SEDEMAC™

Mechatronics Limited

(Formerly Known as SEDEMAC Mechatronics Private Limited)

ANNUAL REPORT 2024-25

BOARD REPORT

To the Members,
SEDEMAC Mechatronics Limited
(Formerly SEDEMAC Mechatronics Private Limited)
Mumbai

Your Directors have pleasure in submitting their 18th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2025.

FINANCIAL RESULTS / STATE OF COMPANY'S AFFAIRS:

The summarized standalone results of your Company are given in the table below:

(Amt. in Rupees Millions)

Particulars	Financial Year Ended	
	31/03/2025	31/03/2024*
Revenue from Operations	6,583.63	5,306.53
Other Income	41.73	52.43
Total Income	6,625.36	5,358.96
Profit/(loss) before Depreciation & Tax	1,130.38	446.76
Less: Depreciation	453.39	358.63
Profit/(Loss) Before Tax	676.99	88.13
Less: Provision for Income Tax (including for earlier years)	129.00	62.50
Less: Provision for Deferred Tax	77.54	(33.15)
Net Profit/(Loss) After Tax	470.45	58.78
Less: Dividend Distribution (including Interim)	--	--
Less: Amount Transferred to General Reserve	--	--
Profit/(Loss) carried to Balance Sheet	470.45	58.78

Earnings per share:		
Basic (in Rs.)	16,392	2,169
Diluted (in Rs.)	16,232	2,087

** Previous year's Figures have been regrouped / rearranged wherever necessary*

DIVIDEND:

Considering the necessity of conserving resources for the future growth and expansion of the Company, the Board of Directors do not recommend payment of dividend on the Equity Shares of the Company for the financial year ended 31st March 2025.

CONVERSION OF COMPANY INTO PUBLIC COMPANY:

The members of the Company approved the conversion of the Company from Private to Public at their Extra-Ordinary General Meeting held on 07th June, 2024. The Company has received approval from the Registrar of Companies, Central Processing Centre, and converted the company from Private to Public with effect from 02nd September 2024.

TRANSFER OF UNCLAIMED AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND:

During the financial year, the Company did not have any funds lying unpaid or unclaimed for a period of seven years as contemplated under Section 125 of the Companies Act, 2013. Accordingly, no amounts were required to be transferred to the Investor Education and Protection Fund (IEPF).

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which these financial statements relate and the date of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

During the year under review, the Company has not made any loans, given any guarantees, or made any investments under Section 186 of the Companies Act, 2013. Accordingly, the disclosures required under Section 134(3)(g) of the Companies Act, 2013 are not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE 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 the business. There are no materially significant related party transactions made by the company with Promoters or other designated persons, which may have potential conflict with interest of the company at large required to be reported herein.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint Venture, or Associate Company. Accordingly, no further disclosures are required in this regard.

CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the Nature of Business during the year under review.

DEPOSITS:

Your Company has neither accepted / renewed any deposits during the year nor has any outstanding Deposits in terms of Section 73 to 76 of the Companies Act, 2013.

SHARE CAPITAL:

As on 31st March, 2025, the issued, subscribed and paid up share capital of your Company stood at Rs. 2,83,070/- (Rupees Two Lakhs Eighty Three Thousand Seventy Only), comprising 28,307 (Twenty Eight Thousand Three Hundred Seven) Equity Shares of Rs. 10/- (Rupees Ten only) each.

All Compulsory Convertible Preference Shares were converted in to Equity Shares as approved vide Board Resolution dated 31st May, 2024.

The company has not issued shares with differential voting rights, sweat equity, Bonus Shares. Further, the Company has not bought back any of its securities during the year under review.

The Company has issued following Shares during the financial year under review:

1) 160 Equity Shares under ESOP
2) 1,014 Equity Shares on Preferential Basis under Private Placement route
3) 15,921 Equity Shares upon conversion of Preference Shares

The details as required under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 in respect of Employee Stock Option Scheme is given as per **Annexure I** attached herewith.

DIRECTORS AND KEY MANAGERIAL PERSONNEL AND CHANGES AMONG THEM:

During the year under report, there is a change in the constitution of the Board as follows:

a. Mr. Sandeep Singhal (DIN: 00422796) and Mr. Paul Robine (DIN: 07828525) resigned as Directors with effect from 30th May, 2024.

b. Mr. Bhavya Kapoor (DIN: 06686157) and Mr. Abhay Pandey (DIN: 01650845) were appointed as Additional Directors with effect from 30th May, 2024.

c. The Members of your Company, in the Extra-Ordinary General Meeting held on 31st May, 2024, reappointed Mr. Bhavya Kapoor (DIN: 06686157) and Mr. Abhay Pandey (DIN: 01650845) as Directors of the Company.

d. The Board of Directors of the Company, vide circular resolution dated 20th February, 2025, appointed Mr. Namakal Srinivasan Parthasarathy (DIN: 00146954) as an Additional Non-Executive Independent Director of the Company for a term of 5 (five) years with effect from 21st February, 2025, subject to approval of members.

e. The Board of Directors of the Company, vide circular resolution dated 21st March, 2025, appointed Ms. Poyni Bhatt (DIN: 09052397) as an Additional Non-Executive Independent Director of the Company for a term of 5 (five) years with effect from 22nd March, 2025, subject to approval of members.

f. Based on the recommendation of the Nomination & Remuneration Committee and pursuant to the approval of the Board of Directors of the Company dated 26th March, 2025, Mr. Shashikanth Suryanarayanan (DIN: 01269904) was re-designated as Managing Director of the Company for a period of 3 (Three) years with effect from 26th March, 2025, subject to approval of members and the central government.

g. Based on the recommendation of the Nomination & Remuneration Committee and pursuant to the approval of the Board of Directors of the Company dated 26th March, 2025, Mr. Amit Dixit (DIN: 01288169) was re-designated as Joint Managing Director of the Company for a period of 3 (Three) years with effect from 26th March, 2025, subject to approval of members.

Details of changes in the Board composition after the closure of the financial year and until the date of this Report are as under:

h. Based on the recommendation of the Nomination & Remuneration Committee and pursuant to the approval of the Board of Directors of the Company dated 13th May, 2025, Mr. Manish Sharma (DIN: 01310490) was appointed as Additional Director and further appointed as Whole Time Director for a period of 3 (Three) years with effect from 14th May, 2025.

i. Based on the recommendation of the Nomination & Remuneration Committee and pursuant to the approval of the Board of Directors of the Company dated 13th May, 2025, Mr. Rajesh Sheth was appointed as Chief Financial Officer and Mr. Prasad Chavan as Company Secretary of the Company with effect from 14th May, 2025.

j. The Members of your Company, in the Extra-Ordinary General Meeting held on 29th May, 2025, re-designated Mr. Shashikanth Suryanarayanan (DIN: 01269904) as Managing Director, subject to approval of the central government, re-designated Mr. Amit Dixit (DIN: 01288169) as Joint Managing Director, appointed Mr. Manish Sharma (DIN: 01310490) as

Whole Time Director, reappointed Mr. Namakal Srinivasan Parthasarathy (DIN: 00146954) and Ms. Poyni Bhatt (DIN: 09052397) as Independent Directors of the Company.

k. Based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, vide circular resolutions dated 21st June, 2025, appointed Mr. Udo Edgar Wolz (DIN: 11142797) as an Additional Non-Executive Director of the Company for a term of 3 (three) years with effect from 01st July, 2025, subject to approval of members.

l. The Members of your Company, in the Extra-Ordinary General Meeting held on 23rd June, 2025, reappointed Mr. Udo Edgar Wolz (DIN: 11142797) as a Non-Executive Director of the Company.

Mr. Amit Dixit, Joint Managing Director (DIN 01288169) of the Company being longest in office, is liable to retire by rotation and being eligible offers himself for reappointment. The Board recommends his reappointment as a Director of the Company.

Pursuant to the provisions of Section 203 of the Act, Mr. Shashikanth Suryanarayanan, Managing Director (MD) and Mr. Amit Dixit, Joint Managing Director (JMD) and Mr. Manish Sharma, Whole Time Director (WTD) and Mr. Rajesh Sheth, Chief Financial Officer and Mr. Prasad Chavan, Company Secretary, are the KMPs of the Company.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

During the financial year under review, the Company had **10 (Ten)** Board Meetings held on 29 April 2024, 22 May 2024, 30 May 2024, 31 May 2024, 19 July 2024, 04 September 2024, 24 October 2024, 27 January 2025, 05 March 2025, and 26 March 2025.

The intervening gap between the meetings was in accordance with the provisions of the Act and the Secretarial Standards issued by the Institute of Company Secretaries of India.

The details of attendance of each Director at the Board Meetings are as follows:

Name of Director	No. of Meeting Attended
Mr. Shashikanth Suryanarayanan	10
Mr. Sandeep Singhal	-
Mr. Paul Robine	-
Mr. Amit Dixit	9
Mr. Abhay Pandey	5
Mr. Bhavya Kapoor	6
Mr. Namakal Srinivasan Parthasarathy	2
Ms. Poyni Bhatt	1

INTERNAL FINANCIAL CONTROLS:

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

COMMITTEES OF THE BOARD

Audit Committee:

In accordance with the provisions of Section 177 of the Companies Act, 2013, the Board has constituted an Audit Committee on 26th March, 2025.

Details of the composition of the Audit Committee are as follows:

No.	Name of Committee Members	Designation	Position in Committee
1	Poyni Bhatt	Non-Executive Independent Director	Chairperson
2	Namakal Srinivasan Parthasarathy	Non-Executive Independent Director	Member
3	Shashikanth Suryanarayanan	Managing Director	Member

During the financial year under review, there was no Audit Committee meeting held.

Nomination & Remuneration Committee:

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board has constituted the Nomination & Remuneration Committee on 26th March, 2025.

Details of the composition of the Nomination and Remuneration Committee are as follows:

No.	Name of Committee Members	Designation	Position in Committee
1	Namakal Srinivasan Parthasarathy	Non-Executive Independent Director	Chairperson
2	Poyni Bhatt	Non-Executive Independent	Member

		Director	
3	Bhavya Kapoor	Director	Member

During the financial year under review, **1 (One)** Nomination and Remuneration Committee Meeting was held on 26 March 2025.

The details of attendance of each Director at the Nomination and Remuneration Committee Meeting are as follows:

Name of Director	No. of Meeting Attended
Mr. Namakal Srinivasan Parthasarathy	1
Ms. Poyni Bhatt	1
Mr. Bhavya Kapoor	1

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

VIGIL MECHANISM:

The Company has established Vigil Mechanism and has Vigil Mechanism in line with the requirements of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

The Company has in place a mechanism to identify, assess, evaluate, monitor and mitigate various risks to key business objectives.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of CSR were applicable to the Company for FY 2024-25. The brief outline of CSR Policy of the Company and other details about the CSR as per the Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as **Annexure II** attached to this report. The requirement of constitution of CSR Committee was not applicable for the FY 2024-25 as the CSR liability of the Company is less than Rs. 50 Lakhs as stated under Section 135 (9) of the Companies Act, 2013.

AUDITORS:

Statutory Auditors:

M/s. B S R & Co. LLP, Chartered Accountants, (having Firm Registration No: 101248W / W-100022) were appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting held on 29.12.2020 and their term shall conclude as the Statutory Auditors at ensuing Annual General Meeting. M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) are proposed to be reappointed as the Statutory Auditors of the Company for the period of 5 (five) years at ensuing Annual General Meeting. The Company has received consent and eligibility from M/s. B S R & Co. LLP, Chartered Accountants.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments and modifications thereof, the Board of Directors of the Company has appointed M/s. Nilesh Shah & Associates, Practising Company Secretaries, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "**Annexure III**".

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS:

With regard to the comments made by the Statutory Auditors on the accounting software without a feature with an audit trail (edit log) for maintaining books of account, the Company has implemented certain changes in the accounting software/ERP system and is in the process of establishing the necessary controls and documentation related to audit trail and edit log functionalities.

The other comments by the auditors in their report read along with information and explanation given in notes to accounts are self-explanatory and do not call for further explanation.

The Secretarial Audit Report does not carry any adverse qualification.

COST RECORDS AND COST AUDITORS:

The Company has maintained Cost Records as required under section 148 of the Companies Act, 2013.

The Company has appointed M/s. A. J. Paranjape & Co., Cost Accountants as Cost Auditors of the Company pursuant to the provisions of section 148 of the Companies Act, 2013 read with Rules made there under for the financial year 2024-25 at the board meeting held on 19th July, 2024.

SECRETARIAL STANDARD:

The Company has complied with the applicable Secretarial Standards.

DETAILS OF FRAUD:

There were no frauds, which are reported to have been committed by employees or officers of the Company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no material orders passed by the judicial or quasi-Judicial Authority which affects the Going Concern Status of the Company during the year under review.

ANNUAL RETURN:

The Annual Return of the Company is available on the website of the Company and can be accessed at www.sedemac.com.

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

(A) CONSERVATION OF ENERGY

(i)	Steps taken or impact on conservation of energy	Regular Efforts are made to conserve the energy at all levels. The Company is taking every possible step to conserve energy wherever possible and also organize regular training of employees to achieve the same. Several environment friendly measures were adopted by the Company to conserve energy.
(ii)	Steps taken by the company for utilizing alternate sources of energy	The Company is using electricity as main source of energy. The Company is not required to use any other alternate source of energy.
(iii)	Capital Investment on energy conservation equipment's;	NIL

(B) TECHNOLOGY ABSORPTION:

(i)	the efforts made towards technology absorption:	Assimilation, adaptation and innovation of technology in an expeditious manner is given continuous importance.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	During the year, the Company continued to invest in research and development (R&D) activities aimed at enhancing product performance, reducing production costs, and improving manufacturing efficiency. These efforts resulted in notable product improvements and the development of next-generation technology solutions.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	N.A.
	(a) the details of technology imported;	
	(b) the year of import;	
	(c) whether the technology been fully absorbed;	

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;		
(iv) the expenditure incurred on Research and Development.	Capital Expenditure Revenue Expenditure Total	Rs. 292.71 Millions Rs. 151.29 Millions **Rs. 444.00 Millions**

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earning: Rs. 34.11 Millions
Foreign Exchange Outgo: Rs. 26.39 Millions
Net Exchange Gain: Rs. 7.72 Millions

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

There was no instance / complaint reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has constituted the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and made its endeavor to comply with the provisions of the said law to the extent applicable.

Following are the details of complaints reported under the Act:

(a) Number of complaints of sexual harassment received in the year: 02
(b) Number of complaints disposed off during the year: 02
(c) Number of cases pending for more than ninety days: Nil

APPLICATIONS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

There were no applications made against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review. There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 by / against the Company as on March 31, 2025.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION:

During the year under review, there were no settlements made by the Company for any loan / borrowing taken from the Banks or Financial Institutions and hence no comment with regard to the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

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STATEMENT WITH RESPECT TO THE COMPLIANCE TO THE PROVISIONS RELATING TO THE MATERNITY BENEFITS ACT, 1961:

The Company has complied with the provision of the Maternity Benefits Act, 1961 to the extent applicable.

ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors deeply appreciate the committed efforts put in by employees at all levels, whose continued commitment and dedication contributed greatly for achieving the goals set by your Company. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

Note: All figures are in INR Millions unless otherwise stated.

For and on behalf of the Board of Directors
For SEDEMAC Mechatronics Limited
(Formerly known as SEDEMAC Mechatronics Private Limited)

Shashikanth Suryanarayanan
Managing Director
DIN: 01269904

Amit Dixit
Joint Managing Director
DIN: 01288169

SEDEMAC MECHATRONICS LIMITED

Date: 25th August 2025
Place: Bengaluru

Annexure I

Details as required under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 in respect of Employee Stock Option Scheme

The Company instituted the ESOP 2014 w.e.f. 01.04.2014. The objective of ESOP 2014 is to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The Company amended ESOP Plan by passing shareholders resolution in Annual General Meeting held on 29.12.2020.

The following table sets forth the particulars of the options granted under ESOP 2014:

Sr. No.	Particulars	Remarks
1	Options Granted (during the year)	0
2	Options Vested (during the year)	110
3	Options exercised (during the year)	160
4	Total number of shares arising as a result of exercise of option	160
5	Options lapsed / forfeited / cancelled	0
6	The exercise price	Ranging from Rs. 10 to Rs. 5,50,000 as per Option Grant Letters
7	Variation of terms of options	N.A.
8	Money realized by exercise of options	Rs. 1,76,01,890/- (including Premium)
9	Total number of options in force (as on end of the year)	829
10	Employee wise details of options granted to: *(i)* key managerial personnel *(ii)* any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year;	(i) N.A (ii) N.A.

	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	(iii) N.A.

For and on behalf of the Board of Directors
For SEDEMAC Mechatronics Limited
(Formerly known as SEDEMAC Mechatronics Private Limited)

SEDEMAC MECHATRONICS LIMITED

Shashikanth Suryanarayanan
Managing Director
DIN: 01269904

Amit Dixit
Joint Managing Director
DIN: 01288169

Date: 25th August 2025
Place: Bengaluru

Annexure – II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **Brief outline on CSR Policy of the Company:**

"SEDEMAC Mechatronics Limited" is vigilant in its enforcement towards corporate principles, which the Government of India has mandated through Companies (Corporate Social Responsibility) Policy, 2014 and is committed towards sustainable development. The Board has framed a Corporate Social Responsibility Policy ("CSR Policy") in compliance with Section 135 of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy), Rules 2014 (the CSR Rules).

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Not Applicable*				

* *For the financial year under review, the Company is not required to constitute CSR Committee under Section 135(9) of Companies Act, 2013 as the CSR liability of the Company is less than Rs. 50 Lakhs.*

3. **Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:**

CSR Policy and CSR Projects are available on the Company's website on www.sedemac.com.

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:**

The requirement of carrying out the Impact assessment of CSR projects in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is not applicable to the company.

5.

a. **Average net profit of the company as per sub-section (5) of section 135:** Rs. 17,35,90,813/-

b. **Two percent of average net profit of the company as per sub-section (5) of section 135:** Rs. 34,71,816/-

c. **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:** Not Applicable

d. **Amount required to be set-off for the financial year, if any:** Rs. 15,225/-

e. **Total CSR obligation for the financial year [(b)+(c)-(d)]:** Rs. 34,56,591/-

6.

a. **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs. 36,00,000/-

b. **Amount spent in Administrative Overheads:** NIL

c. **Amount spent on Impact Assessment, if applicable:** NIL

d. **Total amount spent for the Financial Year [(a)+(b) +(c)]:** Rs.36,00,000/-

e. **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year. (in Rs.)	**Amount Unspent (in Rs.)**				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		**Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.**		
	Amount	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of transfer**
36,00,000/-	NIL	Not Applicable	Not Applicable	NIL	Not Applicable

f. Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section135	#34,56,591/-
(ii)	Total amount spent for the Financial Year	36,00,000/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	1,43,409/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	1,43,409/-

 # After setting of Rs. 15,225/-.

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

1	2	3	4	5	6		7	8
Sl. No.	**Preceding Financial Year(s)**	**Amount transferred to Unspent CSR Account under subsection (6) of section 135 (In Rs.)**	**Balance Amount in Unspent CSR Account under subsection (6) of section 135 (In Rs.)**	**Amount Spent in the Financial Year (in Rs)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any**		**Amount remaining to be spent in succeeding Financial Years (In Rs)**	**Deficiency, if any**
					Amount (in Rs)	**Date of Transfer**		
1	**2023-24**	Not Applicable						
2	**2022-23**							
3	**2021-22**							

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

The company has not created or acquired Capital assets through Corporate Social Responsibility amount spent in the Financial Year.

