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INDEPENDENT AUDITOR'S REPORT

To the Members of Kaynes Mechatronics Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kaynes Mechatronics Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, 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 a Summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards 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 Companies Act, 2013 and the Rules there under, 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.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue Recognition

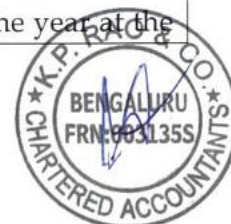
Key Audit Matter	Auditor's Response
Revenue from the sale of manufactured electronic assemblies is recognised at the point in time when control of the goods transfers to the customer, generally on delivery, in accordance with Ind AS 115 (refer Note 19 to the financial statements). We considered revenue recognition to be a key audit matter because of the following: (i) the high volume of dispatches, a significant proportion of which occur close to the reporting date, gives rise to a cut-off risk; (ii) the transaction price is net of variable consideration arising from volume discounts, rebates and customer schemes, the estimation of which involves management judgement; (iii) several contracts involve customer-supplied (free-issue) components and tooling, requiring judgement on whether the Company acts as principal or agent and on the appropriate gross-versus-net presentation; and the materiality of revenue to the financial statements as a whole and the presumed fraud risk in revenue recognition under SA 240.	Our audit procedures included, among others: • Evaluating the design and testing the operating effectiveness of controls over revenue recognition, including controls over the capture of dispatch data, authorisation of pricing and discounts, and the recording of sales cut-off. • Assessing the appropriateness of the Company's revenue recognition policy against the requirements of Ind AS 115, including the identification of performance obligations and the conclusion that they are satisfied at a point in time. • Testing a sample of revenue transactions to underlying contracts and purchase orders, dispatch documentation, proof of delivery and customer acceptance, to verify that control had transferred and revenue was recorded in the correct period. • Performing cut-off testing on sales recorded for a period before and after the reporting date by agreeing them to shipping documents and delivery evidence. • Evaluating management's estimate of variable consideration (discounts, rebates and schemes) by examining scheme terms, recomputing accruals, and assessing the historical accuracy of estimates against actual settlements.



	• Assessing the principal-versus-agent conclusion for arrangements involving free-issue material and tooling, by evaluating which party controls the goods before transfer and corroborating the accounting treatment and presentation. • Examining credit notes and sales reversals recorded after the reporting date to identify whether revenue had been overstated. Evaluating the adequacy and accuracy of the related disclosures in the financial statements.
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2. Information technology controls in a packaged accounting software (Tally) environment

Key Audit Matter	Auditor's Response
The Company's financial reporting process is significantly dependent on Tally, an off-the-shelf packaged accounting software, which is the sole system of record for the maintenance of its books of account. The financial statements are compiled outside the application from balances extracted from Tally. We considered this a key audit matter because: (i) the application is deployed substantially in its standard form and offers limited inbuilt automated controls, preventive validations and workflow-based approvals, so that the reliability of the accounting records rests largely on manual controls operating around the application; (ii) the security control features within the application – creation of users, assignment of role-based rights and administration of passwords – are optional in their deployment, and where these are not activated, or where administrator credentials are	Our audit procedures included, among others: • Obtaining an understanding of the information technology environment relevant to financial reporting, including the version and edition of the application deployed, whether it is operated in single-user or multi-user mode, the manner in which the company data is hosted and secured, and the extent to which significant financial processes depend upon it. • Evaluating whether the security control feature had been activated and, where activated, testing the design and operating effectiveness of controls over user access management – the creation and deactivation of users, the appropriateness of the rights assigned to each user, the administration of administrator and data-vault credentials, and the periodic review of the user list by management. • Inspecting the audit trail (edit log) to assess whether the facility was enabled and operated throughout the year at the



shared, transactions may be recorded, altered or deleted without individual accountability; (iii) the application permits back-dated entries and the alteration or deletion of vouchers and of ledger and inventory masters after they have been recorded, including in respect of periods that have already been reported upon; (iv) the audit trail (edit log) facility is required to be enabled, to record each change made in the books of account, and to have operated throughout the year without being tampered with – matters on which we are required to report under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014; (v) the company data resides in data files on a server or local machine that are capable of being copied, restored, imported into or edited outside the application, and third-party add-ons developed in Tally Definition Language may alter the manner in which transactions are recorded and reports are generated; and (vi) we placed reliance on information produced by the entity – trial balances, ledger extracts, ageing analyses, exception listings and reconciliations generated from the application and, in several instances, further worked upon in spreadsheets outside it.	application level for all transactions recorded, whether there was any instance of it being disabled or tampered with, and examining the log of vouchers altered or deleted after original recording – with particular attention to entries affecting previously reported figures and entries passed close to the year end. • Testing the controls over the passing of back-dated entries and over amendments to ledger and inventory masters, and evaluating whether such changes were authorised by an appropriate person and supported by underlying documentation. • Obtaining the list of add-ons and customisations developed in Tally Definition Language that were in use during the year, and evaluating the controls over their development, authorisation and implementation and their effect on the recording of transactions and the generation of reports. • Assessing the controls over the integrity of the data files, including physical and network access to the location at which the company data is held, the controls over backup, restoration and the import of data from external files, and the access available to the vendor or external support personnel. • Evaluating segregation of duties within the application and, where segregation was not practicable having regard to the number of users, testing the compensating manual controls – principally the scrutiny of ledgers, review of exception reports and preparation and review of reconciliations by persons other than the preparer of the entries. • Testing the completeness and accuracy of the information produced by the application.
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	entity by re-performing extractions directly from the application, reconciling the reports used to the underlying ledgers, and agreeing the spreadsheet-based schedules and the financial statements to the trial balance drawn from the application. • Applying computer-assisted audit techniques to the complete voucher-level data extracted for the year in order to identify and test journal entries and other adjustments bearing characteristics of heightened risk, including entries passed to unusual account combinations, entries passed by users with administrator rights and entries passed outside normal business hours. • Where controls were absent or were found not to be operating effectively, modifying the nature, timing and extent of our substantive procedures, including by increasing sample sizes and testing a larger proportion of transactions directly against the underlying documentation.
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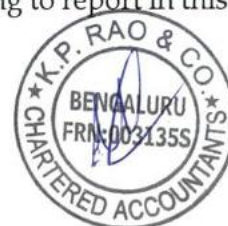
Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management's and those charged with governance for the financial statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance, 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 management 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 Responsibility for the audit of 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 judgement and maintain professional scepticism 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

