veljan Investments Limited					**97.41**	60.83
v) Job Work Expenses:						
Ecmat Limited					**2,325.24**	2,501.79
B. Balances as at 31.03.2026						
Payables	**91.87**	86.94	**28.95**	33.80	**604.69**	728.89
Receivables					**1,404.22**	1,480.68

* Post Employee Benefits are actuarially determined on overall basis and hence not seperately provided

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 53

Due To Micro and Small Enterprises

The Micro and Small Enterprises have been identified on the basis of the information available with the company. This has been relied upon by the auditors. Due to such parties are given below.

Particulars	**As at 31-03-2026**	As at 31-03-2025
a) The principal amount remaining unpaid as at the end of the year	**330.83**	839.21
b) The amount of interest accrued & remaining unpaid at the end of the year	**-**	-
c) Amount of interest paid by the company in term of section 16,of MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	**-**	-
d) Amount of interest due and payable for the period of delay in making payment without the interest specified under the MSMED Act, 2006	**-**	-
e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2016	**-**	-

NOTE NO. 54

Segment information

The Company deals in only one business segment of manufacturing and sale of Hydraulics products and the Chief Operating Decision Maker (CODM) reviews the operations of the Company as a whole, hence there is no reportable segments as per Ind AS 108 “Operating Segments”. The management considers that the various goods provided by the Company constitutes single business segment, since the risk and rewards from these products are not different from one another. However the Company has disclosed the following geographical information as follows:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Geographic information

a) Revenue from external customers

Particulars	**Year Ended 31.03.2026**	Year Ended 31.03.2025
Within India	14,718.19	14,094.43
Outside India	81.18	63.58
Total	14,799.37	**14,158.01**

b) Segment Assets

Non-Current Operating Assets*	**Year Ended 31.03.2026**	Year Ended 31.03.2025
Within India	15792.54	16277.69
Outside India	-	-

*Other than financial assets, deferred tax assets, Income Tax Asset

c) Information about major customers

There is 1 customer who individually contribute more than 10 percent of the entity's revenue.

NOTE NO. 55

Subsequent Events

The Board of Directors in their meeting held on 30th May 2026 have proposed a final dividend of Rs. 8.50 per equity share for the year ended 31st March 2026 which is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately Rs. 382.50 lakhs.

NOTE NO. 56

Pursuant to the notification/implementation of the Labour Codes, namely the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Labour Codes"), the Company has assessed the potential impact of the changes on employee benefit obligations, including gratuity and leave-related benefits, based on the information currently available and applicable guidance.

Based on the assessment carried out by the management, the impact of the Labour Codes on the Company's financial statements is not material. Accordingly, the impact, if any, has been considered and recognised as part of employee benefits expense in the financial results for the year ended March 31, 2026.

The Company continues to monitor further developments, clarifications and the finalisation of related rules/implementation aspects and will evaluate and account for any consequential impact, if required, in future periods

NOTE NO. 57

Previous Year's figures have been regrouped wherever necessary to correspond with the current year's figures, except when otherwise stated, the figures are presented in Rs. lakhs.

As per our report of even date
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn. No. 000513S

Shravan. K
Partner
Membership No. 215798

Place: New Jersey
Date : 30-05-2026

For and on behalf of Board of Directors

Srinivas VG
Director
DIN. 00181826

K. Ramyanka Yadav
CS & CO
Membership No.A45483

U. Sri Krishna
MD & CEO
DIN. 08880274

G. Subba Rao
C F O
Place: Hyderabad
Date : 30-05-2026

Consolidated Financial Statements

HIGHLIGHTS OF CONSOLIDATED FINANCIAL PERFORMANCE

(Figures in Rs. Lakhs)

Particulars	2022-23	2023-24	2024-25	2025-26
1. Sales & other income	12,264.30	14,051.55	15,858.75	16,718.29
2. Profit Before int, dep & tax	2,778.00	3619.52	3,972.51	4,273.68
3. Profit before extraordinary/exceptional Items & Tax	2,160.62	2957.61	3,304.76	3,571.48
4. Profit after Tax	1,602.37	2,207.44	2,371.93	2,583.70
5. Net Fixed Assets	8,245.60	8906.14	9,337.72	9,437.65
6. Share Capital	225.00	225.00	450.00	450.00
7. Reserves & surplus	18,293.38	20,263.06	22,127.59	24,640.54
8. Net Worth	18,518.38	20,488.06	22,577.59	25,090.54
9. Return on Net worth(RONW) PAT/Networth	8.65%	10.77%	10.51%	10.30%
10. % of Employee cost to net turnover	10.65	11.30	11.97	12.03
11. Cash Earnings per share(Rs)	96.07	123.97	66.71	72.37
12. Earnings per share (Rs)	71.22	98.11	52.71	57.42
13. Dividend per Share (Rs)	13.00	13.00	8.50	8.50
14. Book Value per Share(Rs)	823.04	910.58	501.72	557.57
15. Sundry Debtors - No of Days	80.23	70.25	69.22	69.06
16. Turnover/Avg Inventory (Times)	1.73	1.55	1.52	1.51
17. Current Ratio	3.97	5.06	4.91	7.60
18. Debt-Equity Ratio	0.19	0.14	0.15	0.10

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VELJAN DENISON LIMITED.

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of VELJAN DENISON LIMITED (hereinafter referred to as the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance sheet as at March 31, 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 a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the 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 consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that that there are no key audit matters to communicate in our report.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group covered under the Act 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; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are 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 opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 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 Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

 (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

 (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and reports of other auditors.

 (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of changes in equity dealt with by this Report are in agreement with the 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

 (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group Companies incorporated in India are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Companies Act;

 (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, incorporated in India, and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

 (g) With respect to the Managerial remuneration to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

 In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

 (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the report of the other auditors on the separate financial statements and other financial information of the subsidiaries:

  i. The Consolidated financial statements disclose the impact of pending litigations as at 31st March 2026 on the Consolidated financial position of the group. Refer Note 33 to the consolidated financial statements.

  ii. The Consolidated financial statements did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

  iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company of Rs.2.13 Lakhs pertaining to Financial Year 2017-18.(Refer Note 8 to the consolidated financial statements).

  iv. a. The respective Managements of the Holding Company which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 to or in any other person or entity, including foreign entity ("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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The respective Managements of the Holding Company which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company which are companies incorporated in India whose financial statements have been audited under the Act, 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 (a) and (b) above, contain any material misstatement.

v. a. 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.

b. As stated in note 54 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 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.

vi. Based on our examination which included test checks performed by us on the Holding Company, which is incorporated in India and whose financial statements have been audited under the Act, the Holding Company has used accounting software systems for maintaining their respective books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software(s) we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

Place : New Jersey
Date : 30.05.2026

(K.SHRAVAN)
Partner
Membership No. 215798
UDIN: 26215798IARQUJ1686

Annexure – A to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the VELJAN DENISON LIMITED (" the Holding Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the Group) as at for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of Group which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material aspects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiaries which are incorporated in India, in terms of their reports referred in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Group which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026 based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

Place : New Jersey
Date : 30.05.2026

(K.SHRAVAN)
Partner
Membership No. 215798
UDIN: 26215798IARQUJ1686

CONSOLIDATED BALANCE SHEET AS AT 31ST, MARCH 2026

(Figures in Rs. Lakhs)

Particulars	Refer Note No	AS AT 31-03-2026	AS AT 31-03-2025
ASSETS			
1. NON-CURRENT ASSETS			
(a) Property, Plant & Equipment	2	**9,210.76**	9,113.14
(b) Capital work-in-Progress	2	**223.01**	219.29
(c) Intangible Assets	2	**3.88**	5.29
(d) Goodwill		**377.72**	332.94
(e) Financial Assets			
i. Other Financial Asset	3	**84.98**	91.60
ii. Other Non current assets	4	**14.05**	145.56
		9,914.40	9,907.82
2. CURRENT ASSETS			
(a) Inventories	5	**7,438.22**	7,612.47
(b) Financial Assets			
i. Trade receivables	6	**3,663.11**	3,484.28
ii. Cash and cash equivalents	7	**1,598.54**	930.92
iii. Bank Balances Other than (b) (ii) above	8	**4,773.04**	3,848.49
iv. Loans	9	**16.40**	11.52
v. Other financial assets	10	**200.68**	140.18
(c) Other current assets	11	**574.69**	763.65
(d) Current tax assets (Net)		**71.64**	54.23
		18,336.32	16,845.74
Total Assets		**28,250.72**	26,753.56
1. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	12	**450.00**	450.00
(b) Other Equity	13	**24,640.54**	22,127.59
		25,090.54	22,577.59
2. LIABILITIES			
NON - CURRENT LIABILITIES			
Deferred Tax Liability	28	**716.73**	649.74
Long Term Borrowings	14	**31.51**	52.43
		748.24	702.17
3. CURRENT LIABILITIES			
(a) Financial Liabilities			
i. Short Term Borrowings	15	**80.16**	787.24
(b) Trade Payable			
i. Total Outstanding dues of Micro and Small Enterprises	16	**330.83**	839.21
ii. Total outstanding dues other than (b)(I) above		**713.21**	478.11
iii. Other Financial Liabilities	17	**886.32**	1,055.84
(c) Other Current Liabilities	18	**401.42**	313.40
		2,411.94	3,473.80
Total Equity & Liabilities		**28,250.72**	26,753.56

The accompanying notes 1 to 56 are an integral part of these Financial Statements

As per our report of even date
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn. No. 000513S

Shravan. K
Partner
Membership No. 215798

Place: New Jersey
Date : 30-05-2026

For and on behalf of Board of Directors

Srinivas VG
Director
DIN. 00181826

K. Ramyanka Yadav
CS & CO
Membership No.A45483

U. Sri Krishna
MD & CEO
DIN. 08880274

G. Subba Rao
C F O
Place: Hyderabad
Date : 30-05-2026

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2026 (Figures in Rs. Lakhs)