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the Property or asset(s)	Date of Creation	Amount of CSR Amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:**

Not Applicable

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Details of CSR Expenditure are as follows:

(1)	(2)	(3)	(4)	(5)		(7)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes /No)	Location of the project.		Amount spent for the project (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
1	Education and Nutrition	(i) & (ii)	No	Maharashtra	Pune	9,00,000	No	Tara Mobile Creches, Pune CSR00006166	
2	Afforestation and Education / recreation activities for kids	(iv) and (ii)	No	Tamilnadu	Tiruvannamalai	10,00,000	No	The Forest Way Trust CSR00021290	
3	Nutrition and Health project	(i)	No	Maharashtra	Thane	4,00,000	No	We Together Foundation CSR00034192	
4	Care & Welfare of special Persons and Rural Development Project	(x) and (ii)	No	Maharashtra	Pune	4,00,000	No	Sadhana Village, Pune CSR00003002	
5	Rehabiliation	(xii)	No	Maharashtra	Pune	9,00,000	No	Anamprem CSR00025727	
	TOTAL					36,00,000			

For and on behalf of the Board of Directors
For SEDEMAC Mechatronics Limited
(Formerly known as SEDEMAC Mechatronics Private Limited)

SEDEMAC MECHATRONICS LIMITED

Shashikanth Suryanarayanan
Managing Director
DIN: 01269904

Amit Dixit
Joint Managing Director
DIN: 01288169

Date: 25th August 2025
Place: Bengaluru

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

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

To
The Members,
SEDEMAC MECHATRONICS LIMITED
(formerly SEDEMAC MECHATRONICS PRIVATE LIMITED)
211-(Back Side) 2nd Floor, Building No. 1,
Sona Udyog, Parsi Panchayat Road,
Extn. Of Old Nagardas Road,
Andheri (East), Mumbai- 400 069.

Dear Sir / Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by **SEDEMAC MECHATRONICS LIMITED** (formerly SEDEMAC MECHATRONICS PRIVATE LIMITED) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The status of the Company was a Private Limited Company till 02nd September, 2024 and an Unlisted Public Company w.e.f. 2nd September, 2024.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2025 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

NILESH SHAH & ASSOCIATES MUMBAI C. P. No. 2631 COMPANY SECRETARIES

We further report that maintenance of proper and updated books, papers, minutes books, filing of forms and returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our Responsibility is to verify the content of the documents and returns produce before us, make objective evaluation of the content in respect of compliance and report thereon.

We have examined on test basis the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2025, according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; to the extent applicable;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment.

(v) Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'). (Since the Company is an Unlisted Public Company, the SEBI Act' are not applicable for the Audit Period).

Considering activities of the Company, there is no specific regulator / law subject to whose approval company can carry on / continue business operation and hence no comment is invited in respect of the same. We have also in-principally verified systems and mechanism which is in place and followed by the Company to ensure compliance of other applicable Laws (in addition to the above-mentioned Laws) as applicable to the Company. We have also relied on the representations made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

NILESH SHAH & ASSOCIATES MUMBAI C. P. No. 2631 COMPANY SECRETARIES

We have also examined the compliance with the applicable clauses of the Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India under the provisions of the Companies Act, 2013.

Based on the information provided by the Company, we report that, during the Audit Period, the Company has generally complied with the provisions of the Act, Rules Regulations, Guidelines, Standards, etc. mentioned herein above and we have no material observation of instances of non-compliance in respect of the same.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors during the year under review was done in compliance with the provisions of the Act.

We also report that adequate notice/s were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and short notice in case of urgency, and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officers, we herewith report that majority decisions are carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the Board/ Committee minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, there were no specific event / action that can have a major bearing on the Company's affairs except following:

NILESH SHAH & ASSOCIATES MUMBAI C. P. No. 2631 COMPANY SECRETARY

1) The status of the Company was converted from Private Limited Company to a Public Limited Company vide new Certificate of Incorporation consequent upon conversion into Public Company dated 02nd September, 2024 issued by the Registrar of Companies, Central Processing Centre.

2) All Compulsory Convertible Preference Shares were converted in to Equity Shares as approved vide Board Resolution dated 31st May, 2024.

3) The Company has issued and allotted 1,014 Equity Shares on a Preferential basis under Private Placement route.

Date: 25.08.2025

Place: Mumbai

Peer Review No.: 6454/2025

UDIN: F004554G001079969

Signature:

Name: Nilesh Shah (Partner)
For Nilesh Shah & Associates
FCS: 4554 : C. P.: 2631

NILESH SHAH & ASSOCIATES
MUMBAI
C. P. No. 2631
COMPANY SECRETARY

Note: This Report has to be read with "Annexure - A"

NILESH SHAH & ASSOCIATES

Company Secretaries

'ANNEXURE A'

To
The Members,
SEDEMAC MECHATRONICS LIMITED
(formerly SEDEMAC MECHATRONICS PRIVATE LIMITED)
211-(Back Side) 2nd Floor, Building No. 1,
Sona Udyog, Parsi Panchayat Road,
Extn. Of Old Nagardas Road,
Andheri (East), Mumbai- 400 069.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and occurrence of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 25.08.2025

Place: Mumbai

Peer Review No.: 6454/2025

UDIN: F004554G001079969

Signature:

Name: Nilesh Shah (Partner)
For Nilesh Shah & Associates
FCS: 4554 : C. P.: 2631

NILESH SHAH & ASSOCIATES MUMBAI C. P. No. 2631 COMPANY SECRETARY

211-(Back Side) 2nd Floor, Building No.1, Sona Udyog, Parsi Panchayat Road, Extn. Of Old Nagardas Road, Andheri (East), Mumbai- 400 069. Tel.: 2820 7824/ 2820 3582 E-mail : nilesh@ngshah.com

1011, C Wing, Shivam Centrium, Next to D'Mart, Sahar Road, Andheri (East), Mumbai - 400069. Tel.: 9820180091 Email: nilesh@ngshah.com; ngshah.cs@gmail.com

SEDEMAC™

Mechatronics Limited

(Formerly Known as SEDEMAC Mechatronics Private Limited)

INDEPENDENT AUDITOR'S REPORT 2024 - 25

B S R & Co. LLP
Chartered Accountants

8th floor, Business Plaza
Westin Hotel Campus
36/3-B, Koregaon Park Annex
Mundhwa Road, Ghorpadi
Pune - 411 001, India
Telephone: +91 (20) 6747 7300
Fax: +91 (20) 6747 7100

Independent Auditor's Report

To the Members of SEDEMAC Mechatronics Limited (formerly known as SEDEMAC Mechatronics Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SEDEMAC Mechatronics Limited (formerly known as SEDEMAC Mechatronics Private Limited) (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2025, 01 April 2025 and 02 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements - Refer Note 42 to the financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 48(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 48(f) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:

- The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes;
- The feature of recording audit trail (edit log) facility was not enabled for certain tables at the application layer of the accounting software used for maintaining books of accounts relating to Revenue, Receivables, Purchases, Payables and Payroll;
- the authorised privileged users had rights to make changes to the audit trail feature. However, the edit logs for changes made to the audit trail feature were not available, and hence, we are unable to determine whether changes to the audit trail feature were made during the year.

Further, due to limitations in the system configuration mentioned above, we are unable to comment whether there were any instances of the audit trail feature being tampered with.

Additionally, since the audit trail (edit log) facility was not enabled in the previous year, the audit trail has not been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Kalpesh Khandelwal

Partner

Place: Pune

Date: 25 August 2025

Membership No.: 133124

ICAI UDIN:25133124BMJHYJ9392

Annexure A to the Independent Auditor's Report on the Financial Statements of SEDEMAC Mechatronics Limited (formerly known as SEDEMAC Mechatronics Private Limited) for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (INR million)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Land	23.33	SEDEMAC Mechatronics Private Limited	No	8-9 years	The title deeds of all the immovable properties are held in the erstwhile name of the Company.
Building	15.65	SEDEMAC Mechatronics Private Limited	No	8-9 years	The title deeds of all the immovable properties are held in the erstwhile name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination

B S R & Co. 8th Floor, Business Plaza, Westin Hotel Campus, 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi, Pune-411001, India. Chartered Accountants

Annexure A to the Independent Auditor's Report on the Financial Statements of SEDEMAC Mechatronics Limited (formerly known as SEDEMAC Mechatronics Private Limited) for the year ended 31 March 2025 *(Continued)*

of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly provisions of clause 3(iii)(a) and 3(iii)(c) to 3(iii)(f) are not applicable to the Company. The Company has made investments in other parties, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are not prejudicial to the interest of the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of income-tax deducted at source ranging from 22 to 46 days and tax collected at source of 4 days.

According to the information and explanations given to us and on the basis of our examination

B S R & Co. LLP 8th Floor, Business Plaza, Westin Hotel Campus, 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi, Pune-411001 India. Chartered Accountants

Annexure A to the Independent Auditor's Report on the Financial Statements of SEDEMAC Mechatronics Limited (formerly known as SEDEMAC Mechatronics Private Limited) for the year ended 31 March 2025 *(Continued)*

of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (INR Million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income-tax	28.26	AY 2018-19, 2020-21	ITAT	

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.

Annexure A to the Independent Auditor's Report on the Financial Statements of SEDEMAC Mechatronics Limited (formerly known as SEDEMAC Mechatronics Private Limited) for the year ended 31 March 2025 *(Continued)*

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Annexure A to the Independent Auditor's Report on the Financial Statements of SEDEMAC Mechatronics Limited (formerly known as SEDEMAC Mechatronics Private Limited) for the year ended 31 March 2025 *(Continued)*

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kalpesh Khandelwal
Partner
Membership No.: 133124
ICAI UDIN:25133124BMJHYJ9392

Place: Pune
Date: 25 August 2025

Annexure B to the Independent Auditor's Report on the financial statements of SEDEMAC Mechatronics Limited (formerly known as SEDEMAC Mechatronics Private Limited) for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of SEDEMAC Mechatronics Limited (formerly known as SEDEMAC Mechatronics Private Limited) ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

B S R & Co. LLP
8th Floor, Business Plaza, Westin Hotel Campus, 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi, Pune-411001, India
Chartered Accountants

Annexure B to the Independent Auditor's Report on the financial statements of SEDEMAC Mechatronics Limited (formerly known as SEDEMAC Mechatronics Private Limited) for the year ended 31 March 2025 *(Continued)*

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kalpesh Khandelwal
Partner
Membership No.: 133124
ICAI UDIN:25133124BMJHYJ9392

Place: Pune
Date: 25 August 2025

SEDEMAC™

Mechatronics Limited

(Formerly Known as SEDEMAC Mechatronics Private Limited)

FINANCIAL STATEMENTS 2024 - 25

Balance Sheet as at 31 March 2025

(Amounts in INR Million, unless otherwise stated)

	Notes	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
ASSETS				
Non-current assets				
Property, plant and equipment	3A	1148.18	825.98	614.37
Capital work-in-progress	3B	39.19	91.71	25.27
Other intangible assets	4A	689.38	507.30	521.29
Intangible assets under development	4B	493.18	586.63	413.04
Right-of-use assets	5	128.56	180.84	239.30
Financial assets				
(i) Other financial assets	6	60.45	42.24	41.27
Deferred tax asset (net)	34	135.48	210.99	176.58
Other tax assets (net)		12.58	1.41	3.99
Other non-current assets	7	59.54	33.10	70.97
Total non-current assets		**2,766.54**	**2,420.20**	**2,106.08**
Current assets				
Inventories	8	1,352.56	1,176.49	901.93
Financial assets				
(i) Investments	9	193.88	-	-
(ii) Trade receivables	10	439.43	270.29	152.46
(iii) Cash and cash equivalents	11	25.36	35.11	32.15
(iv) Bank balances other than (iii) above	12	57.17	38.37	52.88
(v) Other financial assets	13	5.67	4.94	17.45
Other current assets	14	70.98	77.01	57.66
Total current assets		**2,145.05**	**1,602.21**	**1,214.53**
TOTAL ASSETS		**4,911.59**	**4,022.41**	**3,320.61**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	0.28	0.11	0.11
Other equity				
Equity component of compulsorily convertible preference shares		-	0.85	0.85
Reserves and surplus	16	3,033.53	1,240.26	1,157.15
Total equity		**3,033.81**	**1,241.22**	**1,158.11**

SEDEMAC MECHATRONICS LIMITED

B S R & Co. LLP
Chartered Accountants
9th Floor, Business Plaza, Westin Hotel Campus, 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi, Pune-411001, India

Balance Sheet as at 31 March 2025

(Amounts in INR Million, unless otherwise stated)

	Notes	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	17	256.88	423.53	349.77
(ii) Lease liabilities	18	81.83	139.94	194.35
Provisions	19	36.06	46.24	37.28
Other non-current liabilities	20	19.35	20.87	6.70
Total non-current liabilities		**394.12**	**630.58**	**588.08**
Current liabilities				
Financial liabilities				
(i) Borrowings	21	239.30	1,082.65	746.30
(ii) Lease liabilities	18	65.52	54.42	47.14
(iii) Trade payables	22			
(A) Total outstanding dues of micro enterprises and small enterprises		29.22	28.80	20.68
(B) Total outstanding dues of creditors other than micro enterprise and small enterprise		828.60	738.53	644.20
(iv) Other financial liabilities	23	226.26	154.39	77.32
Other current liabilities	24	44.33	76.15	23.64
Provisions	25	50.43	15.67	15.14
Total current liabilities		**1,483.66**	**2,150.61**	**1,574.42**
Total liabilities		**1,877.78**	**2,781.19**	**2,162.50**
TOTAL EQUITY AND LIABILITIES		**4,911.59**	**4,022.41**	**3,320.61**

Summary of material accounting policies **2.2**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kalpesh Khandelwal
Partner
Membership No.: 133124
Place: Pune
Date: 25 August 2025

For and on behalf of the Board of Directors of
SEDEMAC Mechatronics Limited
(Formerly known as SEDEMAC Mechatronics Private Limited)
(CIN : U29253MH2007PLC172479)

Shashikanth Suryanarayanan
Managing Director
DIN : 01269904
Place: Bengaluru
Date: 25 August 2025

Amit Dixit
Joint Managing Director
DIN: 01288169
Place: Bengaluru
Date: 25 August 2025

Rajesh Sheth
Chief Financial Officer
Place: Pune
Date: 25 August 2025

Prasad Chavan
Company Secretary
Place: Pune
Date: 25 August 2025

Statement of profit and loss for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from operations	26	6,583.63	5,306.53
Other income	27	41.73	52.43
Total income		**6,625.36**	**5,358.96**
Expenses			
Cost of materials consumed	28	4,146.09	3,667.74
Changes in inventories of finished goods and work-in-progress	29	(39.56)	(37.59)
Employee benefits expense	30	614.29	427.65
Finance costs	31	120.30	384.48
Depreciation and amortization expense	32	453.39	358.63
Other expenses	33	653.86	469.92
Total expenses		**5,948.37**	**5,270.83**
Profit before tax		**676.99**	**88.13**
Tax expense			
Current tax	34	129.00	62.50
Deferred tax expense / (credit)	34	77.54	(33.15)
Total tax expense		**206.54**	**29.35**
Profit for the year		**470.45**	**58.78**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability		(6.98)	(4.33)
Income-tax related to above item		2.03	1.26
Other comprehensive expense for the year (net of tax)		**(4.95)**	**(3.07)**
Total comprehensive income for the year		**465.50**	**55.71**

SEDEMAC MECHATRONICS LIMITED

B S R & Co. LLP
8th Floor, Business Plaza, Westin Hotel Campus, 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi, Pune-411001, India
Chartered Accountants

Statement of profit and loss for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
Earnings per equity share (nominal value of share Rs. 10 (31 March 2024 : Rs. 10))			
Earning per Share (Rs.)	39		
- Basic		16.392	2.169
- Diluted		16.232	2.087

Summary of material accounting policies **2.2**

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kalpesh Khandelwal
Partner
Membership No.: 133124
Place: Pune
Date: 25 August 2025

For and on behalf of the Board of Directors of
SEDEMAC Mechatronics Limited
(Formerly known as SEDEMAC Mechatronics Private Limited)
(CIN : U29253MH2007PLC172479)

Shashikanth Suryanarayanan
Managing Director
DIN : 01269904
Place: Bengaluru
Date: 25 August 2025

Amit Dixit
Joint Managing Director
DIN: 01288169
Place: Bengaluru
Date: 25 August 2025

Rajesh Sheth
Chief Financial Officer
Place: Pune
Date: 25 August 2025

Prasad Chavan
Company Secretary
Place: Pune
Date: 25 August 2025

Statement of changes in equity for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

A. Equity share capital

Particulars	No. of equity shares	Amount
Balance as on 01 April 2023	**11,077**	**0.11**
Add: Issued during the year	135	0.00
Balance as on 31 March 2024	**11,212**	**0.11**
Add: Issued during the year	17,095	0.17
Balance as on 31 March 2025	**28,307**	**0.28**

B. Other equity (Refer note 16)

Particulars	Equity component of compulsorily convertible preference shares	Reserves and surplus			Total
		Securities Premium	Share options outstanding account	Retained Earnings	
Balance as on 01 April 2023	0.85	1,136.11	102.12	(81.08)	1,158.00
Total comprehensive income for the year ended 31 March 2024					
Profit for the year	-	-	-	58.78	58.78
Other comprehensive income for the year					
Remeasurement loss on defined employee benefit plans (net of tax)	-	-	-	(3.07)	(3.07)
Total comprehensive income for the year	-	-	-	**55.71**	**55.71**
Transaction with owners of the Company					
Contributions and distributions					
Issue of equity shares	-	11.24	-	-	11.24
Share based payment	-	-	16.16	-	16.16
Share options exercised	-	13.03	(13.03)	-	-
Total contributions and distributions	-	**24.27**	**3.13**	-	**27.40**
Balance as on 31 March 2024	0.85	1,160.38	105.25	(25.37)	1,241.11
Total comprehensive income for the year ended 31 March 2025					
Profit for the year	-	-	-	470.45	470.45
Other comprehensive income for the year					
Remeasurement loss on defined employee benefit plans (net of tax)	-	-	-	(4.95)	(4.95)
Total comprehensive income for the year ended 31 March 2025	-	-	-	**465.50**	**465.50**

Statement of changes in equity for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Particulars	Equity component of compulsorily convertible preference shares	Reserves and surplus			Total
		Securities Premium	Share options outstanding account	Retained Earnings	
Transaction with owners of the Company					
Contributions and distributions					
Issue of equity shares	-	768.41	-	-	768.41
On account of conversion of compulsory convertible preference shares	(0.85)	549.00	-	-	548.15
Share based payment	-	-	10.36	-	10.36
Share options lapsed	-	-	(0.27)	0.27	-
Share options exercised	-	10.73	(10.73)	-	-
Total contributions and distributions	**(0.85)**	**1,328.14**	**(0.64)**	**0.27**	**1,326.92**
Balance as on 31 March 2025	**-**	**2,488.52**	**104.61**	**440.40**	**3,033.53**

Summary of material accounting policies 2.2

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kalpesh Khandelwal
Partner
Membership No.: 133124
Place: Pune
Date: 25 August 2025

For and on behalf of the Board of Directors of
SEDEMAC Mechatronics Limited
(Formerly known as SEDEMAC Mechatronics Private Limited)
(CIN : U29253MH2007PLC172479)

Shashikanth Suryanarayanan
Managing Director
DIN : 01259904
Place: Bengaluru
Date: 25 August 2025

Amit Dixit
Joint Managing Director
DIN: 01288169
Place: Bengaluru
Date: 25 August 2025