- (i) Planning the scope of our audit work and in evaluating the results of our work and
- (ii) To evaluate the effect of any identified misstatements in the financial statements.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 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.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), 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, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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**" to this report.
- g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, there was no managerial remuneration paid by the company to its directors during the year hence reporting under the provisions of Section 197 of the Act is not applicable.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has no pending litigations which would impact its financial position in its financial statements.
- ii. The Company did not have any material foreseeable losses on the long-term contracts including derivative contracts during the year ended 31st March 2026.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
- iv.
 - a. The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 36 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")
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 36 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 Party ("Ultimate Beneficiaries")
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c. Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv) (a) and (iv) (b) contain any material misstatement.



- v. The company has neither declared nor paid interim dividend or final dividend during the year. Therefore, reporting under Rule 11(f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and during the course of our audit and on the basis of test checking of selected samples, we did not come across any instances of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

for **K.P.Rao & Co.**

Chartered Accountants

Firm Reg. No. 003135S



Mohan R Lavi

Partner

Membership No. 029340

UDIN: 26029340SSQOOO7211

Place: Mysuru

Date: May 11, 2026

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in report on other legal and regulatory requirements Section of our report of even date)

- i) In respect of Company's property, plant and equipment, right-of-use assets and intangible assets:
- a. (A) The company has maintained showing proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
(B) The company is maintaining proper records showing full particulars of intangible assets.
 - b. During the year, the company has not conducted any physical verification of Property, Plant and Equipment. However, the company has a policy to physically verify all the Property, Plant and Equipment once in three years.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the title deeds of all the immovable properties, comprising of land & building are in the name of the company as at the balance Sheet date.
 - 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) during the year.
 - e. Based on the information and explanation furnished to us, no proceedings have been initiated on the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and Rules made there under.
- ii)
- a. As explained to us, the inventories were physically verified during the year by the Management and in our opinion, the coverage and procedure of such verification is appropriate. Based on the information and explanation furnished to us, no material discrepancies in excess of 10% or more in the aggregate for each class of inventory were noticed on physical verification.
- During the year, the company has not been sanctioned, any point of time of the year, working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. Hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii) During the year the Company has not made investments in, provided loans, advances in the nature of loans, stood guarantee or provided security to Companies, Firms,



Limited Liability Partnerships or any other parties. Hence, the requirement to report under clause 3(iii) of the Order is not applicable to the Company.

- iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of Sections 185 and 186 of the Companies Act, 2013 attract. Hence, clause 3(iv) of the order is not applicable.
- v) The Company has not accepted any deposit, within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year hence, the reporting under clause 3(v) of the order is not applicable.
- vi) In our opinion and according to the information and explanations given to us the maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the order is not applicable to the Company.
- vii)
- a. According to the information and explanations given to us and according to the books and records as produced and examined by us, in respect of statutory dues, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Cess and other material statutory dues as applicable with the appropriate authorities. As at last day of financial year, there were no amounts payable in respect of the aforesaid statutory dues outstanding for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there were no disputed dues on account of the aforesaid statutory dues as at the year end and hence, reporting under clause 3(vii)(b) is not applicable.
- 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 transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix)
- a. As the Company has not availed any loans, the requirement to report on clause 3(ix)(a) of the Order is not applicable to the Company
- b. According to the information and explanation given to us and on the basis of our audit procedure, we report that the company has not been declared wilful defaulter by any bank or financial institution or other lenders.



- c. As the Company has not availed any term loans during the year, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- d. As the Company has not availed any loans on short term basis during the year, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.
- e. On an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- f. On an overall examination of the financial statements of the company, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x)
- a. The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b. According to the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi)
- a. To the best of our knowledge and according to the information and explanations given to us and on the basis of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, no fraud by the Company or on the Company was 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 Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. According to the information and explanations given to us including the representation made to us by the management of the Company, no whistle-blower complaints were received by the Company during the year and hence, reporting under clause 3(xi)(c) of the Order is not applicable to the Company.



xii)

- a. The Company is not a Nidhi company and hence, reporting under clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details thereof have been disclosed in the financial statements, as required by the applicable Accounting Standards.

xiv) The Company is not required to have internal audit system as required under Section 138 of the Companies Act, 2013 and hence, the reporting under clause 3(xiv)(a) and (b) of the Order is not applicable.

xv) In our opinion and according to the information and explanations given to us, during the year, Company has not entered into any non-cash transactions with its directors or persons connected with him and accordingly, the reporting under clause 3(xv) of the Order is 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.

b. In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934

c. In our opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d. According to the information and explanations given by the management, the Group does not have more than one CIC as part of the Group. Accordingly, the reporting under Clause 3(xvi)(d) is not applicable to the Company.

xvii) Based on our examination of books of accounts, the Company has incurred cash loss of Rs. 64.80 million in and Rs. 1.42 million in the current as well as immediately preceeding the financial year respectively.