Particulars	Refer Note No	For the Year Ended 31-03-2026	For the Year Ended 31-03-2025
1. INCOME:			
a) Revenue from operations	19	**16,407.99**	15,569.94
b) Other Income	20	**310.30**	288.81
Total Income		**16,718.29**	15,858.75
2. EXPENSES:			
a) Cost of Materials Consumed	21	**6,089.79**	5,993.97
b) Changes in inventories of finished goods and work-in-process	22	**(20.22)**	(599.06)
c) Employee benefit expense	23	**1,974.04**	1,863.84
d) Finance cost	24	**58.57**	63.82
e) Depreciation & Amortisation expenses	25	**643.63**	603.93
f) Other expenses	26	**4,401.00**	4,627.49
Total Expenses		**13,146.81**	12,553.99
3. Profit before exceptional items and tax (1-2)		**3,571.48**	3,304.76
4. Exceptional items (add/(Less))		**-**	-
5. Profit Before tax (3-4)		**3,571.48**	3,304.76
6. Tax expense:			
a) Relating to Current Period		**884.19**	812.71
b) Relating to previous period		**38.16**	6.96
c) Deferred tax		**65.43**	113.16
Total Tax Expenses		**987.78**	932.83
Profit for the year (5 - 6)		**2,583.70**	2,371.93
8. Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit&Loss		**(41.17)**	58.30
Income tax relating to items that will not be reclassfied to P&L		**10.36**	(14.67)
Total Other Comprehensive Income for the period		**(30.81)**	43.63
9. Total Comprehensive Income for the Year		**2,552.89**	2,415.56
Earning per equity share from continuing operations			
(1) Basic & Diluted Rs. 10/-	35	**57.42**	52.71

The accompanying notes 1 to 56 are an integral part of these Financial Statements

As per our report of even date
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn. No. 000513S

Shravan. K
Partner
Membership No. 215798

Place: New Jersey
Date : 30-05-2026

For and on behalf of Board of Directors

Srinivas VG
Director
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U. Sri Krishna
MD & CEO
DIN. 08880274

G. Subba Rao
C F O
Place: Hyderabad
Date : 30-05-2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2026 (Figures in Rs. Lakhs)

A. EQUITY SHARE CAPITAL:

For the year ended 31st march, 2026	Amount	For the Year ended March 31st, 2025	Amount
Balance as at 1st April 2025	450.00	Balance as at 1st April 2024	225.00
Changes in equity Shares Capital during the year ended	-	Changes in equity Share Capital during the year ended	225
Balance as at 31st March 2026	450.00	Balance as at 31st March 2025	450.00

B. OTHER EQUITY :

For the Year ended 31st March 2026

Particulars	Reserves and Surplus						
	Security Premium	Capital redemption reserve	Investment allowance reserve	General reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Balance as at 1st April 2024	45.00	3.00	12.80	19,183.54	900.11	118.61	20,263.06
Profit for the Year	-	-	-	-	2,415.56	56.47	2,472.03
Total Comprehensive Income	**45.00**	**3.00**	**12.80**	**19,183.54**	**3,315.67**	**175.08**	**22,735.09**
Dividend paid (incl.dividend tax)	-	-	-	-	(382.50)	-	(382.50)
Transfer on issue of bonus shares					(225.00)		(225.00)
Transfer to General Reserve	-	-	-	1,798.26	(1,798.26)		-
Balance as at 31st March 2025	**45.00**	**3.00**	**12.80**	**20,981.80**	**909.91**	**175.08**	**22,127.59**
Balance as at 1st April 2025	45.00	3.00	12.80	20,981.80	909.91	175.08	22,127.59
Profit for the Year	-	-	-	-	2,552.89	342.56	2,895.45
Total Comprehensive Income	**45.00**	**3.00**	**12.80**	**20,981.80**	**3,462.80**	**517.64**	**25,023.04**
Dividend paid (incl.dividend tax)	-	-	-	-	(382.50)	-	(382.50)
Transfer to General Reserve	-	-	-	2,081.00	(2,081.00)	-	-
Balance as at 31st March 2026	**45.00**	**3.00**	**12.80**	**23,062.80**	**999.30**	**517.64**	**24,640.54**

The Description of the nature and purpose of reserves within equity is as follows.

i) Security premium : Premium received on issue of equity shares credited to Securities Premium Reserve. It can be utilised as per the provision of Section 63 of the Companies Act, 2013.

ii) Capital Redemption Reserve: Created on conciliation of equity shares under the scheme of arrangement and redemption of preference shares. It can be utlised as per the provision of section 63 of the Companies Act, 2013.

iii) Capital Reserve: Comprise of Capital subsidy received for setting up manufacturing plant.

iv) Retained Earnings : This Reserve represents the cumulative profits of the Company. This Reserve can be utilised in accordance with the provisions of Companies Act,2013.

As per our report of even date
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn. No. 000513S

Shravan. K
Partner
Membership No. 215798

Place: New Jersey
Date : 30-05-2026

For and on behalf of Board of Directors

Srinivas VG
Director
DIN. 00181826

K. Ramyanka Yadav
CS & CO
Membership No.A45483

U. Sri Krishna
MD & CEO
DIN. 08880274

G. Subba Rao
C F O
Place: Hyderabad
Date : 30-05-2026

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2026

(Figures in Rs. Lakhs)

Particulars	For the Year Ended 31-03-2026	For the Year Ended 31-03-2025
A. Cash Flow From Operating Activities		
Profit/ (Loss) before tax	**3,571.48**	3,304.76
Adjustments for:		
Depreciation and amortization expense	**643.63**	603.93
Interest income	**(295.77)**	(264.66)
Finance Cost	**58.57**	63.82
Loss on Sale of Assets	**3.59**	6.94
Unrealised Foreign Exchange gain (net)	**297.78**	92.81
Tools & Dies Written Off	**29.19**	26.17
Operating Profit before working capital Changes	**4,308.47**	3,833.77
Movement in Working Capital		
Decrease/(increase) in inventories	**145.06**	(1,141.75)
Decrease/(increase) in trade receivables	**(178.83)**	(403.88)
Increase / (decrease) Trade payables	**(273.28)**	330.61
Decrease / (Increase) in financial assets	**1.42**	(22.54)
Decrease / (Increase) in non-financial assets	**179.76**	11.21
Increase / (decrease) in financial iabilities	**(179.95)**	266.47
Increase / (decrease) in other liabilities	**87.00**	(27.29)
Cash Generated from Operations	**4,089.65**	2,846.60
Taxes Paid	**(927.83)**	(907.65)
Net Cash flow from Operating Activities (A)	**3,161.82**	1,938.95
B. Cash Flow From Investing Activities		
Purchase of Property plant and equipment and intangible assets incl. CWIP	**(639.13)**	(1,047.76)
Proceeds from sale of assets	**0.50**	6.87
Investment in Subsidiary	**-**	-
Movement in other bank balances	**(924.56)**	(106.61)
Interest Received	**235.59**	277.74
Net cash flow generated/(used) from investing activities (B)	**(1,327.61)**	(869.76)
C. Cash flows from financing activities		
Proceeds from/(repayment of) short-term loans and borrowings, net	**(728.02)**	93.27
Dividend paid	**(380.00)**	(405.21)
Interest paid	**(58.57)**	(63.82)
Net cash from/(used in) financing activities (C)	**(1,166.59)**	(375.76)
Net increase in cash and cash equivalents (A+B+C)	**667.62**	693.43
Cash and cash equivalents at the beginning of the period/year	**930.92**	237.49
Cash and cash equivalents at the end of the year	**1,598.54**	930.92
Component of Cash and Cash Equivalent		
Cash in Hand	**0.04**	0.16
Balance with banks In current Account	**521.94**	331.70
Cash Credit-Debit Balance	**75.56**	556.57
Fixed Deposits with maturity less than 3 months	**1,001.00**	42.49
Total Cash and Cash Equivalents in Cash Flow Statement	**1,598.54**	930.92

1. The above cash flow statement has been prepared under the Indirect Method set out in the Ind AS-7 specified under Section 133 of the Companies Act 2013.

2. Previous year figures have been regrouped and recasted wherever necessary to conform to the current classification.

As per our report of even date
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn. No. 000513S

Shravan. K
Partner
Membership No. 215798

Place: New Jersey
Date : 30-05-2026

For and on behalf of Board of Directors

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G. Subba Rao
C F O
Place: Hyderabad
Date : 30-05-2026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

NOTE NO. 1

CORPORATE INFORMATION:

Veljan Denison Limited (the "Holding Company") is a Public Limited Company incorporated on 19th December, 1973 with its Registered Office at Plot No A 18&19, APIE, Balanagar, Hyderabad 500 037 Telangana State. The Company is engaged in the business of Manufacturing of Hydraulic Pumps, Motors, Valves and Custom Built Power Packs. The Company is listed on Bombay Stock Exchange Limited, Mumbai.

The consolidated financial statements comprise financial statements of Holding Company and its subsidiaries, (the Holding Company and its subsidiaries together referred as 'the Group').

The consolidated financial statements of the company for the year ended March 31, 2026 are approved for issue by the Company's Board of Directors on May 30, 2026.

List of Subsidiaries with percentage holding			% of holding	
Subsidiaries	Country of Incorporation	Parents	March 31, 2026	March 31, 2025
Adan Holdings Limited	UK	Veljan Denison Limited	100%	100%
Adan Limited	UK	Adan Holdings Limited	100%	100%

MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

1. Material Accounting Policies:

1.1. Statement of Compliance:

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under section 133 of the Companies Act 2013, amendments there to and other relevant provisions of the Act.