Rajesh Sheth
Chief Financial Officer
Place: Pune
Date: 25 August 2025

Prasad Chavan
Company Secretary
Place: Pune
Date: 25 August 2025

Statement of cash flows for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

		For the year ended 31 March 2025	For the year ended 31 March 2024
A	**Cash flow from operating activities**		
	Profit before tax	676.99	88.13
	Adjustments for:		
	Depreciation and amortization expenses	453.39	358.63
	Impairment of intangible assets	50.42	10.75
	Loss on sale of property, plant and equipment	1.25	3.28
	Interest income on bank deposits	(6.47)	(2.92)
	Interest income on security deposits	(2.41)	(1.49)
	Gain on sale of mutual funds	(3.24)	-
	Net unrealised gain on investments carried at fair value thorough profit or loss	(0.64)	-
	Fair value loss / (gain) on financial instruments	0.08	(0.40)
	Provision for expected credit losses	-	1.29
	Provision no longer required	(0.88)	-
	Equity-settled share-based payments	10.36	16.16
	Unrealised exchange (gain) / loss (net)	(1.37)	1.97
	Government grant	(19.12)	(20.79)
	Finance costs	120.30	384.48
	Operating profit before working capital changes	**1,278.66**	**839.09**
	Working capital adjustments:		
	Decrease / (Increase) in trade receivables	(168.99)	(119.02)
	Decrease / (Increase) in inventories	(176.07)	(274.56)
	Decrease / (Increase) in other current assets	6.03	(19.35)
	Decrease / (Increase) in other financial assets	0.11	0.04
	Decrease / (Increase) in security deposits	(10.69)	(3.77)
	Decrease / (Increase) in other non-current assets	(22.42)	1.64
	Increase / (Decrease) in trade payables	92.57	100.38
	Increase / (Decrease) in other current liabilities	(31.33)	49.28
	Increase / (Decrease) in provisions	17.10	4.72
	Increase / (Decrease) in other financial liabilities	64.33	88.96
	Cash generated from operations	**1,049.30**	**667.41**
	Income taxes paid (net)	(140.17)	(59.92)
	Net cash from / (used in) operating activities	**909.13**	**607.49**

Statement of cash flows for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

		For the year ended 31 March 2025	For the year ended 31 March 2024
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment and intangible assets	(569.04)	(383.08)
	Sale proceeds from sale of property, plant and equipment	0.15	2.36
	Expenditure on internally generated intangible assets	(287.15)	(282.00)
	Interest received	6.47	2.92
	Proceeds from sale of mutual funds	1,750.00	-
	Investments in mutual funds	(1,940.00)	-
	Fixed deposits made	(20.61)	-
	Deposits matured during the year	-	13.75
	Government grant received	12.67	55.51
	Net cash (used in) / generated from investing activities	**(1,047.51)**	**(590.54)**
C	**Cash flow from financing activities**		
	Proceeds from issue of share capital	767.73	11.24
	Proceeds from long term borrowings	83.21	323.47
	Repayments of long term borrowings	(305.47)	(248.22)
	Principal payments of lease liabilities	(55.61)	(47.13)
	Interest payments on lease liabilities	(14.72)	(18.81)
	Proceeds from short term borrowings	51.35	79.60
	Repayments of short term borrowings	(289.90)	-
	Finance costs paid	(107.96)	(114.14)
	Net cash generated from / (used in) financing activities	**128.63**	**(13.99)**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(9.75)**	**2.96**
	Cash and cash equivalents at the beginning of the year	35.11	32.15
	Cash and cash equivalents at the end of the year (refer note 11)	**25.36**	**35.11**

Notes to cash flow statement

1 Components of cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
Cash in hand	-	0.02
Balances with banks		
On current accounts	10.61	35.09
Deposits with original maturity of 3 months or less	14.75	-
	25.36	**35.11**

SEDEMAC MECHATRONICS LIMITED

B S R & Co. LLP 8th Floor, Business Plaza, Westin Hotel Campus, 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi, Pune-411001 India Chartered Accountants

Statement of cash flows for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

2 Reconciliation of financial liabilities forming part of financing activities in accordance with Ind AS 7 Cash Flow Statement ("Ind AS 7") :

Particulars	As at 1 April 2024	Proceeds	Repayments	Interest paid	Non cash changes Interest accrued included in borrowings	As at 31 March 2025
Long term borrowings (including current maturities of long term borrowings)	562.96	83.21	(305.47)	(43.25)	44.03	341.48
Short term borrowings	394.22	51.35	(289.90)	(64.71)	63.74	154.70
Lease liabilities	194.36	8.59	(55.60)	(14.71)	14.71	147.35
Total	**1,151.54**	**143.15**	**(650.97)**	**(122.67)**	**122.48**	**643.53**

Particulars	As at 1 April 2023	Proceeds	Repayments	Interest paid	Non cash changes Interest accrued included in borrowings	As at 31 March 2024
Long term borrowings (including current maturities of long term borrowings)	488.11	323.47	(248.22)	(42.82)	42.42	562.96
Short term borrowings	313.96	79.60	-	(71.32)	71.98	394.22
Lease liabilities	241.49	-	(47.13)	(18.81)	18.81	194.36
Total	**1,043.56**	**403.07**	**(295.35)**	**(132.95)**	**133.21**	**1,151.54**

3 The cash flow has been prepared under the 'Indirect method' as set out in Ind AS- 7 on Statement of Cash Flows.

Summary of material accounting policies **2.2**

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kalpesh Khandelwal
Partner
Membership No.: 133124
ICAI UDIN :
Place: Pune
Date: 25 August 2025

For and on behalf of the Board of Directors of
SEDEMAC Mechatronics Limited
(Formerly known as SEDEMAC Mechatronics Private Limited)
(CIN : U29253MH2007PLC172479)

Shashikanth Suryanarayanan
Managing Director
DIN : 01269904
Place: Bengaluru
Date: 25 August 2025

Amit Dixit
Joint Managing Director
DIN: 01288169
Place: Bengaluru
Date: 25 August 2025

Rajesh Sheth
Chief Financial Officer
Place: Pune
Date: 25 August 2025

Prasad Chavan
Company Secretary
Place: Pune
Date: 25 August 2025

Notes to the financial statements for the year ended 31 March 2025

1 Company Overview

SEDEMAC Mechatronics Limited (Formerly known as SEDEMAC Mechatronics Private Limited) was originally incorporated as a private limited Company on 18 July 2007 and is converted into a public limited Company on 2nd September 2024 and consequently the name has been changed to SEDEMAC Mechatronics Limited and a revised certificate of incorporation dated 2nd September 2024, consequent to the aforementioned change, has been issued by the Ministry of Corporate Affairs. The registered office of the Company is located at 211, 2nd Floor, Bldg No 1, Sona Udyog Ind. Estate Parsi Panchayat Road, Andheri East , Mumbai, Maharashtra, India - 400069. The Corporate identification number (CIN) of the Company is U29253MH2007PLC172479.

The Company is primarily engaged in the business of development, manufacture and supply of innovative controllers/ECUs. SEDEMAC is a global supplier of high-volume critical controllers/ECUs having novel motor, engine, supervisory and other control technologies, developed in-house. The Company operates in various business segments, namely, power generators, automotive, powered equipment , electric vehicles and electric bikes etc. The Company has well equipped R&D Centre and the world class manufacturing plants. The Company is the key supplier to various established automotive & off highway industry players, locally & globally.

2.1 Basis of preparation

A. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March 2024 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The financial statements have been prepared in accordance with historical cost basis, except for certain financial assets and liabilities measured at fair value. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note 38.

The financial statements are presented in INR million, and all values are rounded to the nearest INR million, except when otherwise indicated.

The financial statements were authorised for issue by the Company's Board of Directors on 25 August 2025.

B. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

Notes to the financial statements for the year ended 31 March 2025

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is treated as current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

C. Foreign currency transactions

(i) Functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The Company's financial statements are presented in INR, which is the Company's functional and presentational currency.

(ii) Transaction and balances:

Transaction in currencies other than entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transaction. Monetary items denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit and loss are also recognised in OCI or profit and loss, respectively).

D. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes to the financial statements for the year ended 31 March 2025

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

E. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognised in the financial statements is included in the following notes:

Note 41 : lease term, whether the Company is reasonably certain to exercise extension options.

Note 4A and Note 4B : capitalisation of product development cost, the Company applies judgement in determining at what point in a project's life cycle the recognition criteria under Ind AS 38 - Intangible assets ("Ind AS 38") are satisfied, and in determining the nature of the cost capitalised.

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Notes to the financial statements for the year ended 31 March 2025

(ii) Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

Note 26 : revenue recognition : estimate of expected returns

Note 40: measurement of defined benefit obligations: key actuarial assumptions;

Note 34: recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;

Note 4A and Note 4B : impairment test of intangible assets: key assumptions underlying recoverable amounts, including the recoverability of development costs;

Note 19, Note 25 and Note 41: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and

Note 36 : measurement of ECL allowance for trade and finance receivables, loans and contract assets: key assumptions in determining the weighted-average loss rate;

2.2 Summary of material accounting policies

The following are the material accounting policies applied by the Company in preparing its financial statements:

a. Revenue recognition

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with customer. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Amounts disclosed as revenue are net of Goods and Service Tax (GST)

Sale of goods

Revenue from sale of goods is recognised at the point in time when the related performance obligation is satisfied which is generally on delivery of the goods. The normal credit term is 45 to 60 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Supply of toolings is considered as a separate performance obligation. The performance obligation is satisfied on billing after approval of the product(s) by the customer. The revenue is recognised at point in time and at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

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Variable consideration

If the consideration in a contract includes a variable amount (like turnover discounts), the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/incentives, cash discounts etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Significant financing component

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

Warranty obligations

The Company typically provides warranties for general repairs of defects as per terms of the contract with customers. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets ("Ind AS 37").

Sale of services

Income from services is recognised on the basis of time/work completed as per contract with the customers. The Company collects taxes on services (where applicable) on behalf of the government and, therefore, they are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Royalty income is recognised on the basis of number of units manufactured by the ultimate customer to whom products have been offered on royalty per unit basis.

Revenue from job work services are recognized in the accounting period in which the services are rendered.

Interest income

Interest income is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income is included in the Other Income in the statement of Profit and Loss.

Notes to the financial statements for the year ended 31 March 2025

Contract balances

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. A contract liability is recognised if a payment is received from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

b. **Taxes**

Tax expense comprises of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (in equity or other comprehensive income respectively). Current tax items are recognised in correlation to the underlying transaction either in FVOCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. Company reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
- is not a business combination; and at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences; and
- taxable temporary differences arising on the initial recognition of goodwill.

Notes to the financial statements for the year ended 31 March 2025

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property is presumed to be recovered through sale. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

c. Property, plant and equipment and depreciation of property, plant and equipment

All items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met and directly attributable to bringing the asset to its location and condition necessary for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met and if the amount is material.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all property, plant and equipment recognised at 1 April 2023, measured as per previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Subsequent expenditure related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including routine repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company identifies and determines cost of each components/ part of the asset separately, if the component/ part of the asset has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Notes to the financial statements for the year ended 31 March 2025

Property, plant and equipment under construction or installation as at balance sheet date is shown as capital work in progress and is stated at cost, net of accumulated impairment loss, if any. Further, the related advances are shown under non-current assets.

Depreciation on property, plant and equipment is calculated on a written down value method over the estimated useful lives of the assets as determined by Schedule II/Independent chartered engineer. Based on the report of an independent valuer and internal assessment, the useful lives as below are believed to best represent the period over which the assets are expected to be used. Hence the useful life for these assets are different from the useful lives as prescribed under Part C of Schedule II of The Companies Act 2013.

Property, plant and equipment	Life as per Schedule II	Management Estimate
Computers	3-6 years	3 years
Plant and equipment	15 – 50 years	15 years
Furniture and Fixtures	10 years	10 years
Vehicles	8-10 years	8 years
Office equipment	5 years	5 years
Jigs and fixtures	5 years	3 years
Buildings	15 – 50 years	30 years
Electrical installation	10 years	10 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

Pro-rated depreciation is provided on all assets purchased or sold during the year.

Leasehold improvements are depreciated over the primary period of lease, on a straight-line basis.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

d. **Intangible assets and amortisation of intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Research costs are charged to the statement of profit and loss in the year in which they are incurred. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life of the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

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Notes to the financial statements for the year ended 31 March 2025

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all intangible assets recognised at 1 April 2023, measured as per previous GAAP and use that carrying value as the deemed cost of such intangible assets.

(i) Computer software

Software is amortised over a period of 5 years.

(ii) Research and development

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

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

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. During the period of development, the asset is tested for impairment annually. Capitalised development costs are amortised over period of underlying project life which is generally 5 years.

e. Leases

The Company assesses at contract inception whether a contract is or contains a lease per Ind AS 116 Leases ('Ind AS 116'). That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company's lease assets class primarily consists of lease of building or premises.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

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Notes to the financial statements for the year ended 31 March 2025

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

f. Inventories

Inventories which comprise raw materials, work-in-progress and finished goods are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, first in first out method is used. In the case of manufactured inventories and work in progress, cost includes fixed production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

g. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the

Notes to the financial statements for the year ended 31 March 2025

Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Ind AS financial statements unless the possibility of an outflow embodying economic benefits is remote. Provisions, contingent liabilities and commitments are reviewed by management at each balance sheet date.

h. Employee Benefits

(i) Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

(ii) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Notes to the financial statements for the year ended 31 March 2025

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through FVOCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The Company does not have any planned assets.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Compensated absences.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet since the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

(iii) Short term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

l. Share based payment

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments from the Company, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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Notes to the financial statements for the year ended 31 March 2025

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/ or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

j. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are classified and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

SEDEMAC MECHATRONICS LIMITED

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Chartered Accountants

Notes to the financial statements for the year ended 31 March 2025

The classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

De-recognition

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

(i) The rights to receive cash flows from the asset have expired, or

(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the financial statements for the year ended 31 March 2025

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when:
the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or the financial asset is more than 90 days past due.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as measured at amortised cost or at fair value through profit or loss. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments ('Ind AS 109') or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. The Company's financial liabilities include borrowings, trade payables, lease liabilities and other financial liabilities. These are subsequently measured at amortised cost.

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

Notes to the financial statements for the year ended 31 March 2025

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the contractual obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

k. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

l. Earning per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating

Notes to the financial statements for the year ended 31 March 2025

unit's (CGU) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

n. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM'). The CODM is responsible for allocating resources and assessing performance of the operating segments. The joint managing director of the Company takes decision in respect of allocation of resources and assess the performance and hence, is considered to be the CODM of the Company.

o. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are included in current and non current liabilities as deferred income and are credited to profit or loss on systematic basis over the expected lives of the related assets and presented within other income.

Export benefits in the nature of duty drawback are recognised in the statement of profit and loss in the year of exports based on eligibility / expected eligibility duly considering the entitlements as per the policy, industry specific developments, interpretations arising out of judicial / regulatory proceedings where applicable, management assessment etc. and when there is no uncertainty in receiving the same.

Export benefits in the nature of Merchandise Exports from India Scheme (MEIS) under Foreign Trade Policy are recognised in the statement of profit and loss when there is no uncertainty in receiving / utilizing the same, taking into consideration the prevailing regulations.

There are no unfulfilled conditions attached to the government grant.

Notes to the financial statements for the year ended 31 March 2025

p. Compound financial instruments

Compound financial instruments issued by the Company comprises compulsory convertible preference shares denominated in INR that is convertible into fixed number of equity shares after 20 years from the date of allotment or occurrence of Qualified IPO or strategic sale.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at fair value through profit or loss. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

2.3 Standards notified but not yet effective

On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The amendment currently does not have any impact on the Company's financial statements. The Company will assess the probable impact of these amendments on its financial statements whenever such transaction arises.

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Notes to the financial statements for the year ended 31 March 2025 (continued)

(Amounts in INR Million, unless otherwise stated)

3A. Property, plant and equipment

Description	Land	Building	Jigs & Fixtures	Electric Installation	Plant and equipment	Furniture and fixtures	Computers	Vehicles	Leasehold improvements	Office equipment	Total
Gross carrying amount											
Balance as at 1 April 2023*	23.33	14.17	8.88	4.62	439.19	29.17	27.25	3.32	49.63	14.81	614.37
Additions	-	1.48	10.18	4.58	313.79	7.06	31.15	1.13	22.89	8.72	400.98
Disposals	-	-	1.89	-	16.35	4.58	0.83	-	0.83	0.38	24.86
Balance as at 31 March 2024	**23.33**	**15.65**	**17.17**	**9.20**	**736.63**	**31.65**	**57.57**	**4.45**	**71.69**	**23.15**	**990.49**
Additions	-	-	53.37	1.11	442.56	8.67	24.77	0.79	26.64	7.08	564.90
Disposals	-	-	0.17	-	4.75	0.83	2.64	1.23	0.43	0.75	10.80
Balance as at 31 March 2025	**23.33**	**15.65**	**70.37**	**10.31**	**1,174.44**	**39.49**	**79.70**	**4.01**	**97.90**	**29.48**	**1,544.68**
Accumulated Depreciation											
Balance as at 1 April 2023	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	1.43	9.32	1.52	107.53	8.28	30.42	0.99	15.85	8.39	183.73
Accumulated depreciation on disposal	-	-	1.89	-	11.50	3.94	0.83	-	0.68	0.38	19.22
Balance as at 31 March 2024	**-**	**1.43**	**7.43**	**1.52**	**96.03**	**4.34**	**29.59**	**0.99**	**15.17**	**8.01**	**164.51**
Depreciation for the year	-	1.35	18.72	2.11	155.17	7.99	25.73	0.98	21.15	8.19	241.39
Accumulated depreciation on disposal	-	-	0.17	-	3.81	0.69	2.57	1.13	0.29	0.74	9.40
Balance as at 31 March 2025	**-**	**2.78**	**25.98**	**3.63**	**247.39**	**11.64**	**52.75**	**0.84**	**36.03**	**15.46**	**396.50**
Net block											
Balance as at 1 April 2023	**23.33**	**14.17**	**8.88**	**4.62**	**439.19**	**29.17**	**27.25**	**3.32**	**49.63**	**14.81**	**614.37**
Balance as at 31 March 2024	**23.33**	**14.22**	**9.74**	**7.68**	**640.60**	**27.31**	**27.98**	**3.46**	**56.52**	**15.14**	**825.98**
Balance as at 31 March 2025	**23.33**	**12.87**	**44.39**	**6.68**	**927.05**	**27.85**	**26.95**	**3.17**	**61.87**	**14.02**	**1,148.18**

On transition to Ind AS (i.e., 01 April 2023) the Company has elected to continue with the carrying value of all property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment. (refer note 38)

No borrowing costs were capitalised during the year ended 31 March 2025 (31 March 2024: Nil).

Property, plant and equipment are subject to charge, to secure the Company's borrowings as disclosed in note 17 and 21.

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

3B. Capital work-in-progress

Description	Building	Jigs & Fixtures	Electric Installation	Plant and machinery	Furniture and fixtures	Computers	Vehicles	Leasehold improvements	Office equipment	Total
Balance as at 1 April 2023	-	**0.01**	**0.27**	**21.16**	-	**0.02**	-	**3.70**	**0.11**	**25.27**
Additions	1.48	10.31	4.31	320.67	7.06	31.20	1.13	21.81	9.45	407.42
Capitalised during the year	1.48	10.18	4.58	313.79	7.06	31.15	1.13	22.89	8.72	400.98
Balance as at 31 March 2024	-	**0.14**	-	**28.04**	-	**0.07**	-	**2.62**	**0.84**	**31.71**
Additions	-	53.62	1.11	428.38	29.55	24.70	1.14	27.73	6.24	572.47
Capitalised during the year	-	53.37	1.11	442.56	8.67	24.77	0.79	26.64	7.08	564.99
Balance as at 31 March 2025	-	**0.39**	-	**13.86**	**20.88**	-	**0.35**	**3.71**	-	**39.19**

Capital work-in-progress ("CWIP") Ageing

As at 31 March 2025	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	35.60	3.59	-	-	39.19
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2024	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	29.21	2.50	-	-	31.71
Projects temporarily suspended	-	-	-	-	-

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Notes to the financial statements for the year ended 31 March 2025 (continued)

(Amounts in INR Million, unless otherwise stated)

3B. Capital work-in-progress (Contd.)