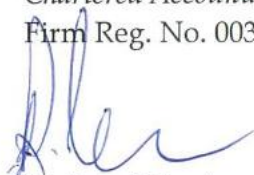


- xviii) There has been no resignation of the statutory auditors during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- xx) The provisions of section 135 are not applicable to the company. Accordingly, reporting under clause 3(xx)(a) & (b) of the Order is not applicable to the Company.
- xxi) Clause 3(xxi) of the order is not applicable in respect of audit of standalone financial statements of the company. Accordingly, no comment has been included in the said clause under this report.

for **K.P.Rao & Co.**

Chartered Accountants

Firm Reg. No. 003135S



Mohan R Lavi

Partner

Membership No. 029340



UDIN: 26029340SSQOOO7211

Place: Mysuru

Date: May 11, 2026

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Opinion

We have audited the internal financial controls with reference to financial statements of the Company as of 31 March 2026 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at 31st March 2026, based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Company have to be completely and appropriately documented.

Management's and Board of Directors' Responsibility 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 essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required the Companies Act, 2013 ('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 ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with



reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 system with reference to Financial Statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial control 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. This includes those policies and procedures that:

- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii) 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 authorizations of management and directors of the company; and
- iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the 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 **K.P.Rao & Co.**

Chartered Accountants

Firm Reg. No. 003135S



Mohan R Lavi

Partner

Membership No. 029340



UDIN: 26029340SSQOOO7211

Place: Mysuru

Date: May 11, 2026

Kaynes Mechatronics Private Limited
CIN No: U26100KA2024PTC184900
Standalone Balance Sheet as at March 31, 2026
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	279.78	227.48
Capital work-in-progress	3(a)	6.87	68.79
Intangible assets	3(b)	1.13	1.11
Right-of-Use Assets	3(c)	83.03	91.17
i)Loans and deposits	4(a)	2.91	5.93
Other non-current assets	5	3.45	122.87
Total Non-Current Assets (A)		377.17	517.35
CURRENT ASSETS			
Inventories	6	39.02	20.52
Financial assets			
i)Trade receivables	7(a)	216.44	204.76
ii)Cash and cash equivalents	7(b)	8.06	3.18
Current tax Assets (Net)	8	0.69	-
Deferred Tax Assets (Net)	9	5.25	4.64
Other current assets	10	161.71	41.22
Total Current Assets (B)		431.17	274.32
TOTAL ASSETS		808.34	791.67
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	11(a)	0.10	0.10
Other Equity	12	(97.77)	(9.00)
Total Equity		(97.67)	(8.90)
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
- Lease liabilities	25	78.11	87.55
Total Non-current Liabilities (B)		78.11	87.55



Kaynes Mechatronics Private Limited
CIN No: U26100KA2024PTC184900
Standalone Balance Sheet as at March 31, 2026
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
CURRENT LIABILITIES			
Financial Liabilities			
- Short-term borrowings			
- Trade payables	13(a)		
- Total outstanding dues of micro enterprises and small enterprises			
- Total outstanding dues to other than micro enterprises and small enterprises		64.33	69.93
- Other financial liabilities	13(b)	71.32	27.30
- Lease liabilities	25	6.37	2.91
Other current liabilities	14	685.88	612.88
Total Current Liabilities		827.90	713.02
Total Liabilities		906.01	800.57
TOTAL EQUITY AND LIABILITIES		808.34	791.67

Material accounting policies and notes to financial statements 1 to 2

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

As per our report of even date

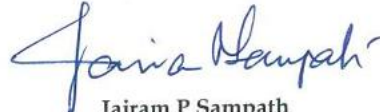
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S




Mohan R Lavi
Partner
Membership No.029340
Place: Mysuru
Date: May 11, 2026

For and on behalf of the board of directors of
Kaynes Mechatronics Private Limited


Ramesh Kunhikannan
Director
(DIN: 02063167)
Place: Mysuru
Date: May 11, 2026


Jairam P Sampath
Director
(DIN: 08064368)
Place: Mysuru
Date: May 11, 2026



Kaynes Mechatronics Private Limited

CIN No: U26100KA2024PTC184900

Standalone Statement of Profit and Loss for the year ended March 31, 2026
(All amounts are in INR Millions, except per equity share data)

Particulars	Note	For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
Income			
Revenue from operations	15	257.08	238.08
Other Income		0.45	0.28
Total Income (A)		257.53	238.36
Expenses			
Cost of materials consumed	17	116.77	78.29
Changes in inventories of finished goods and work in progress		-	-
Employee Benefit Expenses	18	65.42	62.59
Finance Cost	19	53.60	38.65
Depreciation and amortization expense	20	29.25	12.46
Other Expenses	21	81.87	59.19
Total Expenses (B)		346.91	251.18
Profit / (Loss) before tax (A-B)=C		(89.38)	(12.82)
Tax Expenses			
Income taxes - Current tax		-	0.82
Deferred tax Charge/ (Credit)		(0.61)	(4.64)
Total tax expense (D)		(0.61)	(3.82)
Profit / (Loss) for the year (C-D)=E		(88.77)	(9.00)
Other comprehensive income (net)			
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
- Re-measurement gains/ (losses) on defined benefit plans		-	-
- Income tax effect on the above		-	-
Total other comprehensive income for the year,(net) (F)		-	-
Total comprehensive income for the year (E+F)		(88.77)	(9.00)
Earnings per share (nominal value of Rs. 10 each)	24		
Basic		(8,877.00)	(900.00)
Diluted		(8,877.00)	(900.00)
Material accounting policies and notes to financial statements	1 to 2		

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

As per our report of even date

For K.P. Rao & Co

Chartered Accountants

Firm Registration Number: 003135S

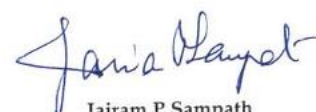



Mohan R Lavi
Partner
Membership No.029340
Place: Mysuru
Date: May 11, 2026

For and on behalf of the board of directors of
Kaynes Mechatronics Private Limited



Ramesh Kunhikannan
Director
(DIN: 02063167)
Place: Mysuru
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Director
(DIN: 08064368)
Place: Mysuru
Date: May 11, 2026