1.2. Basis of Preparation of Financial Statements.

These Ind AS Financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been consistently except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hither to in use.

The consolidated financial statements are presented in INR(Rs.) which is the functional currency of the Holding company, and all values are rounded off to the nearest lakhs except when otherwise indicated.

1.3. Classification of Assets and Liabilities as Current and Non Current:

The Company has determined its operating cycle as 12 months for the purpose of classification of current and non-current assets and liabilities. This is based on the nature of product and the time between the acquisition of inventories for processing and their realization in cash and cash equivalents.

Deferred tax assets and deferred tax liabilities are classified as non –current assets and liabilities.

1.4. Principles of Consolidation

The consolidated financial statements relate to Veljan Denison Limited ('Holding Company') and its subsidiaries ('the Group')

"Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control."

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group Companies are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other Equity'in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity. Non-controlling interests in the net assets of consolidated subsidiaries consists of:

a) The amount of equity attributable to noncontrolling interests at the date on which investment in a subsidiary is made; and

b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

1.5. Use of Estimates & Judgments:

The estimates and Judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances.

1.6. Property, Plant and Equipment – Tangible Assets:

i. Property, Plant and Equipment other than land are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

ii. Capital Work In Progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

iii. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation and Amortization Method:

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the assets costing Rs. 5000/- or below on which depreciation is charged @ 100%.

Depreciation on additions is being provided on pro rata basis from the date of such additions. Depreciation on assets sold, discarded or demolished during the year is being provided up to the date on which such assets are sold, discarded or demolished.

The estimated useful lives for the Property, plant and equipment are as follows:

Asset Classification	Useful Life
Buildings	30-60 Years
Electrical Installations	10 Years
Plant & Equipment	15 Years
Furniture & Fixtures & Canteen Equipements	10 Years
Office Equipment	3-5 Years
Vehicles	8 Years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

1.7. Intangible Assets:

Intangible assets are stated at cost less accumulated amortization. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

Intangible assets are amortized over their useful life.

1.8. Impairment of Assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for Impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value.

Recoverable value: Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of profit and loss in the year in which an asset identified as impaired.

1.9. Cash & Cash Equivalents:

For the purpose of presentation in the statement of cashflows, cash and cash equivalents includes cash on hand, deposits held at call with principal institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.10. Trade Receivable:

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

1.11. Inventory:

Inventories of raw materials, consumable stores and packing materials are valued at cost on weighted average method, finished goods and work in process are valued at cost on weighted average method or realisable value whichever less. Jigs & Fixtures and patterns are valued after providing for amortisation at 20% and 10% respectively under written down value method. Initial tools were capitalised and amortised at 10% on written down value and further issue of tools are charged to revenue as and when issued.

1.12. Financial Instrument:

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

a. Financial Asset:

Initial recognition and measurement:

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that company commits to purchase or sell the asset.

Subsequent Measurement:

For the purpose of subsequent measurement financial assets are classified as measured at:
1) Amortised cost
2) Fair value through profit and loss (FVTPL)
3) Fair value through Other Comprehensive Income (FVTOCI)

Financial Asset measured at amortized cost:

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flow 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 are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

The company while applying above criteria has classified all the financial assets (except investments in equity share) at amortized cost

Financial Assets Measured at fair value through other comprehensive Income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets collecting contractual cash flow that are solely payment of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI) interest income measured using the EIR method and impairment losses, if any are recognized in the statement of Profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of profit and loss.

Financial Assets at fair value through profit or loss (FVTPL):

Financial Asset are measured at fair value through profit & loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit & loss.

De-recognition of Financial Assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivable. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

b. Financial Liabilities

Initial recognition and measurement:

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent Measurement:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial Liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

All the financial liabilities of the company are subsequently measured at amortised cost using effective interest method.

De recognition of Financial Liabilities

A financial liability shall be de recognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

1.13. Foreign Currency Transactions:

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

1.14. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

1.15. Revenue Recognition:

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

a. Sale of Products:

Revenue from the sale of goods is recognised when delivery has taken place and control of the goods has been transferred to the customer according to the specific to the specific delivery term that have been agreed with the customer and when there are no longer any unfulfilled obligations.

b. Interest Income:

Interest on deposits with Government departments and financial Institutions are recognized in statement of profit and loss when the right to receive/receivable during the period.

1.16. Employee Benefits:

Short-term employee benefits are expensed as the related service is provided. A Liability is recognised for the amount expected to be paid 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 obligation can be estimated reliably.

a. Defined Contribution Plans:

Contribution towards provident fund for employees is made to the regulatory authorities, where the company has no further obligations. Such benefits are classified as defined Contribution schemes as the company does not carry any further obligations, apart from the Contributions made on a monthly basis.

b. Defined benefit plans:

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contribution to LIC.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI) net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of profit and loss.

1.17. Taxes on Income:

Tax expense comprises of current and deferred tax:

a. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act.

b. Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

1.18. Provisions:

Provisions are recognized when, as a result of past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

1.19. Contingent Liabilities:

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

1.20. Claims:

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.21. 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 intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.22. Earnings per share:

The Company presents basic and diluted earnings per share (‘EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

1.23. Cash flow statement:

Cash flows are reported using the Indirect method. Whereby profit for the period is adjusted for effects of transactions of a non-cash nature. Any deferrals are accruals of past or future operating cash receipts or payments and item of Income or expenses associated with investing or financing cash flows. The cash flows from operating investing and financing activities of the company are segregated.

1.24. Segment Reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company’s Chief Operating Decision Maker (“CODM”) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. The operations of the company are related to one segment i.e Hydraulic equipment.

1.25. 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.

1.26. Recent Accounting Pronouncements:

a) Application of New and amended standards

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. During the year ended March 31, 2026, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 applicable to the Company w.e.f. 1st April, 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

i) Amendments to Ind AS 21 - Lack of exchangeability

The amendment requires the Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments do not have a material impact on the Company's financial statements.

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

Amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8. The amendments have not resulted in additional disclosures and have not had an impact on the classification of Company's liabilities.

iii) Amendments to Ind AS 12 – International Tax Reform Pillar Two Model Rules.

Amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date

The mandatory temporary exception – the use of which is required to be disclosed applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendments had no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules.

iv) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.
The amendments do not have a material impact on the Company's financial statements.

b) Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, up to the date of issuance of the financial statements.

1.27. The areas involving critical estimates or judgments are:

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions in accounting estimates are recognized prospectively.

The areas involving critical estimates or judgments are:

Estimates of useful life of property, plant and equipment and intangibles
Measurement of defined benefit obligation
Recognition of deferred taxes
Estimation of impairment
Estimation of provision and contingent liabilities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs. Lakhs)

NOTE NO. 2 - PROPERTY, PLANT & EQUIPMENT

S. No.	Particulars	GROSS BLOCK			
		As at 01.04.2025	Additions	Deductions	As at 31.03.2026
a.	**Land**				
	Land	1,270.14	-	-	1,270.14
b.	**BUILDING**				
	Factory Buildings	2,391.95	-	-	2,391.96
	Other Buildings	379.16	-	-	379.16
c.	**PLANT & EQUIPMENT**				
	Water Works	4.31	-	-	4.31
	Electrical Installations	30.69	-	-	30.69
	Plant and Machinery	10,916.44	648.73	6.00	11,559.14
	Inspection & Testing Equipments	228.65	17.34	-	245.99
	Office Equipments	207.65	12.81	-	220.46
	Air conditioners	19.17	-	-	19.17
	Furniture & Fixtures	223.13	2.06	-	225.19
	Canteen Equipments	5.65	-	-	5.65
	Vehicles	147.95	10.28	-	158.23
	Material Handling Equipments	43.17	52.41	-	95.58
	Sub Total	**15,868.06**	743.63	6.00	**16,605.69**
d.	**CAPITAL WORK IN PROGRESS**				
	Capital Work in progress	219.29	3.72	-	223.01
	Sub Total	219.29	3.72	-	223.01
e.	**INTANGIBLE ASSETS**				
	Software	112.27	0.30	-	112.57
	Sub Total	112.27	0.30	-	112.57
	Grand Total	**16,199.62**	747.65	6.00	**16,941.27**

The land balance includes an amount of Rs. 4.74 Crores pertaining to TGIIC land at Pashamylaram for which the registration yet to be completed.

Aging of Capital Work in Progress as on 31.03.2026

	Particulars	**<1 Year**	1-2 years	2-3 years	> 3 Years
a.	**Projects in progress**				
1.	Machinery	3.72	5.44	35.38	45.53
	Sub Total	**3.72**	**5.44**	**35.38**	**45.53**
b.	**Project temporarily suspended (Factory)**	-	-	-	132.94
	Sub Total	-	-	-	**132.94**
	Total (A+B)	**3.72**	**5.44**	**35.38**	**178.47**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs. Lakhs)

DEPRECIATION				NET BLOCK	
As at 01.04.2025	**For the period on Assets value**	**Deductions**	**As at 31.03.2026**	**As at 31.03.2026**	**As at 31.03.2025**
-	-	-	-	1,270.14	1,270.14
363.37	64.21	-	427.58	1,964.37	2,028.59
56.12	5.96	-	62.08	317.08	323.04
4.07	0.01	-	4.08	0.23	0.24
6.38	2.56		8.94	21.75	24.31
5,777.22	510.84	1.91	6,286.15	5,273.02	5,139.22
162.72	5.72	-	168.44	77.55	65.93
182.85	7.33	-	190.18	30.28	24.80
15.03	0.52	-	15.55	3.62	4.14
144.02	19.22	-	163.24	61.95	79.11
0.70	0.47	-	1.17	4.48	4.95
15.63	22.90	-	38.53	119.70	132.32
26.81	2.18	-	28.99	66.59	16.36
6,754.92	**641.92**	**1.91**	**7,394.93**	**9,210.76**	**9,113.14**
-	0.00	-	-	223.01	219.29
-	0.00	-	-	223.01	219.29
106.98	1.71	-	108.69	3.88	5.29
106.98	1.71	-	108.69	3.88	5.29
6,861.90	**643.63**	**1.91**	**7,503.62**	**9,437.65**	**9,337.72**