As at 01 April 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	25.27	-	-	-	25.27
Projects temporarily suspended	-	-	-	-	-

Note :
There are no projects for which completion is overdue compared to original plan and no costs exceeding budgeted cost.

Title deeds of immovable property not held in the name of the Company

The title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Land	23.33	SEDEMAC Mechatronics Private Limited	No	8 - 9 years	Refer note A below
Building	15.65	SEDEMAC Mechatronics Private Limited	No	8 - 9 years	Refer note A below

Note A - The title deeds of all the immovable properties are held in the erstwhile name of the Company.

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

4A. Intangible assets

Reconciliation of carrying amount

Description	Product Development	Software (Other than internally developed)	Total
Gross carrying amount			
Balance as at 1 April 2023*	472.65	48.64	521.29
Additions	134.00	24.33	158.33
Balance as at 31 March 2024	606.65	72.97	679.62
Additions	415.00	13.68	428.68
Deletion	-	2.37	2.37
Balance as at 31 March 2025	1,021.65	84.28	1,105.93
Amortisation			
Balance as at 1 April 2023	-	-	-
Amortization for the year	154.46	17.86	172.32
Balance as at 31 March 2024	154.46	17.86	172.32
Amortization for the year	185.22	19.67	204.89
Accumulated amortization on disposal	-	2.32	2.32
Impairment	41.66	-	41.66
Balance as at 31 March 2025	381.34	35.21	416.55
Net block			
As at 1 April 2023	472.65	48.64	521.29
As at 31 March 2024	452.19	55.11	507.30
As at 31 March 2025	640.31	49.07	689.38

* On transition to Ind AS (i.e., 01 April 2023) the Company has elected to continue with the carrying value of all intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets. (refer note 38) Included in development costs is an amount of Rs. 2.71 million (31 March 2024 : Rs. 4.19 million) that represents borrowing costs capitalised during the year using a capitalisation rate of 8.75% (31 March 2024 : 8.75%).

4B. Intangible assets under development

Description	Product Development	Software (Other than internally developed)	Total
Balance as at 1 April 2023	411.78	1.26	413.04
Additions	318.46	24.21	342.67
Capitalised during the year	134.00	24.33	158.33
Impairment Loss	10.75	-	10.75
Balance as at 31 March 2024	585.49	1.14	586.63
Additions	330.33	13.66	343.99
Capitalised during the year	415.00	13.68	428.68
Impairment Loss	8.76	-	8.76
Balance as at 31 March 2025	492.06	1.12	493.18

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Intangible Assets under development ageing schedule

As at 31 March 2025	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years *	
Projects in progress	75.98	100.81	167.27	149.12	493.18
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2024	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years *	
Projects in progress	249.42	165.20	97.11	74.90	586.63
Projects temporarily suspended	-	-	-	-	-

As at 01 April 2023	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years *	
Projects in progress	231.74	96.70	27.12	57.48	413.04
Projects temporarily suspended	-	-	-	-	-

* Work with respect to the projects under development for more than 3 years, is under progress and these projects are expected to commercialise in the coming years.

There are no projects for which completion is overdue compared to original plan and no costs exceeding budgeted cost.

Note:

Impairment loss

The impairment loss were recognised in relation to the manufacture of a product related to Internet of Things (IoT), ISG+, EFI and electric machines as follows.

	31 March 2025	31 March 2024
Product development costs	50.42	10.75

Impairment testing - Recoverability of development costs

The carrying amount of development costs includes projects related to Internet of Things (IoT), ISG+, EFI, and electric machines. Keeping in view that there is no visibility of any progress of any commitment/ orders for the product, the benefit of the development project will not be realised as previously expected and management has carried out an impairment test.

The impairment loss recognised on account of reasons mentioned above in current and previous year relates to separate projects. The recoverable amount for these projects is Nil and accordingly, entire projects have been impaired in respective years.

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Impairment loss in relation to development cost

Management estimated the recoverable amount of the development costs based on its 'value in use' model, where in the value of cash generating unit is determined as a sum of the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal. The Company considers that there are no realistic prospects of generating future cash flows from the continuing use of the product and its disposal and therefore, concluded that it is unlikely that the carrying amount of the CGU exceed its estimated recoverable amount.

Refer note 45 for segment-wise details.

5. Right-of-use assets

Description	Building	Total
Cost		
Balance as at 1 April 2023	239.30	239.30
Additions	1.12	1.12
Balance as at 31 March 2024	240.42	240.42
Additions	8.91	8.91
Balance as at 31 March 2025	249.33	249.33
Accumulated depreciation		
Balance as at 1 April 2023	-	-
Depreciation for the year	59.58	59.58
Balance as at 31 March 2024	59.58	59.58
Depreciation for the year	61.19	61.19
Balance as at 31 March 2025	120.77	120.77
Net block		
As at 1 April 2023	239.30	239.30
As at 31 March 2024	180.84	180.84
As at 31 March 2025	128.56	128.56

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Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

6 Other non-current financial assets

(unsecured, considered good)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Deposits with banks with remaining maturity of more than 12 months*	3.42	1.61	0.85
Security deposits	44.47	31.68	27.02
Government grant receivable**	12.56	8.95	13.40
	60.45	**42.24**	**41.27**

* Includes Lien in favour of

Fixed deposit from ICICI Bank amounting to Rs. 0.53 million (31 March 2024 : Rs. 1.08 million , 01 April 2023 : Nil) against Bank Guarantee to Custom Authority.

Fixed deposit from ICICI Bank amounting to Rs. 0.92 million (31 March 2024: Rs.0.40 million , 01 April 2023: Rs. 0.15 million) against Maharashtra Pollution Control Board.

Fixed deposit from ICICI Bank amounting to Rs. 1.82 million (31 March 2024 : Nil , 01 April 2023 : Nil) against Bank Guarantee.

Fixed deposit from IDBI Bank amounting to Rs. 0.14 Million (31 March 2024 : Rs. 0.13 million , 01 April 2023 : Rs. 0.70 million) against Bank Guarantee to Custom Authority.

** Government grant receivable relates to grant received under the 'Industrial Promotion Subsidy 2016 (IPS-2016)' under Electronic Policy of the Government of Maharashtra and under the 'Modified Incentive Package Scheme (M-SIPS)' of Central Government.

7 Other non-current assets

(unsecured, considered good)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Capital advances	35.60	31.58	67.81
Prepaid expenses	14.59	1.52	3.16
Advance lease rental	9.35	-	-
	59.54	**33.10**	**70.97**

8 Inventories (valued at lower of cost and net realisable value)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Raw materials (including Goods-in-transit of Rs. 267.29 million (31 March 2024 : Rs. 223.85 million; 01 April 2023 : Rs. 130.86 million))	1137.90	1,001.40	764.42
Work-in-progress	136.73	83.45	83.63
Finished goods	77.93	91.64	53.88
	1,352.56	**1,176.49**	**901.93**

During the year ended 31 March 2025 and 31 March 2024, the Company recorded inventory write-down expenses of Rs. 8.06 million and Rs. 30.53 million, in the statement of profit and loss respectively.

Inventories are subject to charge, to secure the Company's borrowings as disclosed in note 17 and 21.

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9 Investments

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Investments measured at fair value through profit or loss			
Mutual fund units (quoted)	**193.88**	-	-
16,813 units (31 March 2024 : Nil , 01 April 2023 : Nil) of Kotak overnight mutual fund	22.90	-	-
13,508 units (31 March 2024 : Nil , 01 April 2023 : Nil) of HDFC overnight mutual fund	50.67	-	-
22,962 units (31 March 2024 : Nil , 01 April 2023 : Nil) of Kotak liquid direct growth mutual fund	120.31	-	-
	193.88	-	-
Aggregate book value of quoted investments	**193.88**	-	-
Aggregate market value of quoted investments (refer note 36)	**193.88**	-	-

10 Trade receivables

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Trade receivables	439.43	270.29	152.46
Break-up for trade receivables:			
Unsecured, considered good	441.17	272.91	153.79
Unsecured, significant increase in credit risk	-	-	-
Unsecured, credit impaired	-	-	3.36
Less: Provision for expected credit losses (refer note 36)	(1.74)	(2.62)	(4.69)
	439.43	**270.29**	**152.46**

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As at 31 March 2025

Particulars	Unbilled receivable*	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	21.79	328.04	90.16	0.47	0.32	0.04	0.35	**441.17**
(ii) Undisputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**21.79**	**328.04**	**90.16**	**0.47**	**0.32**	**0.04**	**0.35**	**441.17**
Less : Provision for expected credit loss								**(1.74)**
Total								**439.43**

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(Amounts in INR Million, unless otherwise stated)

As at 31 March 2024

Particulars	Unbilled receiv-able*	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	17.12	201.54	51.69	1.38	1.18	-	-	272.91
(ii) Undisputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired								-
(iv) Disputed Trade Receivables – considered good								-
(v) Disputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**17.12**	**201.54**	**51.69**	**1.38**	**1.18**	**-**	**-**	**272.91**
Less : Provision for expected credit loss								**(2.62)**
Total								**270.29**

Notes to the financial statements for the year ended 31 March 2025
(Amounts in INR Million, unless otherwise stated)

As at 01 April 2023

Particulars	Unbilled receivable*	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3.71	130.29	18.99	0.80	-	-	-	153.79
(ii) Undisputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	3.36	-	3.36
Total	**3.71**	**130.29**	**18.99**	**0.80**	**-**	**3.36**	**-**	**157.15**
Less : Provision for expected credit loss								**(4.69)**
Total								**152.46**

* Unbilled receivable primarily relates to the Company's right to consideration for work completed but not billed at the reporting date.

a. Trade receivables are non-interest bearing and are generally on terms of 45 to 60 days.

b. Information about the Company's exposure to credit risk and market risk is disclosed in note 36.

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11 Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Cash on hand	-	0.02	-
Balances with banks			
- On current accounts	10.61	35.09	32.15
- Deposits with original maturity of 3 months or less*	14.75	-	-
	25.36	**35.11**	**32.15**

* Includes Lien in favour of

Fixed deposit from ICICI Bank amounting to Rs. 1.18 million (31 March 2024 : Rs. Nil; 01 April 2023 : Nil) against Bank Guarantee to Custom Authority.

Fixed deposit from Indusind Bank Limited amounting to Rs. 2.41 million (31 March 2024 : Rs. Nil; 01 April 2023 : Nil) against Working Capital Facility.

Fixed deposit from IDBI Bank amounting to Rs. 0.78 million (31 March 2024 : Rs. Nil; 01 April 2023 : Nil) against Bank Guarantee to Custom Authority.

12 Bank balances other than cash and cash equivalents

- Deposits with original maturity of more than 3 months and balance maturity less than 12 months*	57.17	38.37	52.88
	57.17	**38.37**	**52.88**

* Includes Lien in favour of

Fixed deposit from ICICI Bank amounting to Rs. 0.26 million (31 March 2024 : Rs. 2.48 million; 01 April 2023 : Rs. 0.05 million) against Bank Guarantee to Custom Authority.

Fixed deposit from IndusInd Bank Limited amounting to Rs. 21.17 million (31 March 2024 : Rs. 22.04 million; 01 April 2023 : Rs. 12.81 million) against Working Capital Facility.

Fixed deposit from IndusInd Bank Limited amounting to Nil (31 March 2024 : Rs. 12.39 million; 01 April 2023 : Rs. 11.64 million) against Term Loan Facility.

Fixed deposit from IDBI Bank amounting to Rs. 0.78 million (31 March 2024 : Rs. 1.47 million; 01 April 2023 : Rs. 0.81 million) against Bank Guarantee to Custom Authority.

Fixed deposit from HDFC Bank Limited amounting to Nil (31 March 2024 : Nil; 01 April 2023 : Rs. 0.1 million) against working capital facility.

Fixed deposit from Mahindra & Mahindra Finance amounting to Nil (31 March 2024 : Nil ; 01 April 2023 : Rs. 26.98 million) against bill discounting facility.

13 Other current financial assets

(unsecured, considered good)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Government grant receivable*	5.67	4.83	17.30
Advances to employees	-	0.11	0.15
	5.67	**4.94**	**17.45**

* Refer note 6.

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Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

14 Other current assets

(unsecured, considered good)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Prepaid expenses	44.24	32.43	34.77
Balances with government authorities	13.04	20.52	7.21
Advances to Suppliers	11.52	20.39	12.73
Other advances	0.01	0.01	0.01
Accrued Export Incentives	2.17	3.66	2.94
	70.98	**77.01**	**57.66**

15 Share capital

A. Equity share capital

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Authorised			
2,00,000 (31 March 2024: 11,900, 01 April 2023: 11,900) equity shares of Rs. 10 each	2.00	0.12	0.12
Total	**2.00**	**0.12**	**0.12**
Issued, subscribed and paid-up			
28,307 (31 March 2024: 11,212, 01 April 2023: 11,077) equity shares of Rs. 10 each fully paid up	0.28	0.11	0.11
Total	**0.28**	**0.11**	**0.11**

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2025		As at 31 March 2024		As at 01 April 2023	
	Numbers in absolute	Amount	Numbers in absolute	Amount	Numbers in absolute	Amount
Equity Shares:						
At the beginning of the year	11,212	0.11	11,077	0.11	10,986	0.11
Shares issued during the year*	17,095	0.17	135	0.00	91	0.00
At the end of the year	**28,307**	**0.28**	**11,212**	**0.11**	**11,077**	**0.11**

* Amounts disclosed as 0.00 are below the disclosure thresholds of the Company

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B. Equity component of compulsorily convertible preference shares

	As at 31 March 2025		As at 31 March 2024		As at 01 April 2023	
	Numbers in absolute	Amount	Numbers in absolute	Amount	Numbers in absolute	Amount
At the beginning of the year	16,110	0.85	16,110	0.85	16,110	0.85
Shares issued during the year	(16,110)	(0.85)	-	-	-	-
At the end of the year	-	-	**16,110**	**0.85**	**16,110**	**0.85**

Compulsory convertible preference shares ("CCPS") converted into equity

On 31 May 2024, 16,110 compulsory convertible preference shares were converted into 15,921 equity shares. Gain on conversion of compulsory convertible preference shares into equity shares has been transferred to securities premium.

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Rights, preferences and restrictions attached to preference shares

0.001% Series A Compulsorily Convertible preference shares - Each preference share is convertible into one equity share of value Rs.10 at the time as mentioned in the subscription agreement. The preference shareholders will have the voting rights as per the provisions of section 47(2) of the Companies Act, 2013.

0.001% Series B Compulsorily Convertible preference shares - Each preference share is convertible into one equity share of value Rs.10 at the time as mentioned in the subscription agreement. The preference shareholders will have the voting rights as per the provisions of section 47(2) of the Companies Act, 2013.

0.001% Series C, 0.001% Series D and 0.001% Series D1 Compulsorily Convertible preference shares - Each preference share series is convertible as follows:

Series C and D1 - one equity share of Rs.10 each

Series D - 0.88 equity share of Rs.10 each

within 20 years from the date of allotment or satisfaction of conditions mentioned in the subscription agreement, whichever is earlier. The preference shareholders will have the voting rights as per the provisions of section 47(2) of the Companies Act, 2013.

0.001% Series E, and 0.001% Series E1 Compulsorily Convertible preference shares - Each preference share series is convertible as follows:

Series E - 0.86 equity share of Rs.10 each

Series E1 - one equity share of Rs.10 each

within 20 years from the date of allotment or satisfaction of conditions mentioned in the subscription agreement, whichever is earlier. The preference shareholders will have the voting rights as per the provisions of section 47(2) of the Companies Act, 2013.

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0.001% Series F Compulsory Convertible preference shares is convertible as follows
Series F - one equity share of Rs.10 each
within 20 years from the date of allotment or satisfaction of conditions mentioned in the subscription agreement, whichever is earlier. The preference shareholders will have the voting rights as per the provisions of section 47(2) of the Companies Act, 2013.

Particulars of shareholders holding more than 5% shares of a class of shares

Name of the shareholder	31 March 2025		31 March 2024		01 April 2023	
	Number	% of total shares in the class	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of Rs. 10 each fully paid up held by-						
Shashikanth Suryanarayanan	4,898	17.30%	4,800	42.81%	4,800	43.33%
Amit Dixit	827	2.92%	908	8.10%	908	8.20%
Manish Sharma	586	2.07%	592	5.28%	592	5.34%
Mallika Iyer	883	3.12%	1,120	9.99%	1,120	10.11%
Pushkaraj Panse	583	2.06%	583	5.20%	578	5.22%
Montane Ventures	-	0.00%	883	7.88%	883	7.97%
A91 Emerging Fund II LLP	5,357	18.92%	-	0.00%	-	0.00%
Xponentia Opportunities Fund II	2,319	8.19%	-	0.00%	-	0.00%
Entrust (Trustees of NRJN)	1,990	7.03%	-	0.00%	-	0.00%
Mace Pvt Ltd	1,702	6.01%	-	0.00%	-	0.00%
360 One Special Opportunities Fund - Series 8	1,513	5.34%	-	0.00%	-	0.00%

Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date:

During the five-year period ended 31 March 2025 (31 March 2024 and 01 April 2023):
15,921 (31 March 2024 : Nil, 01 April 2023 : Nil) equity shares of Rs. 10 have been allotted as fully paid up pursuant to conversion of compulsory convertible preference shares.

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Shares held by Promoters as at

31 March 2025

Promoter's Name	No. of Shares	% of total Shares	% Change during the year in no. of shares
Mr. Shashikanth Suryanarayanan	4,896	17.30%	2.00%
Mr. Amit Dixit	827	2.92%	-8.92%
Mr. Manish Sharma	586	2.07%	-1.01%
Mr. Anaykumar Joshi	42	0.15%	100.00%

31 March 2024

Promoter's Name	No. of Shares	% of total Shares	% Change during the year in no. of shares
Mr. Shashikanth Suryanarayanan	4,800	42.81%	0.00%
Mr. Amit Dixit	908	8.10%	0.00%
Mr. Manish Sharma	592	5.28%	0.00%

01 April 2023

Promoter's Name	No. of Shares	% of total Shares	% Change during the year in no. of shares
Mr. Shashikanth Suryanarayanan	4,800	43.33%	13.23%
Mr. Amit Dixit	908	8.20%	0.00%
Mr. Manish Sharma	592	5.34%	0.00%

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16 Other equity - Reserves and surplus

	31 March 2025	31 March 2024
Securities premium		
At the beginning of the year	1,160.38	1,136.11
Premium on issue of equity shares	768.41	11.24
Premium on conversion of compulsory convertible preference shares *	549.00	-
Transfer to security premium - Options exercised during the year	10.73	13.03
At the end of the year	**2,488.52**	**1,160.38**
Retained earnings		
At the beginning of the year	(25.37)	21.59
On account of first time adoption of Ind AS	-	(102.67)
Transfer to retained earnings - Options lapsed	0.27	-
Profit for the year	470.45	58.78
Other comprehensive income /(loss) for the year (net of taxes)	(4.95)	(3.07)
At the end of the year	**440.40**	**(25.37)**
Share options outstanding account		
At the beginning of the year	105.25	102.12
Share-based compensation expense (refer note 30)	10.36	16.16
Transfer to retained earnings - Options lapsed	(0.27)	0.00
Transfer to security premium - Options exercised during the year	(10.73)	(13.03)
At the end of the year	**104.61**	**105.25**
Total other equity	**3,033.53**	**1,240.26**

Nature and purpose of reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

* Refer note 15

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Retained Earnings

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Employee Stock Options

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

17 Borrowings

	Non-current			Current*		
	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Term Loans - Secured						
From Banks						
- HDFC Bank Limited - Term Loan	59.90	75.59	33.31	26.12	51.41	30.55
- HDFC Bank Limited - Car Loan	-	-	0.84	-	0.84	0.85
- HDFC Bank Limited - ECLGS Loan	-	-	3.62	-	3.62	7.24
- ICICI Bank Limited - Term Loan	-	-	89.08	-	-	36.51
- Indusind Bank Limited - Term Loan	-	51.81	70.38	-	18.67	18.59
- EXIM Bank - Term Loan	105.81	144.16	90.16	39.41	20.53	10.48
- Yes Bank Limited - Term Loan	91.17	43.37	-	19.07	0.62	-
From Others						
- BAJAJ Finance Limited - ECLGS Loan	-	-	9.15	-	-	14.99
- BAJAJ Finance Limited - Term Loan	-	108.60	53.23	-	43.74	19.13
	256.88	**423.53**	**349.77**	**84.60**	**139.43**	**138.34**

* Current maturities of long term debt disclosed under Borrowings - current.