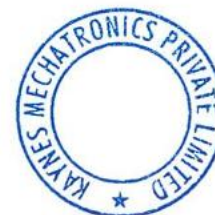
Kaynes Mechatronics Private Limited

CIN No: U26100KA2024PTC184900

Standalone Statement of Cash Flows for the year ended March 31, 2026

(All amounts are in INR Millions, unless otherwise stated)

Particulars	For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
A. Cash Flow from Operating Activities		
Net profit before extraordinary items and tax	(89.38)	(12.82)
Adjustments for :		
Depreciation and Amortisation Expense	22.01	8.94
Interest expense	53.60	38.65
Operating profit before working capital changes, extraordinary items	(13.77)	34.77
Adjustments for:		
(Increase)/ Decrease in Inventories	(18.50)	(20.52)
(Increase)/ Decrease in Trade receivables	(11.68)	(204.76)
(Increase)/ Decrease in Loans and Advances and other assets	1.95	(170.02)
Increase/(Decrease) in Trade payable and other liabilities	105.44	800.57
Increase/(Decrease) in Provisions		
Cash Generated (used in) / From Operations	63.44	440.04
Income tax Received / (Paid)	(0.69)	(0.82)
Net Cash from / (used) Operating Activities (A)	62.75	439.22
B. Cash Flow from Investing Activities		
Purchase of Property, plant and equipment	(4.27)	(397.49)
Net Cash from / (used) in Investing activities (B)	(4.27)	(397.49)
C. Cash from Financing Activities		
Proceeds from issue of Share Capital :		
- Equity	-	0.10
Interest expense	(53.60)	(38.65)
Net Cash from/(used) in Financing Activities (C)	(53.60)	(38.55)
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	4.88	3.18
Cash and cash equivalents as on April 01	3.18	-
Cash and cash equivalents as on March 31	8.06	3.18



Kaynes Mechatronics Private Limited

CIN No: U26100KA2024PTC184900

Standalone Statement of Cash Flows for the year ended March 31, 2026*(All amounts are in INR Millions, unless otherwise stated)*

Particulars	For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
Components of cash and cash equivalents		
Balance with scheduled banks on:		
- on Current Account	8.06	3.18
	<u>8.06</u>	<u>3.18</u>

Material accounting policies and notes to
financial statements

1 to 2

For K.P. Rao & Co
Chartered Accountants

Firm Registration Number: 0031355

Mohan R Lavi
Partner

Membership No. 029940

Place: Mysuru

Date: May 11, 2026

For and on behalf of the board of directors of
Kaynes Mechatronics Private Limited

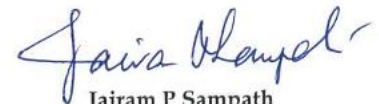
Ramesh Kunhikannan

Director

(DIN: 02063167)

Place: Mysuru

Date: May 11, 2026



Jairam P Sampath

Director

(DIN: 08064368)

Place: Mysuru

Date: May 11, 2026



Kaynes Mechatronics Private Limited

CIN No: U26100KA2024PTC184900

Standalone Statement of Changes in Equity as at March 31, 2026*(All amounts are in INR Millions, unless otherwise stated)***A. Equity Share Capital**

Particulars	No. of Shares	Amount
As at February 16, 2024	-	-
Change during the year	2,50,000	2.50
As at March 31, 2025	2,50,000	2.50
Change during the year	-	-
As at March 31, 2026	2,50,000	2.50

B. Other Equity

For the year ended March 31, 2026

Particulars	Reserves & Surplus	Total Other Equity
	Retained earnings	
As at March 31, 2025	(9.00)	(9.00)
Profit for the period	(88.77)	(88.77)
As at March 31, 2026	(97.77)	(97.77)

For the year ended March 31, 2025

Particulars	Reserves & Surplus	Total Other Equity
	Retained earnings	
As at February 16, 2024	-	-
Profit for the period	(9.00)	(9.00)
As at March 31, 2025	(9.00)	(9.00)

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

As per our report of even date

For K.P. Rao & Co

Chartered Accountants

Firm Registration Number: 003135S



Mohan R Lavi

Partner

Membership No. 029340

Place: Mysuru

Date: May 11, 2026

For and on behalf of the board of directors of
Kaynes Mechatronics Private Limited
Ramesh Kunhikannan
Director
(DIN: 02063167)
Place: Mysuru
Date: May 11, 2026
Jairam P Sampath
Director
(DIN: 08064368)
Place: Mysuru
Date: May 11, 2026

Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Material Accounting Policies

1 General Information

Kaynes Mechatronics Private Limited ("the Company") is a company domiciled in India and incorporated to carry on the business of manufacturers, traders, dealers, wholesalers, retailers, importers, and exporters of high precision machining, sheet metal fabrication, dies, moulds, tool, fixtures making, plastic injection and other moulding, design and manufacturing of all mechanical assemblies including electronic part, parts of electrical, automotive, appliance, aerospace, defence, testing of assemblies and sub assemblies, for customers in multiple industry segments. The company was incorporated on February 16, 2024 under the provisions of Companies Act 2013 as a subsidiary of Kaynes Technology India Limited.

2 Basis of preparation

These standalone financial statements ("Financial statements") have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, to the extent applicable. Accounting Policy have been consistently applied across the period, except where a new Ind AS or an amendment thereto requires a change in policy.

Functional and presentation currency

Items included in these Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 10,000 have been rounded and are presented as INR 0.00 million in these financial statements.

These financial statement are approved for issue by Board of Directors on May 11, 2026.

Basis of measurement

The Standalone Financial Statements has been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities	Fair Value
Defined benefits liability	Fair value of plan assets less present value of defined benefit obligations and other long-term employee benefits obligations, which are measured at the present value of the estimated future cash outflows

2.1 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Material Accounting Policies

2.2 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

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.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.3 Use of estimates and judgements

The estimates used in the preparation of the Standalone Financial Statements of each year presented are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the Standalone Financial Statements in the period in which they become known.