Total
90.07
90.07
132.94
132.94
223.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 3		
OTHER FINANCIAL ASSET - NON CURRENT:		
a) Rental Deposits	**32.16**	38.78
b) Security Deposits Recoverable (TSCPDCL & Telephones)	**52.82**	52.82
TOTAL	**84.98**	91.60
NOTE NO.4		
OTHER NON CURRENT ASSETS:		
a) Advance for Capital Purchases	**2.78**	102.32
b) Advance with Gratuity Fund (LIC Funded)	**11.27**	43.24
TOTAL	**14.05**	145.56
NOTE NO. 5		
INVENTORIES:		
As valued and Certified by the Management		
a) Raw Materials* (Valued at cost on weighted average method)	**2898.58**	3,124.00
b) Finished Goods (Valued at cost on weighted average method or realisable value which ever is less)	**1011.04**	1,101.06
c) Stores & Spares (Valued at cost on weighted average method)	**219.99**	214.12
d) Stock-in-Process (Valued at cost on weighted average method or realisable value which ever is less)	**3054.82**	2,944.58
e) Jigs &Fixtures, Patterns and Tools & Implements	**253.79**	228.71
TOTAL	**7438.22**	7,612.47
All inventories of the company have been hypothecated to secure borrowing s of the Company (Refer Note No.15)		
*Details of Raw materials		
Steels	**584.04**	567.28
Castings	**550.54**	660.99
Components	**1430.75**	1,400.63
Imported Material	**333.25**	495.10
TOTAL	**2898.58**	3,124.00
NOTE NO. 6		
TRADE RECEIVABLES:		
a) Trade receivables considered good- secured	**-**	-
b) Trade receivables considered good-unsecured	**3629.50**	3,438.67
c) Trade receivable which have significant increase in credit risk	**-**	-
d) Trade Receivable - credit impaired	**33.61**	45.61
TOTAL	**3663.11**	3,484.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

TRADE RECEIVABLE OUTSTANDING FOR THE FOLLOWING PERIODS FROM DUE DATE OF PAYMENT

Peroid	Undisputed trade receivable considered good	Undisputed trade receivables Credit impaired	Disputed trade receivables considered good	Disputed trade receivables Credit impaired	Total
As on 31.03.2026					
<6months	**3656.81**	-	-	-	3656.81
6 months to 1 year	**2.22**	-	-	-	2.22
1 - 2 Years	**0.00**	-	-	-	-
2 - 3 Years	**30.93**	-	-	-	30.93
> 3 Years	**50.90**	-	-	33.61	84.51
TOTAL	**3740.86**	-	-	**33.61**	**3774.47**
Less: Expected credit loss allowance	**77.75**	-	-	33.61	111.36
TOTAL	**3663.11**	-	-	-	**3663.11**
As on 31-03-25					
<6months	**3315.67**	-		-	3,315.67
6 months to 1 year	**19.39**	-	-	-	19.39
1 - 2 Years	**98.98**	-	-	-	98.98
2 - 3 Years	**46.14**	-	-	-	46.14
> 3 Years	**41.49**	-	-	45.61	87.10
TOTAL	**3521.67**	-	-	**45.61**	**3567.28**
Less: Expected credit loss allowance	**37.39**	-	-	45.61	83.00
TOTAL	**3484.28**	-	-	0.00	**3484.28**

NOTE NO. 7

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
CASH AND CASH EQUIVALENTS:		
a) Balances With Scheduled Bank Accounts:		
i) In Current Accounts	**521.94**	331.70
ii) In Cash Credit- (Debit Balance)	**75.56**	556.57
b) Cash on Hand	**0.04**	0.16
c) Fixed Deposits - HDFC Bank (Below 3 Months deposit)	**1001.00**	42.49
TOTAL	**1598.54**	930.92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 8		
OTHER BANK BALANCES CURRENT:		
a) Bank Deposits with maturity period less than 12 months	**4719.56**	3797.51
b) Balance with Banks against Dividends payments	**53.48**	50.98
TOTAL	**4773.04**	3,848.49

*During the year ended March 31, 2026, there was delay in transferring Rs. 2.13 lakhs pertaining to FY 2017-2018 to the Investor Education and Protection Fund (IEPF), which was due on 29 October 2025 but was transferred on 27 January 2026.

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 9		
SHORT TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)		
Staff advances	**16.40**	11.52
TOTAL	**16.40**	11.52
NOTE NO. 10		
OTHER FINANCIAL ASSETS - CURRENT:		
a) Security deposits recoverable	**104.43**	104.11
b) Interest Receivables	**96.25**	36.07
TOTAL	**200.68**	140.18
NOTE NO. 11		
OTHER CURRENT ASSETS:		
a) Advance for purchase of Raw materials & Stores	**93.92**	179.30
b) Pre-paid Expenses	**33.56**	38.30
c) Claim Receivable (VAT)	**194.06**	194.06
d) G S T Receivable	**197.79**	288.56
e) Other Receivable	**55.36**	63.43
TOTAL	**574.69**	763.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 12

SHARE CAPITAL:	AS AT 31-03-2026		AS AT 31-03-2025	
	Numbers	**Rs.**	Numbers	Rs.
A. AUTHORISED				
Equity Shares of Rs 10/- each	**60,00,000**	**600.00**	60,00,000	600.00
	60,00,000	**600.00**	60,00,000	600.00
B. ISSUED, SUBSCRIBED AND PAID UP				
Equity Shares of Rs 10/- each fully paid up	**45,00,000**	**450.00**	45,00,000	450.00

C. Terms / rights attached to equity shares

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

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

D. Reconciliation of the shares out standing at the beginning and at the end of Year:

Particular	As At 31st March 2026		As At 31st March 2025	
	No of Shares held	**Rs. in Lakhs**		
			No of Shares held	Rs. in Lakhs
Equity Share Capital				
Share Outstanding at the beginning of the Year	**45,00,000**	**450**	22,50,000	225
Shares Issued during the Year	**-**	**-**	22,50,000	225
Share redeemed/bought back during the Year	**-**	**-**	-	-
Shares outstanding at the end of the Year	**45,00,000**	**450**	45,00,000	450

E. Details of Share Holders Holding more than 5% Shares in the company

	As At 31st March 2026		As At 31st March 2025	
Name of the Share Holder	**No of Shares Held**	**No of Shares Held%**	No of Shares Held	Shares Held%
Equity Shares				
V Chukkamamba	**8,83,988**	**19.64**	8,82,940	19.62
Gangadhar Srinivas Velamati	**7,71,564**	**17.15**	4,06,858	9.04
V C Janardan Rao	**-**	**-**	6,19,506	13.77
Veljan Investments Ltd	**4,87,900**	**10.84**	4,87,900	10.84
Sri krishna Uppaluri	**2,53,752**	**5.64**	-	-
Veljan Hydrair Limited	**3,39,660**	**7.55**	3,39,660	7.55

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

F. Details of Shareholding of Promoters

Shares held by Promoters at the end of the year

Promoter Name	AS AT 31-03-2026 No. of Shares	% of total shares	% Change during the year
V Chukkamamba	**8,83,988**	19.64	(0.12)
Gangadhar Srinivas Velamati	**7,71,564**	17.15	(89.64)
Veljan Investments Ltd	**4,87,900**	10.84	-
Sri krishna Uppaluri	**2,53,752**	5.64	(100.00)
Veljan Hydrair Limited	**3,39,660**	7.55	-
Umadevi Uppaluri	**2,21,668**	4.93	-
Sarojinidevi Kilaru	**1,99,704**	4.44	-
Lalithadevi Sanjay Jayavarthanavelu	**1,96,170**	4.36	-
Suxus Systems Ltd	**13,104**	0.29	-
JDM Hydropneumatics Limited	**6,684**	0.15	-
Total	**33,74,194**	74.99	-

Shares held by Promoters at the end of the year

Promoter Name	AS AT 31-03-2025 No. of Shares	% of total shares	% Change during the year
V Chukkamamba	**8,82,940**	19.62	47.86
V C Janardan Rao	**6,19,506**	13.77	100.00
Veljan Investments Ltd	**4,87,900**	10.84	100.00
Gangadhar Srinivas Velamati	**4,06,858**	9.04	751.88
Veljan Hydrair Limited	**3,39,660**	7.55	100.00
Umadevi Uppaluri	**2,21,668**	4.93	100.00
Sarojinidevi Kilaru	**1,99,704**	4.44	100.00
Lalithadevi Sanjay Jayavarthanavelu	**1,96,170**	4.36	100.00
Suxus Systems Ltd	**13,104**	0.29	100.00
JDM Hydropneumatics Limited	**6,684**	0.15	100.00
Total	**33,74,194**	74.99	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 13		
OTHER EQUITY:		
a) Security Premium		
At the beginning and at the end of the period	**45.00**	45.00
Closing Balance	**45.00**	45.00
b) Capital Redemption Reserve		
At the beginning and at the end of the period	**3.00**	3.00
Closing Balance	**3.00**	3.00
c) Investment Allowance Reserve Utilised		
At the beginning and at the end of the period	**12.80**	12.80
Closing Balance	**12.80**	12.80
d) General Reserve		
At the beginning and at the end of the period	**20,981.81**	19,183.54
Add: Current Year Transfer	**2,081.00**	1,798.26
Closing Balance	**23,062.81**	20,981.80
e) Retained earnings		
At the beginning of the period	**909.91**	900.11
Add: For the period	**2,583.70**	2,415.56
Other comprehensive income for the year (net of tax)	**(30.81)**	-
Total Surplus	**3,462.80**	3,315.67
Less: Appropriations:		
Dividend on Equity Shares	**382.50**	382.50
Transfer to General Reserve	**2,081.00**	1,798.26
Transfer to Share Capital	**-**	225.00
At the end of the period	**999.30**	909.91
f) Foreign Currency Translation Reserve	**517.63**	175.08
TOTAL	**24,640.54**	22,127.59
NOTE NO. 14		
LONG TERM BORROWING		
a) Vehicle Loan	**31.51**	52.43
Security details and other terms for the above vehicle loan secured by hypothication of the respective vehicle		
TOTAL	**31.51**	52.43