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Note 1

Details of outstanding borrowings as at 31 March 2025

Loans	Outstanding loan amount	Repayment in instalments	Repayment		Rate of interest
			Starting from	Ending on	
HDFC Bank Limited - Term Loan	86.02	60 (Monthly)	August 2023	July 2028	8.73%
Exim Bank - Term Loan	70.54	20 (Quarterly)	October 2023	July 2028	8.95%
	74.68	8 (Quarterly)	April 2025	January 2027	8.95%
Yes Bank Limited - Term Loan	110.24	72 (Monthly)	March 2025	February 2031	8.49%

Details of outstanding borrowings as at 31 March 2024

Loans	Outstanding loan amount	Repayment in instalments	Repayment		Rate of interest
			Starting from	Ending on	
HDFC Bank Limited - Term Loan	34.23	60 (Monthly)	August 2019	January 2025	9.59%
		59 (Monthly)	September 2019	January 2025	
		56 (Monthly)	November 2019	January 2025	
		60 (Monthly)	December 2020	November 2025	
	92.77	60 (Monthly)	August 2023	July 2028	9.07%
HDFC Bank Limited - Car Loan	0.84	60 (Monthly)	March 2020	February 2025	8.60%
HDFC Bank Limited- ECLGS Loan	3.62	36 (Monthly)	October 2021	September 2024	9.25%
IndusInd Bank - Term Loan	70.48	19 (Quarterly)	June 2023	December 2027	9.77%
Exim Bank - Term Loan	91.46	20 (Quarterly)	October 2023	July 2028	8.95%
	73.23	16 (Quarterly)	April 2025	January 2029	8.95%
Yes Bank Limited - Term Loan	43.99	72 (Monthly)	March 2025	February 2031	8.97%
Bajaj Finance Limited - Term Loan	54.20	60 (Monthly)	August 2021	August 2026	9.50%
	98.14	54 (Monthly)	March 2024	August 2028	9.40%

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Details of outstanding borrowings as at 01 April 2023

Loans	Outstanding loan amount	Repayment in instalments	Repayment Starting from	Repayment Ending on	Rate of interest
HDFC Bank Limited - Term Loan	63.86	60 (Monthly)	August 2019	January 2025	9.43%
		59 (Monthly)	September 2019	January 2025	
		56 (Monthly)	November 2019	January 2025	
		60 (Monthly)	December 2020	November 2025	
HDFC Bank Limited - Car Loan	1.89	60 (Monthly)	March 2020	February 2025	8.60%
HDFC Bank Limited-ECLGS Loan	10.88	36 (Monthly)	October 2021	September 2024	9.25%
ICICI Bank Limited - Term Loan	32.03	14 (Quarterly)	January 2022	April 2025	8.40%
	93.56	17 (Quarterly)	February 2023	May 2027	11.25%
IndusInd Bank - Term Loan	88.97	19 (Quarterly)	June 2023	December 2027	9.45%
Exim Bank - Term Loan	100.64	20 (Quarterly)	October 2023	July 2028	8.50%
Bajaj Finance Limited-ECLGS Loan	24.14	36 (Monthly)	November 2021	October 2024	9.90%
Bajaj Finance Limited - Term Loan	72.36	60 (Monthly)	August 2021	July 2026	9.40%

Note 2

The details of security as follows:

1. First Pari Pasu charge by way of hypothecation in favour of HDFC Bank Limited, Bajaj Finance Limited, Export Import Bank of India, IndusInd Bank Limited and Yes Bank Limited on all movables assets at all location's of the Company.
2. First Pari Pasu charge by way of mortgage in favour of HDFC Bank Limited, Bajaj Finance Limited, Export Import Bank of India and Yes Bank Limited, of all immovable security along with land and building thereon both present and future.
3. Second pari passu charge on current assets of the Company.
4. Extension of second ranking charge in favour of Bajaj Finance Limited and HDFC Bank Limited over existing primary and collateral securities including mortgages created in favour of the Banks.

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Note 3

Collaterals against borrowings

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Property, plant and equipment	1148.18	825.98	614.37
Inventories	1352.56	1176.49	901.93
Investments	193.88	-	-
Trade receivables	439.43	270.29	152.46
Cash and cash equivalents	25.36	35.11	32.15
Bank balances other than cash and cash equivalents	57.17	38.37	52.88
Other financial assets	66.12	47.18	58.72
Other assets	70.98	77.01	57.66

18 Lease liabilities

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Lease liabilities	147.35	194.36	241.49
	147.35	**194.36**	**241.49**
Current	65.52	54.42	47.14
Non-current	81.83	139.94	194.35

For details on leases, refer note 41.

19 Non-current provisions

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Provision for employee benefits (refer note 40)			
Provision for gratuity	21.61	34.89	26.34
Other provisions			
Provision for warranties (refer note below)	7.20	4.60	4.63
Provision for asset restoration obligation (refer note below)	7.25	6.75	6.29
	36.06	**46.24**	**37.26**

Notes :

Provision for warranties

In pursuance of Ind AS - 37: Provisions, contingent liabilities and contingent assets, the provisions required have been incorporated in the books of accounts in the following manner.

The Company has made warranty provision on account of sale of products with warranty clause. These provisions are based on management's best estimates and past trends. Actual expenses for warranty are charged directly against the provisions. Unutilised provision is reversed on expiry of the warranty period.

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
At the beginning of the year	9.20	10.24
Add: Provisions made during the year	11.74	3.12
Less: Amounts used / reversed during the year	(6.54)	(4.16)
At the end of the year	**14.40**	**9.20**
Current	**7.20**	**4.60**
Non-current	**7.20**	**4.60**

Provision for asset restoration obligation

Provision for asset restoration obligation is towards legal obligation to dismantle and restore the land and building taken on lease. The provision is made based on the management best estimate of the restoration cost at the end of lease period.

	As at 31 March 2025	As at 31 March 2025
At the beginning of the year	6.75	6.29
Add: Unwinding of discount on asset restoration obligation	0.50	0.46
Less: Amounts used / reversed during the year	-	-
At the end of the year	7.25	6.75

20 Other non-current liabilities

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Deferred income - government grant	19.35	20.87	6.70
	19.35	**20.87**	**6.70**

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Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

21 Current borrowings

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Loans repayable on demand (secured)			
Short Term Revolving Loan Facility from Bajaj Finance Limited	-	50.26	130.07
Export Packing Credit Facility from HDFC Bank Limited	-	40.07	44.78
Cash Credit Facility from ICICI Bank Limited	2.07	3.69	53.02
Export Packing Credit Facility from ICICI Bank Limited	-	50.00	-
Cash Credit Facility from IndusInd Bank Limited	51.25	149.51	86.09
Cash Credit Facility from CITI Bank Limited	1.32	-	-
Cash Credit Facility from HDFC Bank Limited	-	-	-
Working Capital Demand Loan from Yes Bank Limited	50.03	100.89	-
Working Capital Demand Loan from CITI Bank Limited	50.03	-	-
Current maturities of long term debt (refer note 17)	84.60	139.43	138.34
Liability component of compulsory convertible preference shares	-	549.00	294.00
	239.30	**1,082.65**	**746.30**

1 Cash credit facility from HDFC Bank, carried interest of 9.20% p.a. (31 March 2024 : 9.37% p.a. ; 01 April 2023 : 8.50% p.a.) computed on a monthly basis on the actual amount utilised and were repayable on demand. These were primarily secured by hypothecation of all current assets, both present and future and second charge on movable fixed assets & first charge on immovable security along with land and building thereon both present and future.

2 Short Term Revolving Loan Facility ("STRL") from Bajaj Finance carry interest of Nil (31 March 2024 : 9.00% p.a. ; 01 April 2023 : 9.25 %) p.a. computed on a monthly basis on the actual amount utilised and are renewable after every three months. STRL facility is primarily secured by hypothecation of all current assets, both present and future.

3 Export Packing Credit Facility from HDFC Bank carried interest of Nil (31 March 2024 : 6.75% p.a. ; 01 April 2023 : 6.50% p.a. to 6.86% p.a.) computed on a monthly basis and were repayable on due date. These were primarily secured by hypothecation of all current assets, both present and future.

4 Cash credit facility from ICICI Bank, carried interest of 9.35% p.a. (31 March 2024 : 9.35% p.a. ; 01 April 2023 : 11.00% p.a.) computed on a monthly basis on the actual amount utilised and were repayable on demand. Working capital demand loan facility with ICICI Bank carried interest of Nil (31 March 2024 : Nil ; 1 April 2023 : 9.40% p.a.), computed on a monthly basis. These were primarily secured by hypothecation of all current assets, both present and future.

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

5 Export Packing Credit from ICICI Bank, carried interest of Nil (31 March 2024 : 6% p.a. to 6.40% p.a. ; 01 April 2023 : 5.50% p.a. to 6.88% p.a.) computed on a monthly basis on the actual amount utilised and were repayable on demand. These were primarily secured by hypothecation of all current assets, both present and future, placed with ICICI Bank Ltd.

6 Cash credit facility from IndusInd Bank, carried interest of 8.60% p.a. (31 March 2024 : 8.60% p.a. ; 01 April 2023 : 9.00% p.a.) computed on a monthly basis on the actual amount utilised and were repayable on demand. These were primarily secured by hypothecation of all current assets, both present and future. Lien in favour of IndusInd Bank on three fixed deposits of Rs. 12.50 million , Rs. 1.19 million, Rs. 8.3 million (31 March 2024 : three fixed deposits of Rs. 11.20 million, Rs. 2.20 & Rs. 8.30 million ; 1 April 2023 : two fixed deposit of Rs. 10 million and Rs. 2 million) placed with IndusInd Bank Ltd.

7 Working Capital Demand Loan from Yes Bank, carried interest of 8.20% p.a. (31 March 2024 : 8.10% p.a. ; 01 April 2023 : Nil) computed on a monthly basis on the actual amount utilised and were repayable on demand. These were primarily secured by hypothecation of all current assets, both present and future Second Charge on Movable fixed assets & immovable fixed assets along with land and building thereon both present and future.

8 Cash credit facility from Yes Bank, carried interest of 9.62% p.a. (31 March 2024 : Nil ; 01 April 2023 : Nil) computed on a monthly basis on the actual amount utilised and were repayable on demand. These were primarily secured by hypothecation of all current assets, both present and future. Second Charge on Movable fixed assets & immovable fixed assets along with land and building thereon both present and future.

9 Cash credit facility from CITI Bank, carried interest of 8.85% p.a. (31 March 2024 : Nil ; 1 April 2023 : Nil) computed on a monthly basis on the actual amount utilised and were repayable on demand. These were primarily secured by hypothecation of all current assets, both present and future & second charge on movable fixed assets

10 Working Capital Demand Loan from CITI Bank, carried interest of 8.25% p.a. (31 March 2024 : Nil ; 1 April 2023 : Nil) computed on a monthly basis on the actual amount utilised and were repayable on demand. These were primarily secured by hypothecation of all current assets, both present and future & second charge on movable fixed assets.

22 Trade payables

		As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
(A)	Total outstanding dues of micro enterprises and small enterprises	29.22	28.80	20.68
(B)	Total outstanding dues of creditors other than micro enterprise and small enterprise	828.60	738.53	644.20
		857.82	**767.33**	**664.88**

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Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Trade payables ageing schedule

As at 31 March 2025

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	29.22	-	-	-	-	29.22
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	515.40	8.08	-	5.44	-	528.92
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**544.62**	**8.08**	**-**	**5.44**	**-**	**558.14**
Add : Accrued expenses						299.68
Total						**857.82**

As at 31 March 2024

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	28.80	-	-	-	-	28.80
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	408.05	49.03	5.25	3.87	-	466.20
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**436.85**	**49.03**	**5.25**	**3.87**	**-**	**495.00**
Add : Accrued expenses						272.33
Total						**767.33**

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

As at 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	20.61	0.07	-	-	-	20.68
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	416.97	59.36	15.34	0.01	-	491.68
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**437.58**	**59.43**	**15.34**	**0.01**	**-**	**512.36**
Add : Accrued expenses						152.52
Total						**664.88**

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(Amounts in INR Million, unless otherwise stated)

Disclosures under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

The list of undertakings covered under MSMED was determined by the Company on the basis of information available with the Company and has been relied upon by auditors

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	29.22	28.80	20.68
b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.08	1.11	0.36
c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day			
i) Principal amount	10.82	50.76	97.95
ii) Interest amount	-	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	0.08	1.11	0.36
e) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.08	1.11	0.36
f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	3.62	4.57	3.46

Note : The above information has been compiled by the Company on the basis of information made available by vendors during the financial year 2024-25.

Trade payables are non-interest bearing and are normally settled on 60-day terms.

23 Other current financial liabilities

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Derivatives *	0.17	0.08	0.48
Payable to capital creditors	13.93	6.48	18.37
Accrued salaries and benefits	154.78	79.30	58.14
Refund liabilities	57.38	68.53	-
Others	-	-	0.33
	226.26	154.39	77.32

* Financial liability carried at fair value through statement of profit and loss.

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

24 Other current liabilities

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Deferred income - government grant	5.06	5.54	1.91
Statutory dues payable	39.25	70.41	21.73
Advance from customers *	0.02	0.20	0.00
	44.33	**76.15**	**23.64**

* Amounts disclosed as 0.00 are below the disclosure thresholds of the Company

25 Current provision

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Provision for employee benefits (refer note 40)			
Provision for gratuity	36.55	5.76	3.75
Provision for compensated absences	6.68	5.31	5.78
Other provisions			
Provision for warranties	7.20	4.60	5.61
	50.43	**15.67**	**15.14**

26 Revenue from operations

	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from contracts with customers		
Sale of products	6,430.59	5,230.25
Sale of services	136.00	63.91
	6,566.59	**5,294.16**
Other operating revenue		
Scrap Sales	6.55	5.02
Export Incentives and Miscellaneous Income	10.49	7.35
	17.04	**12.37**
	6,583.63	**5,306.53**

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Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Disaggregated revenue information

26.1 Timing of revenue recognition

	For the year ended 31 March 2025	For the year ended 31 March 2024
Goods/services transferred at a point in time	6,583.63	5,306.45
Services transferred over time	-	0.08
	6,583.63	**5,306.53**

26.2 Revenues by Geography

	For the year ended 31 March 2025	For the year ended 31 March 2024
Within India	6,129.27	5,003.42
Outside India	454.36	303.11
	6,583.63	**5,306.53**

26.3 Contract balances

	As at 31 March 2025	As at 31 March 2024
Trade receivables (refer note 10)	441.17	272.91
Less: Provision for expected credit losses (refer note 36)	1.74	2.62
	439.43	270.29
Contract liabilities	0.02	0.20

The amount of Rs. 0.20 million included in contract liabilities as at 31 March 2024 has been recognised as revenue during the year ended 31 March 2025 (31 March 2024 : Nil)

Contract balance of Trade receivable and Contract liabilities (advance from customers) as on 1 April 2023 were Rs. 152.93 million and Rs. Nil respectively.

Refund liabilities

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Arising from volume rebates and discount (refer note 23)	57.38	68.53	-

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Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

26.4 Reconciliation of revenue as recognised in the Statement of profit and loss with the contracted price:

	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue as per contracted price (net of goods and services tax)	6,622.58	5,360.56
Adjustment for variable consideration:		
Rebates and discounts	38.95	54.03
Revenue recognised as per Statement of profit and loss	**6,583.63**	**5,306.53**
Performance obligations		
Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the year:	0.02	0.20

Revenue from contracts with customers include revenue from finished goods, tooling and job work services.

Finished goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The normal credit term is 45 to 60 days upon delivery.

The Company provides normal warranty provisions on some of its products sold, in line with the industry practice. The Company considers that the contractual promise made to the Customer in the form of warranties for the parts supplied does not meet the definition of separate performance obligation as it does not give rise to additional service.

Services

Product development/Engineering services are considered as relating to sale of products rather than a separate performance obligation. As a result, revenue from product development/engineering services is recognised over the period of production from the start of production date and is included in the revenue from sale of services. Payments received from customers in respect of product development/ engineering services are presented as contract liabilities.

Development of toolings for customers is considered as a separate performance obligation. The performance obligation is satisfied on billing after approval of the product(s) by the customer. The revenue is recognised at point in time and at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Job work revenue is recognised when the work is completed and billed to customer.