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

- Financial instruments- classification, fair value measurement and impairment
- Useful lives of property, plant and equipment, intangible assets and wherever applicable, investment property;
- Provision for income taxes and related tax contingencies
- Measurement of Defined Benefit Obligation- key actuarial assumption
- Net Realisable Value of Inventories
- Measurement of expected credit losses on financial assets
- Measurement of share-based payment arrangements



2.4 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services applying the five-step model prescribed under Ind AS 115, "Revenue from Contracts with Customers":

- (i) identification of the contract with the customer;
- (ii) identification of the distinct performance obligations in the contract;
- (iii) determination of the transaction price;
- (iv) allocation of the transaction price to each performance obligation on the basis of relative standalone selling prices; and
- (v) recognition of revenue as and when (or as) each performance obligation is satisfied, either at a point in time or over a period of time.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products and services:

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations.

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 if any. 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).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The company has ascertained that all performance obligations are performed at a point in time.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied. Contract assets are subject to impairment assessment.

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liability

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) 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).

2.5 Other Income

Rental income:

Rental income arising from operating leases is recognised in the statement of profit and loss on a straight-line basis over the term of the lease, except where the rentals are structured to increase in line with expected general inflation or where another systematic basis is more representative of the time pattern in which the benefit is derived. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

Dividend & interest income :

Dividend income is recorded when the right to receive payment is established, which is generally when the shareholders approve the dividend. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recognised using the effective interest rate (EIR) method.



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Material Accounting Policies

Government Grant:

Grants from the government are recognised when there is reasonable assurance that:

- (i) the company will comply with the conditions attached to them; and
- (ii) the grant will be received.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When loan or similar assistance is provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. Government grants received in relation to assets are recognised by deducting the grant from the carrying amount of the asset.

2.6 Employee Benefits

a) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Provident Fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the employee renders the related service. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no obligation other than the contribution payable to provident fund authorities.

c) Gratuity

The Company provides for gratuity covering the eligible employees of the company. The Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

d) Leave Encashment

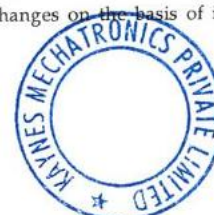
The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial 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 if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Company's liability for Gratuity and Leave encashment are actuarially determined using the Projected Unit Credit method at the end of each year.

Actuarial gains and losses are recognised immediately in the retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are expected to be settled.

e) Social Security 2020

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has assessed and disclosed the incremental impact of these changes on the basis of information available, consistent with the guidance provided by the Institute of Chartered Accountants of India.



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Material Accounting Policies

2.7 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Financial instruments

2.8 Financial assets

Initial recognition and measurement

Trade receivables and contract assets that do not contain a significant financing component are initially recognised at transaction price when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value. A financial asset (except trade receivable and contract asset) is recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in the Statement of Profit and Loss.

Classification and subsequent measurement – financial assets

On initial recognition, financial assets are classified as measured at: (i) amortised cost, (ii) fair value through other comprehensive income (FVOCI), or (iii) fair value through profit or loss (FVTPL), based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) Financial assets at amortized cost:

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, net of loss allowance for impairment. Financial assets at amortised cost primarily comprise trade receivables, cash and cash equivalents, security deposits, employee and other advances and other eligible current and non current receivables.

(ii) Financial assets at FVOCI - Debt Instrument:

A financial asset is measured at FVOCI (debt instrument) if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses and reversals, and foreign exchange gains or losses in the Statement of Profit and Loss. On derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss.

(iii) Financial assets at FVOCI - Equity Instrument:

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity instrument). This election is made on an investment-by-investment basis. If the Company designates an equity instrument as FVOCI, all fair value changes including foreign exchange gains or losses (but excluding dividends) are recognised in OCI. There is no recycling of amounts from OCI to the Statement of Profit and Loss, even on sale of the investment. However, the Company may transfer the cumulative gain or loss within equity.



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Material Accounting Policies

(iv) Financial assets at FVTPL:

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition the company may elect to designate the financial asset, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

2.9 Derecognition

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

The rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;

- a. the Company has transferred substantially all the risks and rewards of the asset, or
- b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all 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 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.

2.10 Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following;

- (i) Financial assets measured at amortised cost;
- (ii) Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

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

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

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

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



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Material Accounting Policies

Non-financial assets:

The company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the company estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

2.11 Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

2.12 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (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 obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit 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.



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Material Accounting Policies

2.13 Property, plant and equipment and intangible assets:

Capital work in progress includes cost of property, plant and equipment under installation / under development, net of accumulated impairment loss, if any, as at the balance sheet date. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. 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. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition 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.

2.14 Depreciation and amortisation

Depreciation is provided using the straight-line method as per the useful lives of the assets estimated by the management in line with schedule II of the Companies Act, 2013, except in the case of moulds in respect of which the estimated useful life is ascertained as 6 years based on the independent technical evaluation carried out by the internal technical team which is different from the estimated useful life prescribed under Part C of Schedule II of the Companies Act 2013. Building in leasehold land will be depreciated over the remaining useful life of the building as ascertained by an independent valuer over the remaining lease period or life specified in the Companies Act for such building whichever is lower.

Asset Category	Management estimate of useful life	Useful life as per Schedule II
Moulds	6 Years	8 Years

The amortisation of software development and intellectual property costs is allocated on a straight-line basis over the best estimate of its useful life of the product. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortization period and the amortization method are reviewed at each year end.

2.15 Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. 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 risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Material Accounting Policies

2.16 Inventories

Inventories are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- a) Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Cost of raw materials, stores and spares, work-in-progress and finished goods is determined on a weighted average basis.