Security and Terms of Repayment:
The above vehicle loan secured by hypothication of the respective vehicle. The Vehicle Loan carries an interest rate of 8.76% p.a and payable in 36 Equated Monthly Installments of Rs. 1.57 Lakhs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 15		
SHORT TERM BORROWING:		
SECURED		
1. Working Capital Loans :		
a) Cash Credit From : Canara Bank	-	-
b) Cash Credit From : H D F C Bank Ltd	-	43.68
c) Cash Credit From : H S B C Bank Ltd	55.04	719.43
TOTAL	55.04	763.11
2. Current maturities of long term debit (refer note no.14)	25.12	24.13
TOTAL	25.12	24.13
TOTAL	80.16	787.24

Working Capital Loans from banks are Canara Bank, HDFC Bank and HSBC Bank. The Loans are repayable on demand, which are secured on pari pasu basis by hypothecation of Raw Materials, Work-in-Process, Finished Goods, Stores&spares and Book Debts and second charge on the fixed Assets of the Company. Further guaranteed by One Director of the company in the Capacity to the extent of Rs. 2,000 Lakhs (excluding HSBC Bank).

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 16		
TRADE PAYABLES:		
Sundry creditors		
a) Micro and Small Enterprises	330.83	839.21
b) Other than Micro and Small Enterprises	713.21	478.11
TOTAL	1044.04	1,317.32

Note No. 16a Trade payable aging Schedule

Particulars	Unbilled dues	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
As on 31.03.2026						
i) MSME	-	330.83	-	-	-	330.83
ii) Others	-	679.22	19.05	6.56	8.38	713.21
iii) Disputed dues MSME	-	-	-	-	-	-
iv) Disputed dues others	-	-	-	-	-	-
TOTAL	-	1010.05	19.05	6.56	8.38	1044.04
As on 31.03.2025						
i) MSME	-	839.21	-	-	-	839.21
ii) Others	-	452.12	6.98	5.27	13.75	478.11
iii) Disputed dues MSME	-	-	-	-	-	-
iv) Disputed dues others	-	-	-	-	-	-
TOTAL	-	1291.33	6.98	5.27	13.75	1,317.32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
NOTE NO. 17		
OTHER FINANCIAL LIABILITIES - CURRENT:		
a) Unclaimed Dividends	**53.48**	50.98
b) Creditors for Capital Purchases	**61.26**	52.29
c) Creditors - Expenses	**771.58**	952.57
TOTAL	**886.32**	1,055.84
NOTE NO. 18		
OTHER CURRENT LIABILITIES:		
a) Advance from Customers	**54.71**	53.94
b) Statutory Liabilities		
i) Tax Deducted at Source	**8.78**	11.57
ii) Goods and Service Tax	**230.73**	237.69
iii) Other Statutory Dues	**107.20**	10.20
TOTAL	**401.42**	313.40

	Current Year 31-03-2026	Previous Year 31-03-2025
NOTE NO. 19		
REVENUE FROM OPERATIONS :		
Sale of Products		
Pumps, Motors, Valves & Spares	**16,382.78**	15,537.71
Scrap Sales	**25.21**	32.23
TOTAL	**16,407.99**	15,569.94
Notes:		
a) Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss:	**16,417.02**	15,573.32
Revenue as per contracted price	**9.03**	3.38
Less: Discounts		
TOTAL	**16,407.99**	15,569.94
Revenue from contract with customers		
b) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers:		
Trade Receivables (Refer Note 7)	**3,663.11**	3,484.28
Contract Liabilities (Refer Note 18a)	**54.71**	53.94

The contract liabilities primarily related to the advance consideration received from the customers.

c) Performance obligation:

All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company does not have any remaining performance obligation for sale of goods or rendering of services which remains unsatisfied as at March 31, 2026 and March 31, 2025.

d) Disaggregation of revenue:

Refer Note 53 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contract with customers".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars		Current year 31-03-2026	Previous Year 31-03-2025
NOTE NO. 20			
OTHER INCOME:			
A. INTEREST INCOME ON			
a) Margin Money&Fixed Deposits		**295.77**	264.66
B. OTHER NON - OPERATING INCOME			
a) Miscellaneous Receipts		**8.45**	16.15
b) Credit Balances Written Back		**6.08**	8.00
	TOTAL	**310.30**	288.81
NOTE NO. 21			
COST OF MATERIALS CONSUMED* :			
Opening Stock		**2539.94**	2,145.79
Add: Purchases		**5791.04**	6,388.12
		8330.98	8,533.91
Less Closing stock		**2241.19**	2,539.94
	TOTAL	**6089.79**	5,993.97
Imported and Indigeneous Raw material Consumed			
Imported		**295.15**	248.64
% of Consumption		**4.85**	4.15
Indigeneous		**5794.64**	5,745.33
% of Consumption		**95.15**	95.85
	TOTAL	**6089.79**	5,993.97
*Details of Raw Material Consumed			
Steel Consumed		**764.19**	774.20
Castings Consumed		**2191.68**	2,215.45
Components Consumed		**2838.79**	2,755.68
Imported Material Consumed		**295.13**	248.64
	TOTAL	**6089.79**	5,993.97
NOTE NO. 22			
CHANGES IN INVENTORIES OF STOCK IN TRADE AND STOCK IN PROCESS:			
(Increase)/Decrease of Stocks			
Stock in Trade at the beginning of the period		**1101.06**	1,009.67
Stock-in-Process at the beginning of the period		**2944.58**	2,436.90
	TOTAL	**4045.64**	3,446.58
Stock in Trade at the end of the period		**1011.04**	1,101.06
Stock-in-Process at the end of the period		**3054.82**	2,944.58
	TOTAL	**4065.86**	4,045.64
(Increase) / Decrease in Stocks		**(20.22)**	(599.06)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Particulars		Current year 31-03-2026	Previous year 31-03-2025
NOTE NO. 23			
EMPLOYEE BENEFIT EXPENSES			
a) Salaries, Wages and Bonus		**1829.59**	1,707.61
b) Contribution to Provident Fund		**48.55**	48.23
c) Workmen & Staff Welfare Expenses		**54.36**	68.10
d) Group Gratuity & Deposit Linked Insurance		**30.11**	28.44
e) Contribution to Employee State Insurance		**11.43**	11.46
	TOTAL	**1974.04**	1,863.84
NOTE NO. 24			
FINANCE COST:			
Interest on Working Capital & Other Loans		**40.08**	27.18
Bank Charges		**18.49**	36.64
	TOTAL	**58.57**	63.82
NOTE NO. 25			
DEPRECIATION & AMORTISATION EXPENSES:			
a) Depreciation on Property, Plant & Equipment		**641.92**	600.62
b) Amortisation of Intangible Assets		**1.71**	3.31
	TOTAL	**643.63**	603.93
NOTE NO. 26			
OTHER EXPENSES:			
Job Expenses		**2086.02**	2,263.31
Stores Consumed		**632.44**	591.54
Packing Material Consumed		**182.75**	220.38
Carriage Inward		**131.16**	96.21
Power and Fuel		**396.54**	378.26
Repairs & Maintenance:			
Building		**11.19**	16.66
Plant and Machinery		**104.47**	119.05
Others		**123.79**	130.43
Tools & Dies written off		**29.19**	26.17
Rent		**59.83**	56.26
Licenses and Taxes		**63.26**	34.32
Insurance		**45.13**	48.23
Printing & Stationery		**15.63**	16.70
Postage & Telephones		**8.63**	8.89
Travelling & Conveyance		**39.48**	39.41
Foreign Travelling Expenses		**29.19**	7.62
Vehicle Maintenance		**10.36**	12.23
Professional & Legal Charges		**131.33**	97.75
Selling & Distribution Expenses		**26.86**	24.70
Advertisement		**9.99**	66.08
Remuneration to Auditors:			
For Audit Fees		**4.50**	4.50
For Tax Audit Fees		**1.50**	1.50
Donations		**0.12**	0.12
C S R Expenses (Refer Note 32)		**31.66**	44.87
General Expenses		**78.15**	90.73
Loss on Sale of fixed assets		**3.59**	6.94
Prior Period Expenses		**0.11**	
R & D Expenditure		**91.69**	85.12
Expected credit loss allowance		**28.36**	42.00
Bad Debts Written Off		**20.90**	40.62
Penalties		**3.18**	56.89
	TOTAL	**4401.00**	4,627.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 27

1. Reconciliation of Tax Expenses

INCOME TAX:

Particulars	Current Year 31-03-2026	Previous Year 31-03-2025
Amount recognized in statement of Profit and Loss account		
Current Tax	**922.35**	819.67
Deferred tax expenses (income)	**65.43**	113.16
Total income tax expenses for the year	**987.78**	932.83
Reconciliation of effective tax rate		
Profit before tax	**3,571.48**	3,304.76
Enacted tax in India	**25.17%**	25.17%
Computed Tax Expense at Enacted tax India	**898.94**	831.81
Effect of Non Deductible Expenses	**16.90**	25.61
Effect of Earlier Tax	**38.16**	6.96
Others	**33.78**	68.45
TOTAL	**987.78**	932.83
Effective tax rate	**27.66**	28.23

NOTE NO. 28

Particulars	AS AT 31-03-2026	AS AT 31-03-2025
Deferred Tax Liabilities on:		
Property, Plant and Equipment	**742.38**	703.63
Foreign Currency translation difference	**11.92**	-
Deferred Tax Asset on:		
Expenditure allowable on payment basis under Section 43B of Income Tax Act, 1961	**37.57**	53.89
Deferred Tax Liability (Net)	**716.73**	649.74

B. Movement in deferred tax liabilities

Particulars	Balance as on 01.04.2025	Recognised in P & L	Recognised in OCI	Balance as on 31.03.2026
Deferred Tax Liabilities on:				
Property, Plant and Equipment	703.63	38.75	-	742.38
Foreign Currency translation difference				11.92
Deferred Tax Asset on:				
Expenditure allowable on payment basis under Section 43B of Income Tax Act, 1961	53.89	26.68	10.36	37.57
Net deferred tax charge/(income) and deferred tax liabilities	**649.74**	**65.43**	**(10.36)**	**716.73**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 29

Fair Value Measurement Hierarchy:

Valuation techniques with significant unobservable inputs:

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market date (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transaction in the same instrument nor are they based on available market data.