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

27 Other income

	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income under the effective interest method on		
Bank deposits	6.47	2.92
Security deposits	2.41	2.01
Gain on sale of mutual funds	3.24	-
Net foreign exchange gain	7.72	26.83
Government grants	19.12	20.79
Net unrealised gain on investments carried at fair value thorough profit or loss	0.64	-
Fair value gain on derivatives	-	0.40
Balances written back	1.79	-
Others	0.88	-
	42.27	**52.95**
Less : Capitalised during the year	(0.54)	(0.52)
	41.73	**52.43**

28 Cost of materials consumed

	For the year ended 31 March 2025	For the year ended 31 March 2024
Inventory at the beginning of the year	1,001.40	764.42
Purchases	4,282.59	3,904.72
Inventory at the end of the year	1,137.90	1,001.40
	4,146.09	**3,667.74**

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Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

29 Changes in inventories of finished goods and work-in progress

Particulars	31st March 2025		
	Opening Inventory	Closing Inventory	(Increase)/ Decrease in Inventory
Finished Goods	91.65	77.93	13.72
Work-in-progress	83.45	136.73	(53.28)
Changes in inventories of finished goods and work-in-progress	**175.10**	**214.66**	**(39.56)**

Particulars	31st March 2024		
	Opening Inventory	Closing Inventory	(Increase)/ Decrease in Inventory
Finished Goods	53.88	91.65	(37.77)
Work-in-progress	83.63	83.45	0.18
Changes in inventories of finished goods and work-in-progress	**137.51**	**175.10**	**(37.59)**

30 Employee benefits expenses

	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries, wages and bonus	703.69	505.94
Gratuity expense	12.79	10.76
Contribution to provident funds	16.28	13.29
Expenses related to compensated absence	2.91	0.68
Equity-settled share-based payments (refer note 44)	10.36	16.16
Staff welfare expenses	61.31	54.92
	807.34	**601.75**
Less : Capitalised during the year	(193.05)	(174.10)
	614.29	**427.65**

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

31 Finance cost

	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest expense on borrowings	107.79	114.41
Interest expense on compulsory convertible preference shares	-	255.00
Interest expense on lease liabilities	14.72	18.80
Unwinding of discount on asset restoration obligation	0.50	0.46
	123.01	**388.67**
Less : Capitalised during the year	(2.71)	(4.19)
	120.30	**384.48**

32 Depreciation and amortisation expense

	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation of property, plant and equipment (refer note 3A)	241.39	183.73
Depreciation of right of use assets (refer note 5)	61.19	59.58
Amortisation of intangible asset (refer note 4A)	204.89	172.32
	507.47	**415.63**
Less : Capitalised during the year	(54.08)	(57.00)
	453.39	**358.63**

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

33 Other expenses

	For the year ended 31 March 2025	For the year ended 31 March 2024
Consumption of stores and spares and loose tools	60.36	46.72
Labour charges - Direct	205.31	170.90
Labour charges - non-production	64.33	49.90
Power and fuel	57.63	45.80
Warranty expenses	13.37	3.28
Repair and maintenance		
Building	21.91	16.40
Machinery	17.28	18.86
Others	14.36	9.98
Expenses related to short term leases	1.48	1.13
Expenses related to low value leases	4.40	4.97
Payment to auditors	3.70	2.14
Legal and professional charges	51.49	49.03
Provision for expected credit losses	-	1.29
Security expenses	14.28	11.83
Telephone expenses	4.81	5.31
Travelling expenses	38.05	24.15
Printing and Stationery	2.16	1.89
Advertisement and business promotion	2.54	0.63
Fair value loss on derivatives	0.08	-
Loss on sale of property, plant and equipment	1.25	3.28
Rates and taxes	8.98	0.38
Loss on impairment of Intangible Assets	50.42	10.75
CSR Expenses (refer Note 47)	3.60	1.80
Miscellaneous expenses	93.13	73.17
	734.94	**553.59**
Less : Capitalised during the year	(81.08)	(83.67)
	653.86	**469.92**
Note : Payment to Auditors		
As auditor		
Statutory audit	3.50	1.80
Tax audit	0.20	0.20
Out of pocket expense reimbursed	0.00	0.14
	3.70	**2.14**

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

34 Tax expense

The major components of income tax expense for the years ended 31 March 2025 and 31 March 2024 are:

Statement of profit and loss:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax:		
Current tax charge	129.00	62.50
Deferred tax:		
On account of origination and reversal of temporary differences	77.54	(33.15)
Income tax expense reported in the statement of profit and loss	**206.54**	**29.35**
OCI section		
Deferred tax related to items recognised in OCI during in the year:		
Net loss/ (gain) on remeasurements of defined benefit plans	2.03	1.26
Deferred tax charged to OCI	**2.03**	**1.26**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2025 and 31 March 2024:

	For the year ended 31 March 2025	For the year ended 31 March 2024
Accounting profit before income tax	676.99	88.13
At statutory income tax rate of 29.12% (31 March 2024: 29.12%)	197.13	25.66
Tax effect on permanent non-deductible expenses		
- Liability component of compulsory convertible preference shares	-	74.26
Impact on account of change in future tax rates	(78.85)	(43.28)
Deferred tax recognised on previous year losses and unabsorbed depreciation	171.62	20.22
Deferred tax recognised on temporary differences	23.81	17.37
MAT credit	(119.92)	(64.90)
Others	12.75	-
At the effective income tax rate of 29.66% (31 March 2024: 33.87%)	206.54	29.35
Income tax expense reported in the statement of profit and loss	206.54	29.35

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Deferred tax

Movement in deferred tax balances

31 March 2025

				Balance as at 31 March 2025		
	Net balance at 1 April	Recognised in Statement of profit or loss	Recognised in OCI	Net	Deferred tax assets	Deferred tax liabilities
Accelerated depreciation for tax purposes	(201.63)	(58.24)	-	(259.87)	-	(259.87)
Borrowings	(0.95)	0.44	-	(0.51)	-	(0.51)
Deferred grant	7.69	(0.58)	-	7.11	7.11	-
Employee benefit provisions	28.05	27.47	2.03	57.55	57.55	-
Provision for doubtful debts and other receivables	0.76	(0.25)	-	0.51	0.51	-
Derivatives	0.02	0.03	-	0.05	0.05	-
Provision for warranty	2.68	1.51	-	4.19	4.19	-
Provision for asset restoration obligations	1.97	0.14	-	2.11	2.11	-
Right of use	(52.66)	15.22	-	(37.44)	-	(37.44)
Lease liabilities	56.60	(13.69)	-	42.91	42.91	-
Security deposits paid	2.46	2.11	-	4.57	4.57	-
Losses available for offsetting against future taxable income	247.54	(171.62)	-	75.92	75.92	-
MAT credit	118.46	119.92	-	238.38	238.38	-
Deferred tax income		**(77.54)**	**2.03**			
Net deferred tax asset	**210.99**			**135.48**	**433.30**	**(297.82)**

Notes to the financial statements for the year ended 31 March 2025
(Amounts in INR Million, unless otherwise stated)

31 March 2024

	Net balance at 1 April	Recognised in statement of profit or loss	Recognised in OCI	Balance as at 31 March 2024		
				Net	Deferred tax assets	Deferred tax liabilities
Accelerated depreciation for tax purposes	(177.77)	(23.86)	-	(201.63)	-	(201.63)
Borrowings	(0.49)	(0.46)	-	(0.95)	-	(0.95)
Deferred grant	2.39	5.30	-	7.69	7.69	-
Employee benefit provisions	21.89	4.90	1.26	28.05	28.05	-
Provision for doubtful debts and other receivables	1.30	(0.54)	-	0.76	0.76	-
Derivatives	0.13	(0.11)	-	0.02	0.02	-
Provision for warranty	2.85	(0.17)	-	2.68	2.68	-
Provision for asset restoration obligations	1.75	0.22	-	1.97	1.97	-
Right of use	(66.57)	13.91	-	(52.66)	-	(52.66)
Lease liabilities	67.18	(10.58)	-	56.60	56.60	-
Security deposits paid	2.60	(0.14)	-	2.46	2.46	-
Losses available for offsetting against future taxable income	267.76	(20.22)	-	247.54	247.54	-
MAT credit	53.56	64.90	-	118.46	118.46	-
Deferred tax income		**33.15**	**1.26**			
Net deferred tax asset	**176.58**			**210.99**	**466.23**	**(255.24)**

Reconciliation of deferred tax assets (net):

	31 March 2025	31 March 2024
Opening balance as of 1 April	**210.99**	**176.58**
Tax (expense)/income during the period recognised in profit or loss	(77.54)	33.15
Tax income during the period recognised in OCI	2.03	1.26
Closing balance as at 31 March	**135.48**	**210.99**

As at 31 March 2025, 31 March 2024 and 1 April 2023, the Company has recognised deferred tax asset to the extent that there is reasonable certainty based on the future profitability and projections of the Company. The management believes that there is sufficient assurance that future taxable income will be available against which the deferred tax assets can be realised.

Notes to the financial statements for the year ended 31 March 2025

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35 Fair Value Measurement

Financial instruments by category	Carrying value		
	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Financial assets measured at fair value through profit or loss (FVTPL):			
Investment in mutual funds	193.88	-	-
Financial assets measured at amortized cost:			
Trade receivables	439.43	270.29	152.46
Cash and cash equivalents	25.36	35.11	32.15
Bank balances other than above	57.17	38.37	52.88
Other financial assets	66.12	47.18	58.72
Total financial assets	**781.96**	**390.95**	**296.21**
Financial liabilities measured at fair value through profit or loss (FVTPL):			
Derivatives	0.17	0.08	0.48
Liability component of compulsory convertible preference shares	-	549.00	294.00
Financial liabilities measured at amortized cost:			
Borrowings	496.18	957.18	802.07
Lease liabilities	147.35	194.36	241.49
Trade payables	857.82	767.33	664.88
Other financial liabilities	226.09	154.31	76.84
Total financial liabilities	**1,727.61**	**2,622.26**	**2,079.76**

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair value of financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair values are disclosed in the financial statements. The following methods and assumptions were used to estimate the fair values:

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined

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by the authorized dealers banks and quoted forward exchange rates at the balance sheet date. This level of hierarchy includes the Company's derivative contracts.

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (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.

As at 31 March 2025

	Level 1	Level 2	Level 3
Financial liabilities			
Derivatives (at FVTPL)	-	0.17	-
Financial assets			
Investments in mutual funds	193.88	-	-

As at 31 March 2024

	Level 1	Level 2	Level 3
Financial liabilities			
Derivatives (at FVTPL)	-	0.08	-
Liability component of compulsory convertible preference shares	-	-	549.00

As at 1 April 2023

	Level 1	Level 2	Level 3
Financial liabilities			
Derivatives (at FVTPL)	-	0.48	-
Liability component of compulsory convertible preference shares	-	-	294.00

Significant techniques and unobservable inputs used for Level 2 and Level 3 fair value measurement

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As at 31 March 2025, 31 March 2024 and 01 April 2023

Particulars	Valuation techniques	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Derivatives	The fair value is determined using quoted forward exchange rates as at the reporting dates	Not applicable	Not applicable
Liability component of compulsory convertible preference shares	The fair value is determined using income approach (discounted cash flows method)	Key inputs - The discounted cash flows method used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. The key inputs includes, long term revenue growth rates, balance sheets, statement of profit or loss along with underlying assumptions. Significant unobservable inputs - Interest rates to discount future cashflows, financial projections.	The estimated fair value would increase/(decrease) if: - the expected cash flows were higher/(lower); or - the risk-adjusted discount rate were lower/(higher)

There are no transfers between Level 1, Level 2 and Level 3.

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Liability component of compulsory convertible preference shares
Balance as at 01 April 2023	294.00
Loss included in 'finance cost'	
- Net change in fair value (unrealised)	255.00
Balance as at 31 March 2024	**549.00**

Sensitivity analysis

For the fair values of compulsory convertible preference shares, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	Increase	Decrease
31 March 2024		
Expected cash flows (10% movement)	(54.90)	54.90
Risk-adjusted discount rate (1% movement (100bps))	5.49	(5.49)

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

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

The fair value of other non current financial assets represents finance lease receivables, bank deposits (due for remaining maturity after twelve months from the reporting date), and security deposits receivables has been determined based on discounted cash flow technique (present value of expected payments, discounted using a risk-adjusted discount rate).

Notes:

The carrying amounts of trade receivables, cash and cash equivalents, other financial assets, trade payables and other financial liabilities are considered to be the same as fair values, due to their short term nature.

36 Financial risk management

The Company's principal financial liabilities comprises borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Board of Directors oversee the risk management activities for managing each of these risks, which are summarised below:

(a) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to activities (primarily trade receivables) and from its investing activities , including cash and cash equivalents and deposits with banks and financial institutions. The carrying amount of financial assets represent the maximum credit exposure.

Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding receivables are regularly monitored for any expected default in repayment. An impairment analysis is performed at each reporting date based on ECL matrix. The Company does not hold collateral as security. The maximum exposure to credit risk from trade receivables at the reporting date and an ageing analysis has been given below:

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Expected credit loss for trade receivable under simplified approach

As at 31 March 2025

Ageing	Not due	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount	349.83	79.72	10.44	0.34	0.13	0.71	441.17
Expected loss rate	0.11%	0.38%	2.97%	8.82%	23.08%	98.59%	0.39%
Expected credit losses (less allowance provision)	0.37	0.30	0.31	0.03	0.03	0.70	1.74
Carrying amount of trade receivables (net of impairment)	**349.46**	**79.42**	**10.13**	**0.31**	**0.10**	**0.01**	**439.43**

As at 31 March 2024

Ageing	Not due	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount	218.66	45.14	6.55	1.04	0.34	1.18	272.91
Expected loss rate	0.22%	0.80%	5.19%	14.42%	0.00%	100.00%	0.96%
Expected credit losses (less allowance provision)	0.48	0.36	0.34	0.15	0.11	1.18	2.62
Carrying amount of trade receivables (net of impairment)	**218.18**	**44.78**	**6.21**	**0.89**	**0.23**	**-**	**270.29**

As at 1 April 2023

Ageing	Not due	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount	134.00	17.28	1.71	0.80	0.00	3.36	157.15
Expected loss rate	0.56%	1.50%	8.77%	21.25%	0.00%	100.00%	2.98%
Expected credit losses (less allowance provision)	0.75	0.26	0.15	0.17	-	3.36	4.69
Carrying amount of trade receivables (net of impairment)	**133.25**	**17.02**	**1.56**	**0.63**	**-**	**-**	**152.46**

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Reconciliation of allowances for doubtful trade receivables (Expected credit loss allowance)

	Amount
Allowance as at 1 April 2023	4.69
Less: write offs	(3.36)
Add: Loss allowance during the year	1.29
Allowance as at 31 March 2024	**2.62**
Add: Loss allowance during the year	(0.88)
Allowance as at 31 March 2025	**1.74**

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Company's financial liabilities on an undiscounted basis, which may differ from both carrying value and fair value.

As at 31 March 2025

Particulars	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total	Carrying amount
Borrowings	256.50	101.80	120.02	17.28	495.60	496.18
Lease liabilities*	75.29	36.33	55.17	-	166.79	147.35
Trade payables	857.82	-	-	-	857.82	857.82
Other financial liabilities	226.26	-	-	-	226.26	226.26
	1,415.87	**138.13**	**175.19**	**17.28**	**1,746.47**	**1,727.61**

*Future expected cash outflows (on an undiscounted basis) as at 31 March 2025, for which no amount has been recognised in relation to leases where the lease commencement date is after 31 March 2025 to which the Company is committed is approximately Rs. 675.07 million (31 March 2024: Nil, 01 April 2023: Nil).

As at 31 March 2024

Particulars	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total	Carrying amount
Borrowings	835.83	83.05	222.00	35.85	1,176.73	1,506.18
Lease liabilities	68.79	72.15	86.41	-	227.35	194.36
Trade payables	767.33	-	-	-	767.33	767.33
Other financial liabilities	154.39	-	-	-	154.39	154.39
	1,826.34	**155.20**	**308.41**	**35.85**	**2,325.80**	**2,622.26**

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

As at 01 April 2023

Particulars	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total	Carrying amount
Borrowings	704.01	250.74	137.20	18.58	1,110.53	1,096.07
Lease liabilities	65.93	68.79	131.19	27.37	293.28	241.49
Trade payables	664.88	-	-	-	664.88	664.88
Other financial liabilities	77.32	-	-	-	77.32	77.32
	1,512.14	**319.53**	**268.39**	**45.95**	**2,146.01**	**2,079.76**

(c) Market risk

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. All long-term borrowings have a floating rate of interest.

Impact of interest rate increase on profit or loss and equity on floating rate borrowing is presented below :

	Fluctuation in basis points	Impact on profit or loss	Impact on equity, net of tax
31 March 2025			
Interest rate fluctuation	+100	3.41	-
	-100	(3.41)	-
31 March 2024			
Interest rate fluctuation	+100	5.63	-
	-100	(5.63)	-
31 March 2023			
Interest rate fluctuation	+100	4.88	-
	-100	(4.88)	-

Notes to the financial statements for the year ended 31 March 2025

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Foreign Currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

(i) **Exposure to Foreign Currency risk**

The fluctuation in foreign currency exchange rates may have potential impact on the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and statement of cash flows where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency.

The summary quantitative data about the Company's unhedged exposure to currency risk as reported to the management is as follows.

	Equivalent amount in INR		
	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Financial liabilities			
Trade payables			
USD	(375.53)	(380.32)	(410.92)
EUR	(0.01)	(0.22)	(5.40)
	(375.54)	(380.54)	(416.32)
Financial assets			
Trade receivables			
USD	79.21	42.72	3.21
EUR	23.53	24.63	8.42
	102.74	67.35	11.63
Net balance sheet exposure	**(272.80)**	**(313.19)**	**(404.69)**
Forward exchange contracts	(34.53)	64.11	83.04
Net exposure	**(307.33)**	**(249.08)**	**(321.65)**

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(ii) Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises from foreign currency denominated financial instruments.

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Euro Sensitivity			
Rs/Euro- increase by 10%	2.30	2.44	0.30
Rs/Euro- decrease by 10%	(2.30)	(2.44)	(0.30)
USD Sensitivity			
Rs/USD- increase by 10%	(27.73)	(33.76)	(40.77)
Rs/USD- decrease by 10%	27.73	33.76	40.77

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. These derivative instruments are not designated as cash flow / fair value hedges and are entered into for periods consistent with foreign currency exposure of underlying transactions. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Derivative liability (refer note 23)	0.17	0.08	0.48

Unhedged foreign currency exposures

Nature of exposure	Currency	Amount in Foreign currency			Equivalent amount in INR		
		31 March 2025	31 March 2024	01 April 2023	31 March 2025	31 March 2024	01 April 2023
Trade Receivable	USD	0.93	0.52	0.04	79.21	42.72	3.21
	EUR	0.25	0.28	0.10	23.53	24.63	8.42
Trade Payable	USD	4.39	4.56	5.00	375.53	380.32	410.92
	EUR	0.00	0.00	0.06	0.01	0.22	5.40

Amounts disclosed as 0.00 are below the disclosure thresholds of the Company

Other market risk

The primary goal of the Company's investment in mutual funds is to hold the investments for the long term for strategic purposes. Management is assisted by external advisers in this regard. Such investments are designated as at FVTPL because their performance is actively monitored and they are managed on a fair value basis.

Sensitivity analysis	Fluctuation in basis points	Impact on profit or loss	Impact on equity, net of tax
31 March 2025			
Increase in index	+100	1.94	[illegible]
Decrease in index	-100	(1.94)	[illegible]

Notes to the financial statements for the year ended 31 March 2025
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37 Capital Management

Capital includes equity share capital and other equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximise the shareholder's value. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with those covenants throughout the reporting period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity net debt. The Company includes within net debt, long-term and short-term loans and borrowings (including current maturities of long-term borrowings) and lease liabilities less cash and cash equivalents and bank balances.

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Borrowings (including current maturities) and lease liability	643.53	1,700.54	1,337.56
Less: Cash and cash equivalents	25.36	35.11	32.15
Less: Bank balances other than cash and cash equivalents	57.17	38.37	52.88
Net debt / (surplus) (A)	**561.00**	**1,627.06**	**1,252.53**
Total equity	3,033.81	1,241.22	1,158.11
Capital and net debt (B)	**3,594.81**	**2,868.28**	**2,410.64**
Gearing ratio [(A)/(B)]	**15.61%**	**56.73%**	**51.96%**

38 Transition to Ind AS - First-time adoption

As stated in note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2024, the Company had prepared its financial Statements in accordance with Companies (Accounting Standard) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the then Act ('previous GAAP').

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2025, the comparative information presented in these financial statements for the year ended 31 March 2024 and the opening Ind AS Balance Sheet as at 1 April 2023 (the Company's date of transition).

In preparing its opening Ind AS Balance Sheet as at 1 April 2023 and in presenting the comparative information for the year ended 31 March 2024, the Company has adjusted amounts reported previously in financial Statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial Statements prepared in accordance with previous GAAP and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows:

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Set out below are the applicable mandatory exceptions applied and the optional exemptions in the transition from previous GAAP to Ind AS.