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

2.17 Employee Stock Options plan

The company measures compensation cost relating to employee stock options plans using the fair valuation method in accordance with Ind AS 102, Share-Based Payment. Compensation expense is amortized over the vesting period as per graded vesting method. 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 reserve in other 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. When an award is cancelled by the company or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision is recognised in the Statement of Profit and Loss with a corresponding adjustment to the share-based payment reserve, such that the cumulative expense reflects the revised estimate.

2.18 Leases

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

The Company applies a single recognition and measurement approach for all leases, except for shortterm 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.

As lessee

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities 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. Refer to the accounting policies in section (2.11) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments 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. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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.



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Material Accounting Policies

2.19 Cash and cash equivalents

Cash and cash equivalent in the standalone 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 which are subject to an insignificant risk of changes in value.

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

2.20 Taxes on Income

Income tax comprises current and deferred tax. It is recognised in the Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. The Company has opted to recognize tax expense as per the income tax rate as applicable to the Company.

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with relevant tax regulations. Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current tax is recognized in Statement of Profit and Loss except to the extent it relates to items recognized outside profit or loss in which case it is recognized outside profit or loss (either in other comprehensive income ('OCI') or in equity). Current tax items are recognized in relation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes current tax payable where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

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

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



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Material Accounting Policies

2.21 Foreign currencies

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the reporting date are converted to functional currency using the closing rate prevailing on the balancesheet date. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on settlement of monetary items, as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise. These exchange differences are presented in the Statement of Profit and Loss on net basis. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss/OCI.

2.22 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet.

2.23 Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent Asset

Contingent assets has to be disclosed in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

2.24 Earnings per share (EPS)

Basic earnings/ (loss) per share are calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.25 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

The CODM reviews the operations of the Company as a single operating segment, namely "Electronics Manufacturing Services (EMS)". Accordingly, in accordance with Ind AS 108 "Operating Segments", the Company has a single operating and reportable segment, and no separate business segment disclosures are presented.

2.26 Exceptional Item:

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are nonrecurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.



Notes to the Standalone Financial Statements
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2.27 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

2.28 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.29 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 01, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 01, 2025 - The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 01, 2025 - The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3. Ind AS 12, International Tax Reform - Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.



3 Property, plant and equipment

	Particulars	Tangible Assets									Total
		Land	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	
Gross Block	Balance as at February 16, 2024	-	-	-	-	-	-	-	-	-	-
	2024-25										
	Additions during the period	-	224.75	1.16	0.16	1.84	0.71	-	0.51	7.17	236.30
	Deletions during the period	-	-	-	-	-	-	-	-	-	-
	Balance as at March 31, 2025	-	224.75	1.16	0.16	1.84	0.71	-	0.51	7.17	236.30
	2025-26										
	Additions during the year	-	69.27	0.51	-	2.55	0.34	-	-	1.64	74.33
	Deletions during the year	-	-	-	-	-	-	-	-	-	-
	Capitalised	-	-	-	-	-	-	-	-	-	-
	Balance as at March 31, 2026	-	294.02	1.67	0.16	4.39	1.05	-	0.51	8.81	310.63
Accumulated Depreciation	Balance as at February 16, 2024	-	-	-	-	-	-	-	-	-	-
	2024-25										
	Charge for the period	-	7.36	0.03	0.01	0.03	0.34	-	0.04	1.01	8.82
	Deletions during the period / written off	-	-	-	-	-	-	-	-	-	-
	Balance as at March 31, 2025	-	7.36	0.03	0.01	0.03	0.34	-	0.04	1.01	8.82
	2025-26										
	Charge for the period	-	18.02	0.16	0.03	0.30	0.69	-	0.10	2.71	22.01
	Deletions during the period / written off	-	-	-	-	-	-	-	-	-	-
	Balance as at March 31, 2026	-	25.38	0.19	0.04	0.33	1.03	-	0.14	3.72	30.83
Net Block											
	Balance as at March 31, 2026	-	268.64	1.48	0.12	4.06	0.02	-	0.37	5.09	279.78
	Balance as at March 31, 2025	-	217.39	1.13	0.15	1.81	0.37	-	0.47	6.16	227.48



3(a) Capital Work in Progress

Particulars	Tangible Assets under Construction or Installation	Total
Balance as at February 16, 2024	-	-
Additions/ Adjustment	68.79	68.79
Capitalization of Interest Capitalized in 2024-25	-	-
As at March 31, 2025	68.79	68.79
Additions/ Adjustment	-	-
Capitalization of Interest Capitalized in 2025-26	(61.92)	(61.92)
As at March 31, 2026	6.87	6.87

Capital work in progress ageing schedule
Balance as at March 31, 2026

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	0.12	6.75	-	-	6.87
Total	0.12	6.75	-	-	6.87

As at March 31, 2025

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	68.79	-	-	-	68.79
Total	68.79	-	-	-	68.79

Note:
(i) No projects are temporary suspended as at March 31, 2026 and March 31, 2025.



3(b) Intangible Assets

		Particulars	Intangible Assets Software	Total
Gross Block	2024-25	Balance as at February 16, 2024	-	-
		Additions during the year	1.23	1.23
		Deletions during the year	-	-
		Capitalised	-	-
	As at March 31, 2025		1.23	1.23
	2025-26	Additions during the year	0.30	0.30
		Deletions during the year / Written off	-	-
		Capitalised	-	-
		As at March 31, 2026	1.53	1.53

		Particulars	Intangible Assets Software	Total
Accumulated Depreciation	2024-25	Balance as at February 16, 2024	-	-
		Charge for the year	0.12	0.12
		Deletions during the year / written off	-	-
		As at March 31, 2025	0.12	0.12
	2025-26	Charge for the year	0.28	0.28
		Deletions during the year / written off	-	-
Net Block	As at March 31, 2026		0.40	0.40
	As at March 31, 2026		1.13	1.13
	As at March 31, 2025		1.11	1.11