The following table provide the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy as at 31st, March, 2026

Particulars	**Fair Value hierarchy (level)**	**As at 31.03.2026**	As at 31.03.2025
Financial Asset measured at amortized cost			
Loans to employees	3	16.40	11.52
Security Deposits	3	32.16	38.78

NOTE NO. 30

Financial Risk Management:

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

I. Market Risk
Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of financial instruments. The value of a financial instrument may change as a result of changes in the interest rates. Foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including instruments and deposits, foreign currency receivables, payable and borrowings.

II. Commodity Risk
Commodity price risk arises due to fluctuation in raw material prices linked to various external factors, which can affect the production cost of the Company. The Company actively manages inventory and in many cases sale prices are linked to major raw material prices. These risks are reviewed and managed by senior management on continuous basis.

III. Credit Risk:
Credit risk arises when a customer or counter party does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk its operating activities (primarily trade receivables) and from its financing / investing activities including deposits with banks. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

IV. Liquidity Risk
Liquidity risk is defined as the risk that the company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company 's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

V. Technology Risk
The Company operates in a highly technical field with constant innovation and continuous evolution in technologies used. The company mitigates this risk through regular contact with customers, regular reviews of new technological trends, continuous improvement and investment in its manufacturing practices, along with investments in research, design, and development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 31

Capital Management:

The Company's objectives when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and the benefits for other stakeholders.
2. Maintain an optimal capital structure to reduce the cost of Capital Consistent with others in industry, the company monitors capital on the basis of the following gearing ratio:

Debt/to equity ratio

Particulars	**As at 31-03-2026**	As at 31-03-2025
Debt	**80.16**	787.24
Equity	**24,640.54**	22,127.59
Debt to equity ratio	**0.003**	0.04

No changes were made in the objectives, policies or processed for managing capital during the years ended 31st March 26 and 31st March 25

NOTE NO. 32

CORPORATE SOCIAL RESPONSIBILITY:

As per section 135 of the Company Act 2013, a Company has to spend 2% of its average net profits of three immediate preceding financial Years as details below.

Particulars	**Year Ended 31-03-2026**	Year Ended 31-03-2025
a) Amount required to be spent by the Company during the year	**51.88**	46.85
b) Amount of expenditure on construction/acquisition of any asset	**-**	-
c) Amount of expenditure other than B above	**31.66**	43.56
d) Set of previous year carry forward amount against the shortfall	**20.22**	3.29
e) Short fall at the end of the year	**-**	-
f) Details of related party transaction	**-**	-
g) Nature of CSR Expenses		
i) Eradicating Hunger, Poverty and malnutrition activities		
ii) Disaster Management activities		
iii) Other Activities		
h) Carry forward balance	**-**	37.94

NOTE NO. 33

CONTINGENT LIABILITIES

Particulars	**As at 31-03-2026**	As at 31-03-2025
A. Contingent Liabilities not provided for on account of		
1) Towards Guarantees and Letters of credit issued by bank to the extent of	**79.45**	174.92
2) Goods and Service Tax Matters	**71.51**	145.17
B. Commitments		
Capital Commitment		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities as follows:		
Building, Plant and Equipment	**8.23**	71.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 34

Employee benefits plan

a) Defined contribution plans

Refer Note No. 23 for the Company's contribution to the defined contribution plans with respect to employee benefit funds i.e Provident Fund and Employees' State Insurance Scheme.

b) Defined benefit plan

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

1. Changes in Present Value of obligations as on 31/03/2026

Particulars	**Year Ended 31-03-2026**	Year Ended 31-03-2025
Present Value of Obligations at the beginning of the year	**141.58**	160.37
Interest Cost	**9.58**	12.58
Current Service Cost	**19.51**	15.06
Benefits paid	**(8.63)**	(17.49)
Actuarial Loss on Obligation	**41.74**	(28.94)
Present Value of Obligation at the end of the year	**203.78**	141.58
Fair Value of plan assets at the beginning of the year	**184.82**	188.94
Return on plan assets	**13.46**	12.58
Contributions by the employer	**24.84**	-
Benefits paid	**(8.63)**	(17.49)
Actuarial (gain)/loss on plan assets	**0.55**	0.79
Fair value of plan assets as at the end of the Year	**215.04**	184.82
Calculation of benefit liability/(asset)		
Defined benefit obligation	**203.77**	141.58
Fair value of plan assets	**215.02**	184.82
Net defined benefit liability/(asset) as at the end of the year	**(11.27)**	(43.24)
Assumptions		
Discount Rate	**7.70%**	6.98%
Salary Growth Rate	**5.00%**	5.00%
Expected Rate of Return on Plan Assets	**7.63%**	7.68%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 35

EARNINGS PER EQUITY SHARE:

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
a) Profit after tax all relentable to equity shareholders	**2,583.70**	2,371.93
b) Weighted average number of equity shares of Rs10/- each	**45.00**	45.00
Earning per Equity Share (Basic and Diluted) (a) / (b)	**57.42**	52.71

NOTE NO. 36

ANALYTICAL RATIOS:

S.No.	Ratio	Period	Numerator	Denominator	As at 31-03-2026	As at 31-03-2025	% of Variance	Reason for Variance
1.	Current Ratio	2026	18,336	2,412	7.60			Variance on account of increase in deposits and bank balance and decrease in liabilities
		2025	16,846	3,474		4.85	56.77	
2.	Debt-Equity Ratio	2026	80	25,091	0.00			Variance on account of decrease in short term borrowings and increased reserves
		2025	787	22,578		0.03	(90.84)	
3.	Debt Service Coverage Ratio	2026	4274	27	159			Variance on account of increase in earnings and increase in long term borrowing repayments (Loan availed in FY 24-25)
		2025	3973	10		383	(58.40)	
4.	Return on Equity Ratio	2026	2,584	23,834	0.11			
		2025	2,372	21,533		0.11	(1.59)	
5.	Inventory Turnover Ratio	2026	6,070	7,525	0.81			
		2025	5,395	7,055		0.76	5.47	
6.	Trade Receivables Turnover Ratio	2026	16,408	3,574	4.59			
		2025	15,570	3,282		4.74	(3.22)	
7.	Trade Payables Turnover Ratio	2026	5,791	1,181	4.90			
		2025	6,388	1,152		5.55	(11.55)	
8.	Net Capital Turnover Ratio	2026	16,408	15,924	1.03			
		2025	15,570	13,474		1.16	(10.83)	
9.	Net Profit Ratio	2026	2,614	16,408	0.16			
		2025	2,416	15,570		0.16	2.71	
10.	Return on Capital Employed Ratio	2026	3,630	25,915	0.14			
		2025	3,369	24,062		0.14	0.06	
11.	Return on Investment Ratio	2026	-	-	-	-	-	There were no investments
		2025	-	-		-	-	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 37

Title deeds of immovable properties:

The title deeds of all the immovable properties, as disclosed in note no.2 to the financial statements, are held in the name of the Company.

NOTE NO.38

Valuation of Property Plant&Equipment, intangible asset:

The Company has not revalued its property, plant and equipment or intangible assets or both during the current year.

NOTE NO. 39

Loans or advances to specified persons:

No loans or advances in the nature of loans are granted to Promoters, Directors, Key Management Personnels and the related parties(as defined under Companies Act,1913) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

NOTE NO. 40

Details of benami property held:

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

NOTE NO. 41

Borrowing secured against current assets:

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

NOTE NO. 42

Wilful defaulter:

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

NOTE NO. 43

Relatonship with struck off Companies:

The Company has no transactions with the Companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 44

Registration of charges or satisfaction with Registrar of Companies (ROC):

The Company does not have any charges to be registered/satisfied as at March 31,2026 with Registrar of Company(ROC). However, as per records available with the ROC, the following charges appear to be registered in respect of the Company as on March 31, 2026:

Charge holder name	Amount
1. Mercedes-Benz Financial Services India (P) Limited	50.00
2. The Hongkong and Shanghai Banking Corporation Limited	1,000.00
3. HDFC Bank Ltd	2,900.00
4. Canara Bank	1,900.00

NOTE NO. 45

Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Section 2 (87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

NOTE NO. 46

Compliance with approved scheme(s) of arrangements:

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

NOTE NO. 47

Utilisation of borrowed funds and share premium:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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 (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 NO. 48

Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

NOTE NO. 49

Details of crypto currency or virtual currency:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 50

Utilisation of borrowings availed from banks and financial intuition:

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

NOTE NO. 51

Disclosure of Related party Transaction (As per Ind AS)