Optional exemptions availed :

Ind AS 101 First Time Adoption of Indian Accounting ('Ind AS 101') allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS on transition date. The Company has applied the following exemptions :

1. The Company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognised as at 1 April 2023 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2. The Company has elected to value ROU assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease immediately before the date of transition to Ind AS.

Mandatory Exceptions:

(a) Estimates: An entity's estimates in accordance with Ind AS at the transition date shall be consistent with the estimates made for the same date in accordance with the previous GAAP (after adjustments made to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 01 April 2023 are consistent with the estimates as at the same date made in conformity with previous GAAP.

(b) Derecognition of Financial Assets and Financial liabilities: Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However Ind AS 101 allows a first time adopter to apply the derecognition requirements in Ind AS 109 from the date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. Entity has elected to apply the derecognition provisions prospectively for transactions occurring on or after the date of transition to Ind AS.

(c) Classification and measurement of Financial Assets: Ind AS 101 requires entity to assess the classification and measurement of financial assets on the basis of facts and circumstances existed at the date of transition to Ind AS. Accordingly classification and measurement of financial assets have been made on the basis of facts and circumstances that exist at the date of transition to Ind AS.

(d) Impairment of Financial Assets: The Company has applied exemption related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at 01 April 2023.

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(Amounts in INR Million, unless otherwise stated)

A Reconciliation of Balance Sheet as previously reported under Previous GAAP:

Particulars	As at date of transition 1 April 2023			As at 31 March 2024		
	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Assets						
Non-current assets						
Property, plant and equipment	614.37	-	614.37	825.98	-	825.98
Capital work-in-progress	25.27	-	25.27	31.71	-	31.71
Other intangible assets	521.29	-	521.29	507.30	-	507.30
Intangible assets under development	413.04	-	413.04	586.63	-	586.63
Right-of-use assets	-	239.30	239.30	-	180.84	180.84
Financial assets						
(i) Other financial assets	50.62	(9.35)	41.27	50.69	(8.45)	42.24
Deferred tax asset (net)	-	176.58	176.58	-	210.99	210.99
Other tax assets (net)	3.99	-	3.99	1.41	-	1.41
Other non-current assets	70.97	-	70.97	33.10	-	33.10
Total non-current assets	**1,699.55**	**406.53**	**2,106.08**	**2,036.82**	**383.38**	**2,420.20**
Current assets						
Inventories	901.93	-	901.93	1176.49	-	1,176.49
Financial assets						
(i) Trade receivables	153.79	(1.33)	152.46	272.91	(2.62)	270.29
(ii) Cash and cash equivalents	32.15	-	32.15	35.11	-	35.11
(iii) Bank balances other than (ii) above	51.89	0.99	52.88	38.03	0.34	38.37
(iv) Other financial assets	18.44	(0.99)	17.45	5.28	(0.34)	4.94
Other current assets	57.66	-	57.66	77.01	-	77.01
Total current assets	**1,215.86**	**(1.33)**	**1,214.53**	**1,604.83**	**(2.62)**	**1,602.21**
Total assets	**2,915.41**	**405.20**	**3,320.61**	**3,641.65**	**380.76**	**4,022.41**

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Particulars	As at date of transition 1 April 2023			As at 31 March 2024		
	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Equity and liabilities						
Equity						
Equity share capital	0.11	-	0.11	0.11	-	0.11
Reserves and surplus	1,284.07	(126.07)	1,158.00	1614.65	(373.54)	1,241.11
Total equity	**1,284.18**	**(126.07)**	**1,158.11**	**1,614.76**	**(373.54)**	**1,241.22**
Non-current liabilities						
Financial liabilities						
(i) Borrowings	351.16	(1.39)	349.77	425.98	(2.45)	423.53
(ii) Lease liabilities	-	194.35	194.35	-	139.94	139.94
Provisions	36.29	0.97	37.26	44.42	1.82	46.24
Other non-current liabilities	13.90	(7.20)	6.70	17.83	3.04	20.87
Total non-current liabilities	**401.35**	**186.73**	**588.08**	**488.23**	**142.35**	**630.58**
Current liabilities:						
Financial liabilities						
(i) Borrowings	450.33	295.97	746.30	530.36	552.29	1,082.65
(ii) Lease liabilities	-	47.14	47.14	-	54.42	54.42
(iii) Trade payables	664.88	-	664.88	767.33	-	767.33
(iv) Other financial liabilities	79.19	(1.87)	77.32	89.89	64.50	154.39
Other current liabilities	25.66	(2.02)	23.64	140.34	(64.19)	76.15
Provisions	9.82	5.32	15.14	10.74	4.93	15.67
Total current liabilities	**1,229.88**	**344.54**	**1,574.42**	**1,538.66**	**611.95**	**2,150.61**
Total liabilities	**1,631.23**	**531.27**	**2,162.50**	**2,026.89**	**754.30**	**2,781.19**
Total Equity and Liabilities	**2,915.41**	**405.20**	**3,320.61**	**3,641.65**	**380.76**	**4,022.41**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the financial statements for the year ended 31 March 2025

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B **Reconciliation of Total Comprehensive Income as previously reported under Previous GAAP:**

	For the year ended 31 March 2024		
Particulars	**Previous GAAP***	**Adjustment on transition to Ind AS**	**Ind AS**
Income			
Revenue from operations	5,306.53	-	5,306.53
Other income	43.53	8.90	52.43
Total Income	**5,350.06**	**8.90**	**5,358.96**
Expenses			
Cost of materials consumed	3,667.74	-	3,667.74
Changes in inventories of finished goods and work-in-progress	(37.59)	-	(37.59)
Employee benefits expense	427.65	-	427.65
Finance costs	115.91	268.57	384.48
Depreciation and amortization expense	316.70	41.93	358.63
Other expenses	514.45	(44.53)	469.92
Total Expenses	**5,004.86**	**265.97**	**5,270.83**
Profit before exceptional item and tax	**345.20**	**(257.07)**	**88.13**
Exceptional Items			
Profit before tax	345.20	(257.07)	88.13
Current tax	62.50	-	62.50
Deferred tax expense / (credit)	1.09	(34.24)	(33.15)
Profit for the year	**281.61**	**(222.83)**	**58.78**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability (asset)	(4.33)	-	(4.33)
Income-tax related to above item	1.09	0.17	1.26
Net other comprehensive income not to be reclassified to profit and loss in subsequent periods	**(3.24)**	**0.17**	**(3.07)**
Total Comprehensive Income for the year	**278.37**	**(222.66)**	**55.71**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

C Reconciliation of total equity as at 31 March 2024 and 1 April 2023

	Particulars	Note to first-time adoption	As at 31 March 2024	As at 01 April 2023
	Total equity as per previous GAAP		**1,614.65**	**1,284.07**
	Ind-AS Adjustments [Increase in Equity/ (Decrease in Equity)]			
i.	Impact of recognition of leases in accordance with Ind AS 116	b	(9.70)	-
ii.	Impact of expected credit loss on trade receivables as per Ind AS 109	c	(2.62)	(1.33)
iii.	Impact of borrowings	g	3.27	1.76
iv.	Impact of government grant	h	(26.40)	(8.60)
v.	Change on account of fair value adjustment of financial instruments	i	(0.08)	(0.48)
vi.	Impact of recognition of deferred taxes in accordance with Ind AS 12	e	210.99	176.58
vii.	Liability component of compulsory convertible preference shares	j	(549.00)	(294.00)
	Total Ind-AS adjustments		**(373.54)**	**(126.07)**
	Total equity as per Ind-AS		**1,241.11**	**1,158.00**

Reconciliation of total comprehensive income for the year ended 31 March 2024

	Particulars	Note to first-time adoption	As at 31 March 2024
	Net profit after tax under previous GAAP		**278.37**
	Ind AS adjustments [increase in profits / (decrease in profits)]		
i.	Impact of recognition of leases in accordance with Ind AS 116	b	(9.70)
ii.	Impact of expected credit loss on trade receivables as per Ind AS 109	c	(1.29)
iv.	Impact of borrowings	g	1.51
v.	Impact of government grant	h	7.01
vi.	Gratuity reclassification to OCI non-reclassifiable	d	4.33
vii.	Change on account of fair value adjustment of financial instruments	i	0.40
viii.	Impact of recognition of deferred taxes in accordance with Ind AS 12	e	33.15
ix.	Liability component of compulsory convertible preference shares	j	(255.00)
	Total of adjustments		**(219.59)**
	Net profit after tax as per Ind AS		
	Other Comprehensive Income (net of taxes)	d	(3.07)
	Total Comprehensive Income as per Ind-AS		**55.71**

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Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

D Reconciliation of Cash flow statement as previously reported under previous GAAP to Ind AS for the year ended 31 March 2024

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net Cash flow from operating activities	593.91	13.58	607.49
Net Cash flow from Investing activities	(642.56)	52.02	(590.54)
Net Cash flow from Financing activities	51.61	(65.60)	(13.99)
Net increase/(decrease) in cash and cash equivalents	**2.96**	-	**2.96**
Cash and cash equivalent at the beginning of the period	32.15	-	32.15
Cash and cash equivalent at the end of the period	35.11	-	35.11

Notes to reconciliations

a Estimates

As per Ind AS 101 - An entity's estimates in accordance with Ind ASs at the date of transition to Ind ASs shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

As per Ind AS 101 - where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS) The Company's estimates are consistent with the above requirements.

b Leases

Under the previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incidental to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Pursuant to application of Ind AS - 116, for all leases other than those for which the Company has opted for short-term or low value exemption, the Company has recorded a right-of-use asset. The Company has measured the right-of-use asset equal to lease liability i.e. measured at present value of the remaining lease payments using the incremental borrowing rate.

c Expected credit losses

The Company has adopted Ind AS 109 which requires the Company to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Company applies the simplified approach and record lifetime expected losses on all trade receivables meaning that it would record lifetime expected losses for all trade receivables.

d Other comprehensive income (OCI)

Ind-AS requires preparation of Statement of Other Comprehensive income in addition to statement of profit and loss. Re-measurement gain/loss on defined benefit plans earlier accounted for in statement of profit and loss under previous GAAP has been reclassified to OCI as required by Ind-AS 19 - Employee Benefits. However, this has no impact on the total comprehensive income and total equity.

SEDEMAC MECHATRONICS LIMITED

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

e **Deferred taxes**

Ind AS 12 requires entities to account for deferred taxes using the Balance sheet approach, which focuses on temporary difference between the carrying amount of an asset or liability in the Balance Sheet and its tax base. Deferred tax are recognized to the extent that it is probable (or "more likely than not") that sufficient taxable profits will be available to utilize the deductible temporary difference or unused tax losses.

	Particulars	Note to first-time adoption	As at 31 March 2024	As at 01 April 2023
i.	Impact of recognition of leases in accordance with Ind AS 116	b	8.37	4.96
ii.	Impact of expected credit loss on trade receivables as per Ind AS 109	c	0.76	1.30
iii.	Impact of borrowings	g	(0.95)	(0.49)
iv.	Impact of government grant	h	7.69	2.39
v.	Change on account of fair value adjustment of financial instruments	i	0.02	0.13
vi.	Impact of recognition of deferred taxes in accordance with Ind AS 12	e	195.10	168.29
	Increase in deferred tax asset		**210.99**	**176.58**

f **Classification of financial assets and liabilities**

Current and non-current assets/liabilities have been reclassified into financial and non-financial assets/ liabilities as per the nature of assets/liabilities.

g **Accounting for loan acquisition cost**

Under the previous GAAP, Loan acquisition cost is charged to profit & loss and the same will not impact to the loan amount. Pursuant to application of Ind AS 109, for all financial liabilities measured under amortized cost method are required to charge the interest based on effective interest rate which is derived by the amortizing the loan acquisition cost in the term of financial liabilities. The Company has applied the effective interest rate method retrospectively on borrowings which were existed on the date of transition.

h **Accounting for government grants**

Under previous GAAP, government grants relating to purchase of property, plant and equipment was accounted under capital approach and was credited directly to capital reserve under capital approach. Under Ind AS, asset related grant is required to be recorded as deferred income.

i **Fair value adjustments on financial instruments**

Under Ind AS, forward contracts are in the nature of derivatives which is required to measured at fair value at the reporting dates, the same were not accounted under previous GAAP due to its immaterial impact.

j **Liability component of compulsory convertible preference shares**

Under the previous GAAP, compulsorily convertible preference shares ('CCPS') issued to the investors were classified as equity and carried at transaction value. The terms of the instrument provided that

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

such CCPS holders of the Company, in terms of the shareholders agreement, had exit rights including requiring the Company to buy back shares held by them. On such occurrence, the Company will be obliged to buyback CCPS at a price equal the fair value of such shares at redemption. The instrument is assessed to be a compound financial instrument. At initial recognition it is recorded at its fair value and the difference between the fair value of the instrument and financial liability as per Ind AS is recognised in the retained earnings.

k Regrouping and reclassifications

Appropriate regrouping/reclassification adjustments have been carried out for previous GAAP numbers, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the requirements of the Ind AS.

39 Earnings per share (EPS)

A Basic earnings per share

	Year ended 31 March 2025	Year ended 31 March 2024
Net profit after tax attributable to equity share holders for basic EPS	470.45	58.78
Weighted average number of equity shares of face value Rs. 10 each outstanding during the year for basic EPS (In Nos.)	28,700	27,095
Basic earnings per equity share face value of Rs. 10 (in Rs.)	**16,392**	**2,169**

The calculation of basic EPS has been based on the following profit attributable to equity shareholders and weighted average number of equity shares outstanding.

(i) Profit attributable to equity shareholders (basic)

In Mn of INR	Year ended 31 March 2025	Year ended 31 March 2024
Profit for the year, attributable to the owners of the Company	470.45	58.78

(ii) Weighted-average number of equity shares (basic)

In Mn of shares	Year ended 31 March 2025	Year ended 31 March 2024
Opening balance	11,212	11,077
Effect of share options exercised and vested	889	97
Effect of shares issued	678	-
Effect of conversion of compulsory convertible preference shares	15,921	15,921
Weighted average number of equity shares for the year	**28,700**	**27,095**

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Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

B Diluted earnings per share

	Year ended 31 March 2025	Year ended 31 March 2024
Profit after tax attributable to equity share holders for diluted EPS	470.45	58.78
Weighted average number of equity shares of face value Rs. 10 each outstanding during the year for diluted EPS (In Nos.)	28,983	28,166
Diluted earnings per equity share face value of Rs. 10 (in Rs.)	**16,232**	**2,087**

The calculation of diluted EPS has been based on the following profit attributable to equity shareholders and weighted average number of equity shares outstanding after adjustment for the effects of all dilutive potential equity shares.

(i) Profit attributable to equity shareholders (diluted)

In Mn of INR	Year ended 31 March 2025	Year ended 31 March 2024
Profit attributable to equity shareholders (basic)	470.45	58.78
Profit attributable to equity shareholders (diluted)	**470.45**	**58.78**

(ii) Weighted-average number of equity shares (diluted)

In Mn of shares	Year ended 31 March 2025	Year ended 31 March 2024
Weighted average number of equity shares (basic)	28,700	27,095
Effect on share options on issue	283	1,071
Weighted average number of equity shares (diluted) for the year	**28,983**	**28,166**

40 Employee benefits: Post-employment benefit plans

Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to Rs. 16.28 million (31 March 2024 : Rs. 13.29 million).

Gratuity (Defined benefit plan)

The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act'). Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefit. The level of benefit provided is depending on the employee's length of service and salary at retirement/termination.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

Company's Gratuity scheme for employees is partially funded with an insurance Company in the form of qualifying insurance policy.

Based on an independent actuarial valuations, the following tables set out the amounts recognised in the Company's financial statements.

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Description of risk exposures:

The plan typically exposes the Company to actuarial risks such as interest rate risk, longevity risk and salary risk.

Salary escalation rate	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

[A] Statement showing changes in present value of obligation

Particulars	31 March 2025	31 March 2024
Defined benefit obligation at the beginning	**61.36**	**49.00**
Current service cost	9.92	8.65
Interest cost	4.27	3.47
Benefits paid	(2.75)	(3.96)
Actuarial loss arising from change in financial assumption	9.20	1.57
Actuarial loss arising from change in demographic assumption	(2.49)	-
Actuarial loss arising from change in experience	0.25	2.63
Defined benefit obligation at the end	**79.76**	**61.36**

[B] Table showing changes in the fair value of plan assets

Particulars	31 March 2025	31 March 2024
Fair value of plan assets at the beginning	**20.71**	**18.91**
Expected return on plan assets	1.46	1.36
Employer contributions	0.81	1.10
Benefits paid	(1.30)	(0.53)
Expenses debited by LIC	(0.06)	-
Actuarial loss on plan assets	(0.02)	(0.13)
Fair value of plan assets at the end	**21.60**	**20.71**

[C] Major categories of plan assets(as percentage of total plan assets)

Particulars	31 March 2025	31 March 2024	01 April 2023
Funds managed by Insurer (LIC)	100%	100%	100%

Notes to the financial statements for the year ended 31 March 2025
(Amounts in INR Million, unless otherwise stated)

[D] Actuarial gain / loss recognized

Particulars	31 March 2025	31 March 2024
Actuarial loss for the current period - obligation	6.96	4.20
Actuarial (loss)/gain for the current period - plan assets	(0.02)	(0.13)
Total actuarial (gain)/loss for the current period	**6.98**	**4.33**

[E] Amounts to be recognized in the Balance Sheet

Particulars	31 March 2025	31 March 2024
Present value of defined benefit obligations at the end	79.76	61.36
Fair Value of plan asset at the end	21.60	20.71
Funded Status - unfunded liability	**58.16**	**40.65**

Bifurcation of present value of obligations at the end of the current period

Particulars	31 March 2025	31 March 2024
Current liability	36.55	5.76
Non-current liability	21.61	34.89
Present value of obligation as at the end	**58.16**	**40.65**

[F] Expenses recognised in the Statement of Profit and Loss

Particulars	31 March 2025	31 March 2024
Current Service cost	9.92	8.65
Interest cost on obligation	4.27	3.47
Expected return on plan assets	(1.40)	(1.36)
Expense recognised in statement of Profit and Loss	**12.79**	**10.76**

[G] Actuarial assumptions

Particulars	31 March 2025	31 March 2024	1 April 2023
Discount rate (p.a.)	6.70%	7.11%	7.38%
Salary escalation rate (p.a.)	10.00%	8.00%	8.00%
Expected rate of return on plan assets	7.11%	7.38%	7.19%
Mortality Rate	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Withdrawal Rate	13.00%	2.00% to 10.00%	2.00% to 10.00%
Normal Retirement Age	58 years and 60 years	58 years and 60 years	58 years and 60 years
Average Future Service	6.91*	20*	19*

*It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

[H] Sensitivity Analysis

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. There are no changes in the methods and assumptions used in preparing the sensitivity analysis from the previous year. The revised present value of the defined benefit obligation as a result of change in 100 basis points in the assumptions made would be :

	31 March 2025	31 March 2024
Discount rates (+1% movement)	75.85	55.89
Discount rates (-1% movement)	85.98	67.86
Salary escalation (+1% movement)	84.99	67.03
Salary escalation (-1% movement)	76.63	56.24
Withdrawal rates (+1% movement)	79.80	61.15
Withdrawal rates (-1% movement)	81.52	61.59

[I] Expected contribution -defined benefit liability

The following payments are expected contributions to the defined benefit plan in future years:

	31 March 2025	31 March 2024
Year 1	11.29	5.76
Year 2	10.90	3.78
Year 3	9.30	4.12
Year 4	12.05	5.97
Year 5	12.06	6.12
Year 6 to 10	74.42	23.24

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.57 years (31 March 2024 : 16.22 years).

Amounts disclosed as 0.00 are below the disclosure thresholds of the Company.