3(c) Right of Use Assets

		(INR in millions)	
Particulars		As at March 31, 2026	As at March 31, 2025



Kaynes Mechatronics Private Limited
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Notes to the Standalone Financial Statements
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Balance at the beginning	91.17	-
Additions during the year	-	94.69
Deletions during the year	(1.18)	-
Depreciation during the year	(6.96)	(3.52)
Closing Balance	83.03	91.17



NON-CURRENT ASSETS		As at March 31, 2026	As at March 31, 2025
4	FINANCIAL ASSETS NON-CURRENT		
4(a)	Loans and deposits carried at amortized cost Unsecured considered good		
	Rental Deposits	2.91	5.93
		<u>2.91</u>	<u>5.93</u>
5	OTHER NON-CURRENT ASSETS		
	Unsecured, considered good		
	Capital Advances	-	118.91
	Prepaid Rent	3.45	3.96
		<u>3.45</u>	<u>122.87</u>
CURRENT ASSETS		As at March 31, 2026	As at March 31, 2025
6	Inventories (at cost or net realisable value whichever is lower)*		
	Raw materials	20.71	20.52
	Consumables, stores and spares	18.31	-
		<u>39.02</u>	<u>20.52</u>
7	FINANCIAL ASSETS		
7(a)	Trade receivables		
	Unsecured, Considered Good(Unless otherwise stated)	216.44	204.76
	Unsecured, Considered Doubtful	1.65	-
	Less - expected credit loss allowance	(1.65)	-
		<u>216.44</u>	<u>204.76</u>
	Movement in the expected credit loss allowance of trade receivables are as follows:		
	Balance at the Beginning of the period	-	-
	Add: Provided during the period	1.65	-
	Balance at the end of the period	<u>1.65</u>	<u>-</u>

(i) Trade Receivables Ageing Schedule:

Trade Receivables Ageing Schedule as at March 31, 2026

Particulars	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	89.19	86.99	38.90	1.35	-		216.43
(ii) Undisputed Trade Receivables — considered doubtful	-	-	-	1.65	-		1.65
Total	89.19	86.99	38.90	3.00	-		218.08

Trade Receivables Ageing Schedule as at March 31, 2025

Particulars	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	189.99	11.77	3.00	-	-		204.76
(ii) Undisputed Trade Receivables — considered doubtful	-	-	-	-	-		-
Total	189.99	11.77	3.00	-	-		204.76

Note:

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing.
- The trade receivables of the company has been pledged with banks for availing working capital and other facilities.
- No trade receivables are disputed as at March 31, 2026 and March 31, 2025.



7(b) Cash and cash equivalents		As at	As at
		March 31, 2026	March 31, 2025
Balance with banks			
- In Current accounts		8.06	3.18
		<u>8.06</u>	<u>3.18</u>
8 CURRENT TAX ASSETS (NET)		As at	As at
		March 31, 2026	March 31, 2025
Advance income tax		-	-
Less: Provision for income taxes		0.69	-
		<u>0.69</u>	<u>-</u>
9 DEFERRED TAX ASSETS (NET)		As at	As at
		March 31, 2026	March 31, 2025
Deferred Tax Liability			
Leases		(21.26)	(1.05)
Gross deferred tax liability		<u>(21.26)</u>	<u>(1.05)</u>
Deferred Tax Asset			
Property plant and equipment: timing differences on account of depreciation allowance.		26.78	5.69
Gross deferred tax asset		<u>26.78</u>	<u>5.69</u>
Net deferred tax asset		<u>5.25</u>	<u>4.64</u>
10 OTHER CURRENT ASSETS		As at	As at
		March 31, 2026	March 31, 2025
Unsecured, considered good			
Advances for supply of goods or services		122.38	-
Prepaid Expenses		2.05	1.79
Balance with government authorities		37.28	39.43
		<u>161.71</u>	<u>41.22</u>



11 A. Share Capital

11(a) Equity Share Capital

i) Authorised

Particulars	Equity Share Capital	
	No of Shares	Amount
Balance as at February 16, 2024	-	-
Increase during the year	2,50,000	2.50
Balance as at March 31, 2025	2,50,000	2.50
Increase during the year	-	-
Balance as at March 31, 2026	2,50,000	2.50

ii) Shares issued, subscribed and fully paid-up

Particulars	Equity Share Capital	
	No of Shares	Amount
Balance as at February 16, 2024	-	-
Add: Shares issued during the year	10,000	0.10
Balance as at March 31, 2025	10,000	0.10
Add: Shares issued during the year	-	-
Balance as at March 31, 2026	10,000	0.10

iii) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv) Shareholders holding more than 5 percent of Equity Shares

Name of Share holder	As at March 31, 2026	As at March 31, 2025
Kaynes Technology India Limited	10,000	10,000
% of Share holding	100.00%	100.00%

Note: For the period of five years immediately preceding March 31, 2026

(a) No shares were allotted as fully paid-up pursuant to contract(s) without payment being received in cash.

(b) No shares were bought back in any of the years.