A. Key Management Personnel (KMP)

Sri U. Sri Krishna	MD & CEO
Mrs. K. Ramyanka Yadav	Company Secretary and Compliance Officer
Mr. G. Subba Rao	C F O

B. Non Executive Directors

Sri Srinivas VG	Non-Executive and Non-Independent Director
Smt. U. Uma Devi	Non-Executive and Non-Independent Director
Sri G. Narayana Rao (Till 15.09.2025)	Independent Director
Sri A. Suresh	Independent Director
Sri Manish Mohan Motwani	Independent Director
Sri Vidya Sagar G	Independent Director

C. Entities in which the key management and their relations are interested

1. M/s. Veljan Hydrair Ltd
2. M/s. Veljan Investments Ltd
3. M/s Suxus Systems Ltd
4. M/s JDM Hydro Pnuematics Ltd
5. M/s. Ecmat Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

A. Transactions during the year

Particulars	Key Management Personnel*		Directors*		Enterprises in which the Key Management Personnel and their relatives are interested	
	Current Year 31-03-2026	Previous Year 31-03-2025	Current Year 31-03-2026	Previous Year 31-03-2025	Current Year 31-03-2026	Previous Year 31-03-2025
i) Short-term employee benefits:						
Remuneration	**63.18**	55.58	**8.50**	8.80	**-**	-
Commission	**90.47**	84.51	**28.95**	33.80	**-**	-
ii) Sale of Goods:						
Veljan Hydrair Limited					**5,716.22**	5,294.72
Ecmat Limited					**0.38**	1.00
Suxus Systems Limited					**38.55**	22.17
iii) Purchase & Expenses						
Veljan Hydrair Limited					**68.79**	40.58
Suxus Systems Limited					**2,063.06**	2,260.38
iv) Rent & Other Expenses						
Veljan Investments Limited					**97.41**	60.83
v) Job Work Expenses:						
Ecmat Limited					**2,325.24**	2,501.79
B. Balances as at 31.03.2026						
Payables	**91.87**	86.94	**28.95**	33.80	**604.69**	728.89
Receivables					**1,404.22**	1,480.68

* Post Employee Benefits are actuarially determined on overall basis and hence not seperately provided

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

NOTE NO. 52

Due To Micro and Small Enterprises

The Micro and Small Enterprises have been identified on the basis of the information available with the company. This has been relied upon by the auditors. Due to such parties are given below.

Particulars	As at 31-03-2026	As at 31-03-2025
a) The principal amount remaining unpaid as at the end of the year.	**330.83**	839.21
b) The amount of interest accrued & remaining unpaid at the end of the year.	-	-
c) Amount of interest paid by the company in term of section 16,of MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
d) Amount of interest due and payable for the period of delay in making payment without the interest specified under the MSMED Act, 2006.	-	-
e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2016.	-	-

NOTE NO. 53

Segment information

The Company deals in only one business segment of manufacturing and sale of Hydraulics products and the Chief Operating Decision Maker (CODM) reviews the operations of the Company as a whole, hence there is no reportable segments as per Ind AS 108 "Operating Segments". The management considers that the various goods provided by the Company constitutes single business segment, since the risk and rewards from these products are not different from one another. However the Company has disclosed the following geographical information as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026 (Figures in Rs Lakhs)

Geographic information

a) Revenue from external customers

Particulars	**Year Ended 31.03.2026**	Year Ended 31.03.2025
Within India	14,718.19	14,094.43
Outside India	1,689.80	1,475.50
Total	**16,407.99**	**15,569.93**

b) Segment Assets

Non-Current Operating Assets*	**Year Ended 31.03.2026**	Year Ended 31.03.2025
Within India	15,809.87	16,277.68
Outside India	1,654.74	1,581.73

*Other than financial assets, deferred tax assets, Income Tax Asset

c) Information about major customers

There is 1 customer who individually contribute more than 10 percent of the entity's revenue.

NOTE NO. 54

Subsequent Events

The Board of Directors in their meeting held on 30th May 2026 have proposed a final dividend of Rs. 8.50/- per equity share for the year ended 31st March 2026 which is subject to the approval of shareholder at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately Rs. 382.50 lakhs.

NOTE NO. 55

"Pursuant to the notification/implementation of the Labour Codes, namely the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Labour Codes"), the Company has assessed the potential impact of the changes on employee benefit obligations, including gratuity and leave-related benefits, based on the information currently available and applicable guidance.

Based on the assessment carried out by the management, the impact of the Labour Codes on the Company's financial statements is not material. Accordingly, the impact, if any, has been considered and recognised as part of employee benefits expense in the financial results for the year ended March 31, 2026.

The Company continues to monitor further developments, clarifications and the finalisation of related rules/implementation aspects and will evaluate and account for any consequential impact, if required, in future periods"

NOTE NO. 56

Previous Year's figures have been regrouped wherever necessary to correspond with the current year's figures, except when otherwise stated, the figures are presented in Rs. lakhs.

As per our report of even date
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn. No. 000513S

Shravan. K
Partner
Membership No. 215798

Place: New Jersey
Date : 30-05-2026

For and on behalf of Board of Directors

Srinivas VG
Director
DIN. 00181826

K. Ramyanka Yadav
CS & CO
Membership No.A45483

U. Sri Krishna
MD & CEO
DIN. 08880274

G. Subba Rao
C F O
Place: Hyderabad
Date : 30-05-2026

VELJAN DENISON LIMITED
(CIN: L29119TG1973PLC001670)
Registered Office: A18,19, A P I E, Balanagar, Hyderabad, Telangana – 500 037.
Phone: +91-40-2776 3525 / 23773963
Email: info@veljan.in **Website:** www.veljan.in

ATTENDANCE SLIP

52nd Annual General Meeting

I hereby state that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on Saturday, the 29th day of August, 2026 at 11.00 A.M. at Plot No. A18 & 19, APIE, Balanagar, Hyderabad - 500 037, Telangana, India, or / any adjournment thereof.

Name of the attending Shareholder:………………………………………………………………………………………..............
(in block letters)

Name of the Proxy:……………………………………………………………………………...……………………...........
(to be filled in if proxy attends)

Signature of Shareholder:…………………………………………………………………….………………………...........

Signature of Proxy:………………………………………………………………………………………………..............

Registered Folio Number: or DP / Client ID No. ……………………………………………………………………..............

Number of Shares held: ………………………………………………………………………………………………..............

Note:

1. Shareholders/proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the entrance, affixing their signature on them.

2. Members are informed that no duplicate attendance slips will be issued at the venue of the meeting.

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VELJAN DENISON LIMITED

(CIN: L29119TG1973PLC001670)
Registered Office: A18,19, A P I E, Balanagar, Hyderabad, Telangana – 500 037.
Phone: +91-40-2776 3525 / 23773963
Email: info@veljan.in **Website:** www.veljan.in

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Shareholder(s): ....
Address of the Shareholder(s):...
E-mail Id:...Folio No. / DP id & Client id:...

I /We being the member(s) of ……………… Shares of Veljan Denison Limited, hereby appoint:

1. Name:..
Address:..
E-mail Id:.. Signature:................................. or failing him:

2. Name:..
Address:..
E-mail Id:.. Signature:.................................. or failing him:

3. Name:..
Address:..
E-mail Id:.. Signature:................................. or failing him:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 52nd Annual General Meeting of the Company on Saturday, the 29th day of August, 20265 at 11.00 A.M. at Plot No. A 18 & 19, APIE, Balanagar, Hyderabad - 500 037, Telangana, India, or/any adjournment thereof in respect of such resolutions as per attachment enclosed.

Ordinary Business:

1. a) To receive, consider and adopt the audited financial statements of the Company for the financial year ended on March 31, 2026 together with the reports of the Board of Directors and the Auditors thereon, and
   b) To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended on March 31, 2026 together with the report of the Auditors thereon
2. To declare a dividend of Rs. 8.50/- per equity share of Rs. 10/- each on the paid-up capital of Rs. 4.50 Crores of the paid up capital for the financial year ended March 31, 2026.
3. To elect and appoint a Director in place of Mr. V G Srinivas (DIN.00181826), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