41 Leases

Company as a lessee

The Company leases primarily consists of factory premises, technical center and corporate office. The Company has entered into non-cancellable operating leases which range for a period between 1-6 years. The terms of the said leases include terms for renewal, increase in rents in future periods for premises and terms of cancellation. The Company's obligations under its leases are secured by the lessor's title to the assets.

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Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	31 March 2025	31 March 2024
Opening balance	194.36	241.49
Addition/Modifications during the year	8.59	-
Finance cost accrued on lease liabilities	14.71	18.81
Payments	(70.31)	(65.94)
Closing balance	**147.35**	**194.36**
Current (note no. 18)	**65.52**	**54.42**
Non-current (note no. 18)	**81.83**	**139.94**

The effective interest rate for lease liabilities is 8.75%, with maturity between 2026-2029.

Contractual maturity analysis of lease liabilities on an undiscounted cash flow basis

Particulars	31 March 2025	31 March 2024	01 April 2023
Within one year	75.29	68.79	65.93
Later than one year but not later than five years	91.50	158.56	199.98
Later than five years	-	-	27.37
	166.79	**227.35**	**293.28**

The following are the amount recognized in Statement of profit and loss:

Particulars	31 March 2025	31 March 2024
Depreciation expense of right-of-use assets (note 32)	61.19	59.58
Interest expense on lease liabilities (note 31)	14.72	18.80
Expense relating to short term leases (included in other Expenses)	1.48	1.13
Expense relating to low value leases (included in other Expenses)	4.40	4.97
	81.79	**84.48**

The Company had total cash outflows for leases in 31 March 2025 is Rs. 76.19 million (31 March 2024 : Rs. 93.36 million). There are non-cash additions to right-of-use assets and lease liabilities during the year Rs. 8.59 millions (31 March 2024 : Nil).

For contractual maturities, refer note no. 36

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Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

42 Contingent liabilities and commitments

(to the extent not provided for)

		31 March 2025	31 March 2024	01 April 2023
	Contingent liabilities:			
a.	**Claims against the company not acknowledged as debt**			
	Income tax matters in dispute (refer note (i))	28.26	-	-
		28.26	**-**	**-**
(i)	The Company is contesting before Hon'ble ITAT against the order passed by the CIT(A) and believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the tax demands/notices raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of the operations.			
b.	**Liability for bills discounted**	-	9.35	25.82
		-	**9.35**	**25.82**
c.	**Commitments :**			
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)			
	- Property, plant and equipment	285.48	41.89	102.17
	- Intangible assets	7.77	-	-
		293.25	**41.89**	**102.17**

43 Related party disclosures

(i) List of Related Parties & relationship:

Particulars	Name of the Related Party
Key Management Personnel	Shashikanth Suryanarayanan (Managing Director w.e.f 26.03.2025)
	Amit Dixit (Joint Managing Director w.e.f 26.03.2025)
	Manish Sharma (Whole-Time Director w.e.f 14.05.2025)
	Bhavya Kapoor (Director w.e.f 30.05.2024)
	Abhay kumar Pandey (Director w.e.f 30.05.2024)
	Namakal Srinivasan Parthasarathy (Independent Director w.e.f 21.02.2025)
	Poyni Bhatt (Independent Director w.e.f 22.03.2025)
	Udo Edgar Wolz (Non-Executive Director w.e.f 01.07.2025)
	Rajesh Sheth (Chief financial officer w.e.f 14.05.2025)
	Prasad Chavan (Company secretary w.e.f 14.05.2025)

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

(ii) **Disclosure of related party transactions:**

Name of the related party	Nature of transactions	For the year ended 31 March 2025	For the year ended 31 March 2024
Mr. Shashikanth Suryanarayanan (Managing Director)	Short-term employee benefits	53.93	32.20
Mr. Amit Dixit (Joint Managing Director)	Short-term employee benefits	29.99	53.46
	Post employment benefits	2.99	0.50
	Reimbursement of expenses (net)	0.01	0.08

(iii) **Outstanding balances at the end of the year**

Name of the related party	For the year ended 31 March 2025	For the year ended 31 March 2024
Accrued salaries and benefits		
Mr. Shashikanth Suryanarayanan (Managing Director)	29.45	23.32
Mr. Amit Dixit (Joint Managing Director)	20.20	-

44 Share-based payment arrangements

A Description of the share-based payment arrangements

The Company is following share-based payment arrangements :

(i) **Share option plans (equity settled)**

The Company sponsors share option plan -

The SEDEMAC Employee Stock Option Plan ('ESOP') - 2014 Plan. The details of the aforesaid plan are as follows

The SEDEMAC ESOP - 2014 plan was approved by the directors of the Company on 06 March 2014 and by the shareholders on 25 March 2014. ESOP - 2014 plan provides for the issue of 1,563 shares to the employees of the Company, who are in whole time employment with the Company. The plan is administered by a Compensation committee. Options will be issued to employees of the Company at an exercise price, which shall be a price between 30% to 60% of the applicable Last Round Securities Price. The equity shares covered under these options vest over a period ranging from twelve to forty eight months from the date of grant. The exercise period is earlier of the date of IPO and the relevant date as determined in accordance with the ESOP Policy, in case of cessation of the employment.

The options shall vest after the expiry of the vesting period (60 months) provided that the grantee has been in the continuous and uninterrupted employment of the Company from the date of grant of the options until the date of such vesting.

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

B Measurement of fair values

The fair value of employee share options has been measured using Black Scholes model. The fair value of the options and the input used in the measurement of the grant- date fair values of the plan are as follows:

Particulars	SEDEMAC ESOP - 2014	
	For the year ended 31 March 2025	For the year ended 31 March 2024
Fair value of per option granted during the year	NA	1,99,102
Fair market value of underlying share (In Rs.)	NA	5,50,000
Weighted average exercise price (WAEP)	1,91,669	5,25,667
Risk-free interest rate	7.20%	7.19%
Expected Life	3.50 years	2.50 years
Expected Volatility	31.36%	26.77%
Expected Dividend yield	NIL	NIL

Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's peers traded equity shares during a period equivalent to the expected term of the options.

C Movements during the year

The following table illustrates the number and WAEP of, and movements in, SEDEMAC ESOP - 2014 plan during the period

	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Number of options	WAEP	Number of options	WAEP
Options outstanding at the beginning of the year Options outstanding at 1 April	1,172	152,557	1,248	83,808
Granted during the period	-	-	60	5,25,667
Forfeited / lapsed during the period	-	-	1	5,25,667
Exercised during the period	160	110,012	135	5,25,667
Options outstanding at the end of the year	1,012	191,669	1,172	152,557
Exercisable at year end	829	191,669	880	152,557
Contractual life of options outstanding at the end of the year	1 year		1.39 years	

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Range of exercise prices for share options outstanding at the end of the period:

31 March 2025

Range of exercise price :	Options outstanding at the end of the period
INR 10	5
INR 66,000 to INR 1,00,000	352
INR 1,00,001 to INR 5,00,000	621
INR 5,00,001 to INR 6,00,000	34
Outstanding at the end of the period	**1,012**

31 March 2024

Range of exercise price :	Options outstanding at the end of the period
INR 10	9
INR 66,000 to INR 1,00,000	458
INR 1,00,001 to INR 5,00,000	667
INR 5,00,001 to INR 6,00,000	38
Outstanding at the end of the period	**1,172**

D **Expense recognised in statement of profit and loss**

The expense recognised for employee services received during the year is shown in the following table :

Particulars	31 March 2025	31 March 2024
Expense arising from equity settled share-based payment transaction (refer note 30)	10.38	16.16

45 **Segment information**

(a) (i) **Basis of segmentation**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's joint managing director who is also CODM to make decisions about resources to be allocated to the segments and assess their performance.

The Company has the following two strategic divisions, which are its reportable segments. These divisions offer different products and are managed separately because they require different technology and marketing strategies.

SEDEMAC MECHATRONICS LIMITED

S R & Co. LLP Chartered Accountants

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

The following summary describes the operations in each of the Company's reportable segments:

Reportable segments	Operations
Mobility	motor control technology, transmission controls which consists of integrated starter generator, electronic fuel injection, automated manual transmission and motor control unit and electrification control units used in various electric bicycles and electric vehicles
Industrial	small powertrain engine controls which consists of genset control units, engine control units, electronics governors, control panels and actuators

(ii) Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that such information is the most relevant in evaluating the results of the certain segments relative to other entities that operate in the same industries.

Year ended 31 March 2025

Particulars	Reportable segments		Unallocable	Total
	Mobility	Industrial		
Segment revenue from operations	5,641.32	942.31	-	6,583.63
Segment other income	9.71	1.84	30.18	41.73
Segment expenditure	5,104.60	847.05	208.21	6,159.86
Segment profit	**546.43**	**97.10**	**(178.03)**	**465.50**
Profit /(loss) after tax	**546.43**	**97.10**	**(178.03)**	**465.50**

Year ended 31 March 2025

Particulars	Reportable segments		Unallocable	Total
	Mobility	Industrial		
Segment assets	4,038.15	438.14	435.30	4,911.59
Segment liabilities	2,552.57	467.21	1,891.81	4,911.59
Other segment information				
Capital Expenditure during the year	803.82	112.64	-	916.46
Interest income	2.07	0.34	6.47	8.88
Finance cost	107.32	12.98	-	120.30
Depreciation and amortization expenses	370.63	82.76	-	453.39
Loss on impairment of intangible Assets	44.88	5.54	-	50.42
Income tax expense	-	-	204.51	204.51

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Year ended 31 March 2024

Particulars	Reportable segments		Unallocable	Total
	Mobility	Industrial		
Segment revenue from operations	4,544.40	762.13	-	5,306.53
Segment other income	29.30	1.94	21.19	52.43
Segment expenditure	4,550.62	722.57	30.06	5,303.25
Segment profit	**23.08**	**41.50**	**(8.87)**	**55.71**
Profit /(loss) after tax	**23.08**	**41.50**	**-8.87**	**55.71**

Year ended 31 March 2024

Particulars	Reportable segments		Unallocable	Total
	Mobility	Industrial		
Segment assets	3,365.42	597.75	59.24	4,022.41
Segment liabilities	2,377.25	467.71	1,177.45	4,022.41
Other segment information				
Capital Expenditure during the year	645.63	104.46	-	750.09
Interest income	4.14	0.79	-	4.93
Finance cost	331.88	52.60	-	384.48
Depreciation and amortization expenses	284.78	73.85	-	358.63
Loss on impairment of Intangible Assets	9.23	1.52	-	10.75
Income tax expense / (income)	-	-	28.09	28.09

Year ended 01 April 2023

Particulars	Reportable segments		Unallocable	Total
	Mobility	Industrial		
Segment assets	1,660.60	1,637.40	22.61	3,320.61
Segment liabilities	1,469.91	755.20	1,095.50	3,320.61

SEDEMAC MECHATRONICS LIMITED

B S R & Co. LLP Chartered Accountants 8th Floor, Business Plaza, Westin Hotel Campus, 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi, Pune-411001 India

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

b) Geographical informatio

Geographical area	Revenue*		Non-current assets**	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
India	6129.27	5,003.42	2,558.03	2,165.56
Europe	76.00	176.50	-	-
North America	372.29	125.71	-	-
Rest of the world	6.07	0.90	-	-

* Revenue by geographical area are based on the geographical location of the customer.

** Non-current assets excludes financial instruments and tax assets and are determined for the Company as a whole.

(c) Combined revenue from one external customer group having more than 10% each of the Company's total revenue amounting to Rs. 5,297.30 million (31 March 2024: Rs. 4,435.01 million).

46 Disclosure in respect of Research and Development activities as per the requirements of Department of Scientific and Industrial Research ('DSIR'):

The Company has an in-house Research and Development center which is approved by Department of Scientific and Industrial Research (prescribed authority) with effect from 24th May 2017 as per approval letter dated 28th June 2017, reference number TU/IV-RD/4178/2017. The same recognition as an in-house Research and Development center is extended further till 31st March 2026, as per the letter from the prescribed authority, dated 28th December 2023, reference number TU/IV-RD/4178/2023.

The Company has identified the following as expenditure on research and development eligible u/s 35(2AB) of the Income Tax Act, 1961

Particulars	31 March 2025	31 March 2024
Capital expenses	292.71	377.19
Revenue expenses	151.29	127.68
	444.00	504.87

47 Corporate Social Responsibility (CSR)

Asper Section135 of the Companies Act, 2013, a Company, meeting the applicability threshold needs to spendat least 2% of it saver agenet profit for the immediately preceding three financialyear on corporate social responsibility (CSR) activities.

Particulars	For the year ended	
	31 March 2025	31 March 2024
a) Gross Amount required to be spent by the Company during the year	3.47	1.78

b) Amount spent during the year

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Particulars	For the year ended 31 March 2025		
	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any assets	-	-	-
(ii) On purpose other than (i) above:	3.60	-	3.60

Particulars	For the year ended 31 March 2024		
	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any assets :	-	-	-
(ii) On purpose other than (i) above:	1.80	-	1.80

c) Details related to spent / unspent obligations :

Particulars	For the year ended	
	31 March 2025	31 March 2024
i) Contribution to Public Trust	3.60	1.80
ii) Contribution to Charitable Trust	-	-
iii) Unspent amount in relation to :	-	-
- Ongoing project	-	-
- Other than ongoing project		

	For the year ended	
	31 March 2025	31 March 2024
Nature of activities	Promotion of education, health care facilities for women, orphans, old day homes and day care centres, environment sustainability and protection of flora and fauna	Promotion of education, health care facilities for women, orphans, old day homes and day care centres, environment sustainability and protection of flora and fauna

Details of other than ongoing project :

For the year ended 31 March 2025 : *(Rs. in million)*

In case of S. 135(6) (Ongoing Project)				
Opening balance	Amount deposited in Specified Fund of Sch VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
(0.02)	-	3.47	3.60	(0.15)

For the year ended 31 March 2024 : *(Rs. in million)*

In case of S. 135(6) (Ongoing Project)				
Opening balance	Amount deposited in Specified Fund of Sch VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
[illegible]	[illegible]	1.78	1.80	(0.02)

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

47 Key Financial Ratios

S No.	Ratio	Numerator	Denominator	31 March 2025	31 March 2024	Change	% Of change
1	Current Ratio	Current assets	Current Liabilities	1.45	0.75	0.70	94.06%
2	Debt – Equity Ratio	Total debt[a]	Shareholder's Equity	0.21	1.37	-1.16	-84.52%
3	Debt Service Coverage Ratio	Earnings available for debt service[b]	Debt service[c] = Interest on term loan from banks + Principal repayments	1.41	1.91	-0.50	-26.10%
4	Return on Equity (ROE):	Net profits after taxes	Average Shareholder's Funds	22.01%	4.90%	17.11%	349.20%
5	Trade receivables turnover ratio	Revenue from operations	Average trade receivables	18.55	25.10	-6.55	-26.10%
6	Trade payables turnover ratio	Purchase of services and other expenses	Average trade payables[e]	5.78	5.69	0.08	1.47%
7	Net capital turnover ratio	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities excluding short term borrowings)	9.95	-9.68	19.63	-202.87%
8	Net profit ratio	Net profit after tax	Revenue from operations	7.15%	1.11%	6.04%	545.11%
9	Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[d]	33.79%	28.87%	4.92%	17.04%
10	Return on Investment	Income generated from investments[f]	Invested Funds				
	Quoted			6.50%	-	NA	NA
	Unquoted			6.63%	6.32%	0.31%	4.89%
11	Inventory Turnover Ratio	Cost of goods sold	Average Inventory	3.25	3.49	-0.25	-7.03%

Notes:

a. Debt includes current and non-current lease liabilities.

b. Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + interest + other adjustments like loss on sale of fixed assets etc.

c. Debt service includes lease payments for the year. It excludes working capital repayment (if any) during the year.

d. Capital Employed = Tangible net worth + Total debt

e. Trade payables include provision for expenses.

f. Income generated from investments include interest income, net gain on sale of investments and net fair value gain.

SEDEMAC MECHATRONICS LIMITED

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Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

Reasons for variance more than 25%

S. No.	Ratio	Reason for variance
1	Current Ratio	Variance on account of increase in investments in mutual funds, trade receivables and decrease in short-term borrowings and conversion of compulsory convertible preference shares.
2	Debt - Equity Ratio	Variance on account of repayment of borrowings, increase in securities premium due to issue of shares and conversion of compulsory convertible preference shares and increase in net profits during the year.
3	Debt Service Coverage ratio	Variance on account of repayment of long-term and short term borrowings and increase in net profits during the year.
4	Return on Equity (ROE)	Variance on account of increase in Company's revenue from operations in current financial year and increase in net profit by 96.02%, increase in networth is due to increase in securities premium on account of issue of shares and conversion of compulsory convertible preference shares during the year.
5	Trade receivables turnover ratio	Variance on account of increase in trade receivables and increase in Company's revenue from operations during the year.
6	Net capital turnover ratio	Variance on account of increase in working capital. Increase in working capital is due to increase in investments in mutual funds, trade receivables and decrease in short-term borrowings and conversion of compulsory convertible preference shares.
7	Net profit ratio	Variance on account of increase in net profit during the year is due to increase in revenue from operations and decrease in finance cost during the year.

48 Other Statutory Information

a. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b. The Company does not have any transactions with companies struck off.

c. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

e. The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   i) 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

   ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

f. The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   i) 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

   ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

g. The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

Notes to the financial statements for the year ended 31 March 2025

(Amounts in INR Million, unless otherwise stated)

h. The Company is not declared wilful defaulter by any bank or financial Institution or government or any government authority.

i. Compliance with number of layer of companies as per Companies Act, 2013 - The Company does not hold any investments in subsidiaries, joint ventures and associates accordingly provisions prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the Company.

j. The Company has not entered into any scheme of arrangement which has an accounting impact on current financial year.

k. The Company has not revalued its Property, Plant and Equipment (including Right- of- Use Assets) or Intangible assets or both during the current and previous financial year.

l. The Company has used the borrowings from financial institutions for the specific purpose for which it was taken at the balance sheet date.

m. The Company has been sanctioned working capital limits from banks or financial institutions on the basis of security of current assets, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with books of accounts of Company.

49 (a) The Company maintains its books of account in electronic mode and these books of accounts are accessible in India at all times. It uses 'Infor LN' software for maintaining its books of accounts. Data for these software are backed up on daily basis on servers located in India as required under Rule 3(5) of Companies (Accounts) Rules, 2014.

(b) The Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:

- The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes;
- The feature of recording audit trail (edit log) facility was not enabled for certain tables at the application layer of the accounting software used for maintaining books of accounts relating to Revenue and Receivables, Purchases and payables and Payroll;
- the authorised privileged user(s) had rights to make changes to the audit trail feature. However, the edit logs for changes made to the audit trail feature were not available, and hence, we are unable to determine whether changes to the audit trail feature were made during the year. Consequently, the Company is unable to comment whether there were any instances of the audit trail feature being tampered with.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kalpesh Khandelwal
Partner
Membership No.: 130124
Place: Pune
Date: 25 August 2025

For and on behalf of the Board of Directors of
SEDEMAC Mechatronics Limited
(Formerly known as SEDEMAC Mechatronics Private Limited)
(CIN : U29253MH2007PLC172478)

Shashikanth Suryanarayanan
Managing Director
DIN : 01269904
Place: Bengaluru
Date: 25 August 2025

Amit Dixit
Joint Managing Director
DIN: 01268169
Place: Bengaluru
Date: 25 August 2025

Rajesh Shath
Chief Financial Officer
Place: Pune
Date: 25 August 2025

Prasad Chavan
Company Secretary
Place: Pune
Date: 25 August 2025