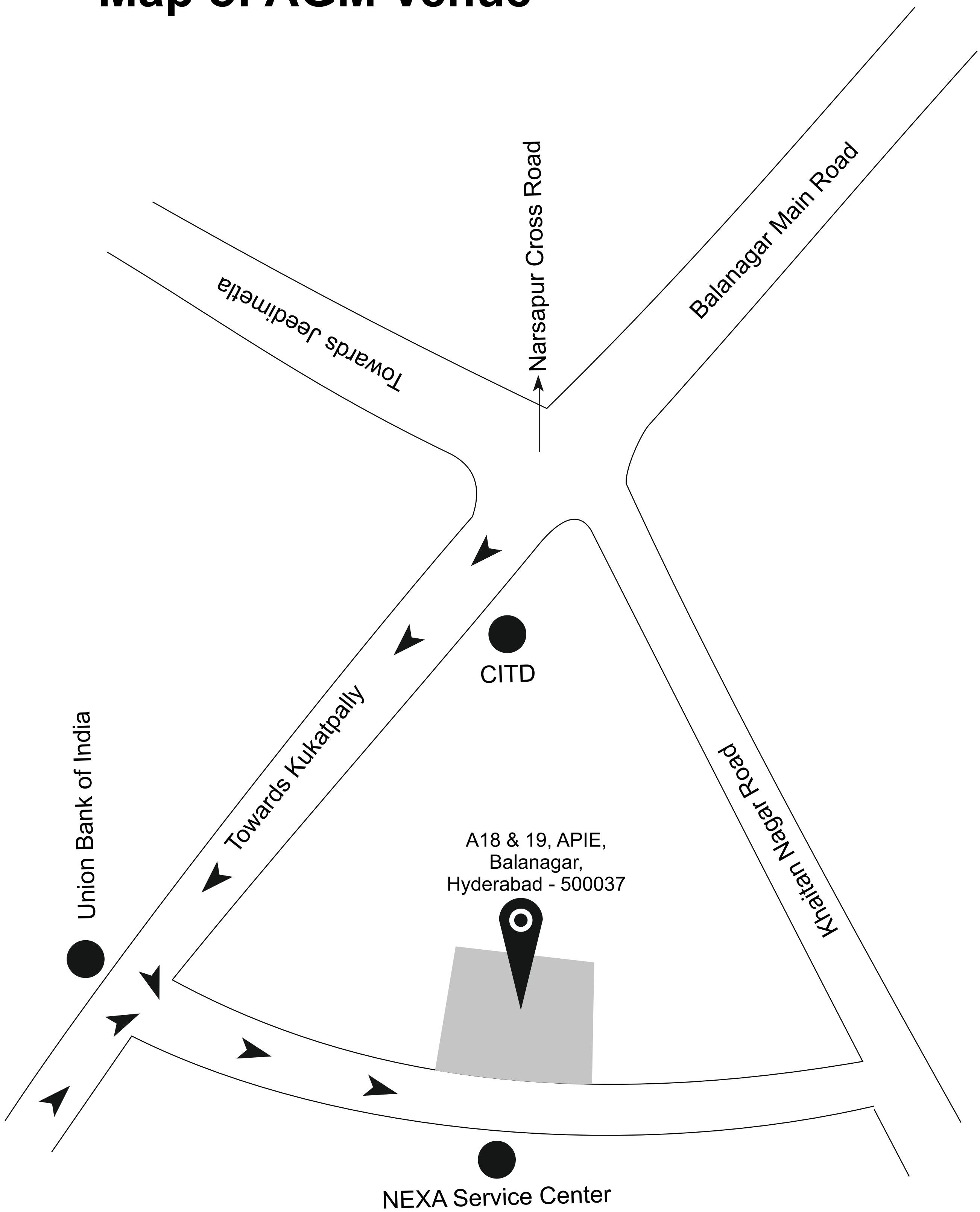
4. Appointment of Mr. Ramesh Kumar Nimmagadda (DIN 10506458) as an Independent Director of the Company.
5. Appointment pf Prof. Sunaina Singh (DIN 08397250) as an Independent Director of the Company
6. Re-appointment of Dr. Suresh Akella (DIN.06931014) as an Independent Director of the Company for the second consecutive term of 5 years.
7. Adoption of New Memorandum of Association of the Company in conformity with the Companies Act, 2013.
8. Adoption of New Articles of Association of the Company in conformity with the Companies Act, 2013.
9. Alteration of Main Objects Clause of the Memorandum of Associations of the Company.
10. Ratification of the remuneration Cost Accountants for the financial year 2026-27.
11. To approve material related party transaction to be entered with M/s Veljan Hydrair Limited, Related Party.
12. To approve material related party transaction to be entered with M/s Suxus Systems Limited, Related Party
13. To approve material related party transaction to be entered with M/s ECMAT Limited, Related Party.

Signed this…………………day of ………………..…….2026 (Affix Revenue Stamp)

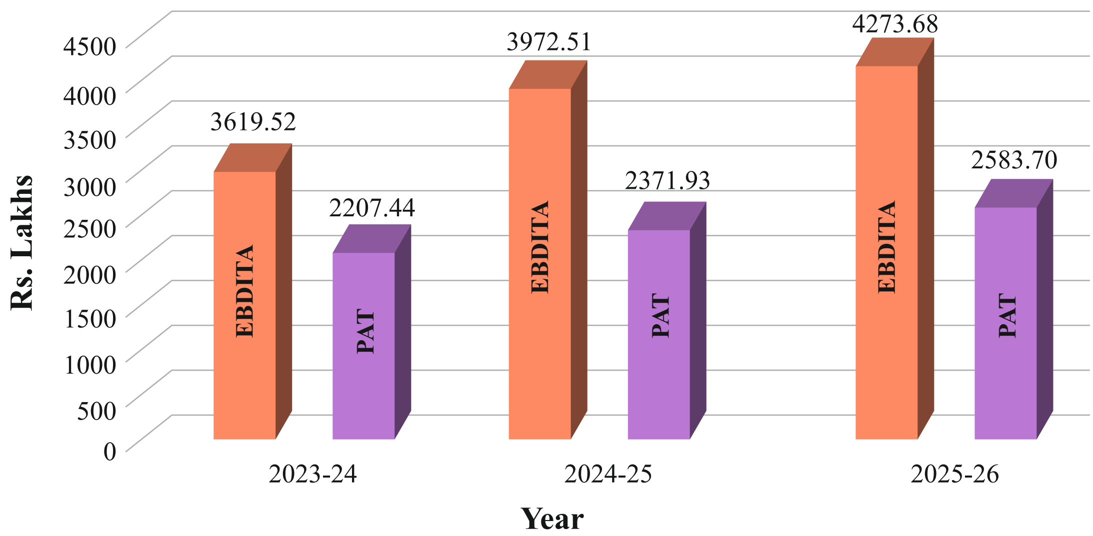
Signature of Shareholder………………………..Signature of Proxy holder(s)……………...

Note: The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

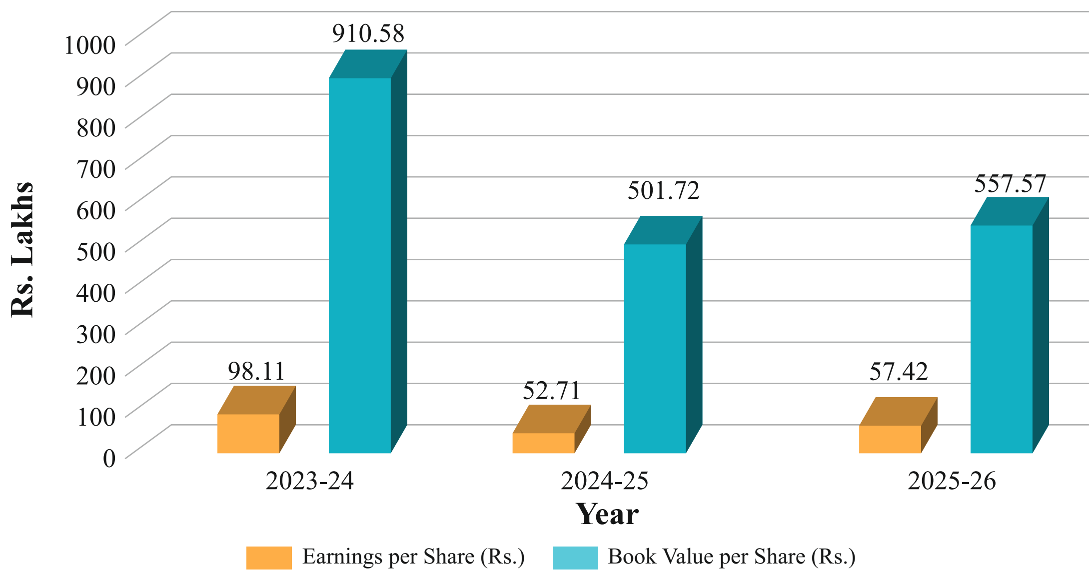
Map of AGM Venue



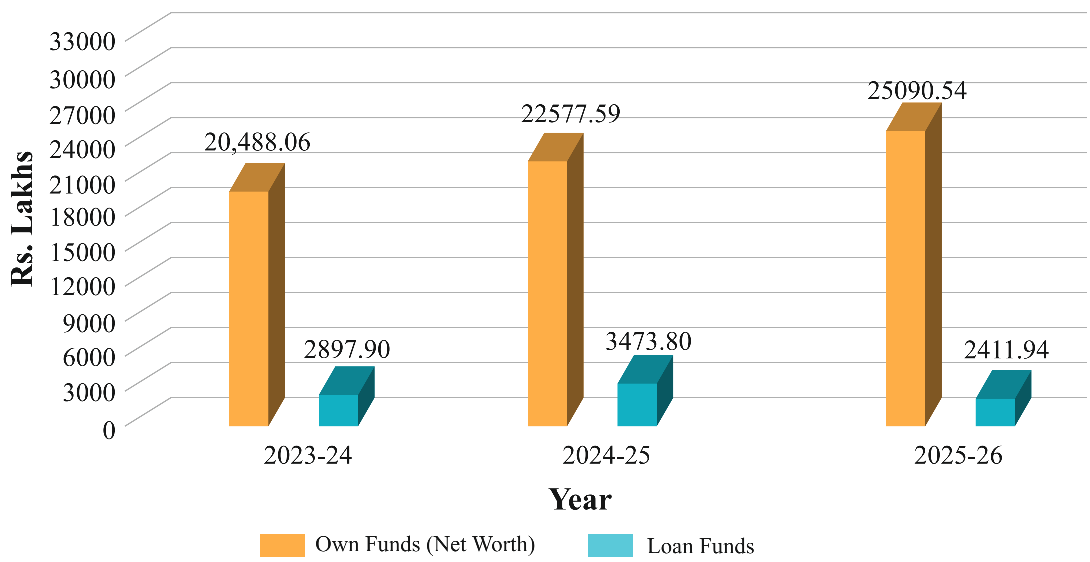
PROFIT TREND



EARNING PER SHARE & BOOK VALUE



CAPITAL EMPLOYED



*Note: The downstream variance in Earning Per Share and Book Value is due to issue of Bonus Shares in the Financial Year 2024-25.

Veljan Denison Limited

Regd. Office: A18,19, A P I E, Balanagar, Hyderabad, Telangana – 500 037

Factory: Plot No. 10A, Phase - 1, IDA, Patancheru, Sangareddy (Dist) - 502 319, Telangana, India.