(c) No calls are unpaid by any director or officer of the company during the year.

v) Shareholding of Promoters

Promoter Name	As at March 31, 2026	As at March 31, 2025
Kaynes Technology India Limited		
- No. of Shares held	10,000	10,000
- Percentage of holding	100.00%	100.00%
- Changes during the year	-	100.00%



12 OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025
Retained Earnings (refer note i)	(97.77)	(9.00)
	(97.77)	(9.00)

i) Retained Earnings

	As at March 31, 2026	As at March 31, 2025
At beginning of the year	(9.00)	-
Add: Profit for the year	(88.77)	(9.00)
As at end of the year	(97.77)	(9.00)

CURRENT LIABILITIES

13 FINANCIAL LIABILITIES

13(a) Trade payables

	As at March 31, 2026	As at March 31, 2025
Dues to micro enterprises and small enterprises	-	-
Dues to other than micro enterprises and small enterprises	64.33	69.93
Total trade payables	64.33	69.93

Ageing Schedule

As at March 31, 2026

Outstanding following for periods from due date of payment

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	64.33	-	-	-	64.33

As at March 31, 2025

Outstanding following for periods from due date of payment

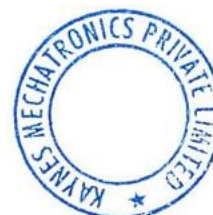
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	69.93	-	-	69.93

13(b) Other current financial liabilities

	As at March 31, 2026	As at March 31, 2025
Employee benefits payable	0.32	-
Interest accrued and due on borrowings	71.00	27.30
	71.32	27.30

14 OTHER CURRENT LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Advance from customers - Related Parties	674.28	598.54
Statutory dues and related liabilities	5.66	3.81
Other payables	5.94	10.53
	685.88	612.88



15 REVENUE FROM OPERATIONS

	For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
Sale of Goods	250.07	232.98
Sale of services	7.01	5.10
	<u>257.08</u>	<u>238.08</u>

The company derives revenue from the transfer of goods & services in the following geographical regions

India	243.32	236.13
Outside India	13.76	1.95
	<u>257.08</u>	<u>238.08</u>

Timing of Revenue Recognition

Goods transferred at a point in time	250.07	232.98
Service transferred at a point in time	7.01	5.10
	<u>257.08</u>	<u>238.08</u>

Reconciliation of Revenue From Operations With Contract Price

	For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
Contract Price	259.37	239.49
Less : Sales Return	(2.29)	(1.41)
Total	<u>257.08</u>	<u>238.08</u>

16 OTHER INCOME

	For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
Interest on Security Deposit	0.45	0.28
	<u>0.45</u>	<u>0.28</u>

17 COST OF MATERIALS CONSUMED

	For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
Inventory at the beginning of the year	20.52	-
Add: Purchase	116.95	98.81
Less : Inventory at the end of the year	(20.71)	(20.52)
Cost of materials consumed	<u>116.77</u>	<u>78.29</u>

18 EMPLOYEE BENEFITS EXPENSES

	For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
Salaries, Wages and Bonus	64.00	61.62
Staff welfare expenses	1.43	0.97
	<u>65.42</u>	<u>62.59</u>

19 FINANCE COSTS

	For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
Interest on borrowings	48.53	30.34
Interest on lease liabilities (Refer Note 34)	5.06	8.31
	<u>53.60</u>	<u>38.65</u>



20 DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation of property, plant & equipment (Refer Note 3)
Amortization of Intangible Assets (Refer Note 3)
Depreciation of Right To Use Assets (Refer Note 25)

For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
22.01	8.82
0.28	0.12
6.96	3.52
29.25	12.46

21 OTHER EXPENSES

Rent
Rates and taxes
Insurance
Power and fuel
Contract Labour
Consumption of stores and spares
Repairs and maintenance - Plant & Machinery
Repairs and maintenance - Buildings
Repairs and maintenance - Others
Security maintenance expenses
Legal and professional fees
Audit Fees
Bank charges
Communication expenses
Travelling and conveyance
Business Promotion
Freight and forwarding charges
Provision for ECL
Software Expense
Crane Charges
Miscellaneous expenses

For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
4.44	1.18
0.03	0.69
0.01	0.20
7.19	5.67
57.56	28.37
0.45	11.12
1.03	0.92
0.36	-
0.22	1.67
1.78	-
1.49	3.15
0.10	0.10
0.09	0.09
0.27	-
2.59	4.22
0.32	0.19
0.36	0.20
1.65	-
0.24	-
-	1.05
1.67	0.37
81.87	59.19

Payment to Auditors (After Other expenses)

As statutory auditors
Audit fees

For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
0.10	0.10
0.10	0.10



22 Related Party Disclosures

[A.]	Related Parties and their Relationship with the Company			
Ref.	Description of relationship	Names of Related parties		
[1.]	Holding Company:	Kaynes Technology India Limited		
[2.]	Fellow Subsidiary Companies:	Kemsys Technologies Private Limited Kaynes Technology Europe GmbH Kaynes International Design & Manufacturing Private Limited Kaynes Embedded Systems Private Limited Kaynes Semicon Private Limited Kaynes Circuits India Private Limited Digicom Electronics Inc. Kaynes Electronics Manufacturing Private Limited Gridcrest Technologies Private Limited (Formerly known as Iskraemeco India Private Limited) Kaynes Holding Pte Limited Sensonic GmbH (Subsidiary of Kaynes Holding Pte Limited) Sensonic US Inc (Stepdown subsidiary of Kaynes Holding Pte Limited) Sensonic UK Ltd (Stepdown subsidiary of Kaynes Holding Pte Limited) Sensonic IN India Private Limited (Stepdown subsidiary of Kaynes Holding Pte Limited) Essnkay Electronics LLC August Electronics Inc (Subsidiary of Kaynes Holding Pte Limited) Kaynes Space Technology Private Limited Aerocliph Componenets private limited Cryo Precision private limited		
[3.]	Entity Controlled by Directors:	Kaynes Technology Inc. Kemsys Technologies Inc. Kaynes Circuits Private Limited Mysore ESDM Cluster Cheyyur Real Estates Private Limited Cheyyur Properties Private Limited Nambi Reality Private Limited Zari Aura Hospitality Services Private Limited Tushti Semiconductors Private Limited		
[4.]	Entity where relative of Directors have substantial interest	A ID Systems (India) Private Limited Negentropy Solutions Private Limited		
[5.]	Key Management Personnel:	Mr. Ramesh Kunhikannan Director Ms. Jairam P Sampath Director		
[B.]	Transactions with Related Parties			
Name of the related party		Nature of the transaction	For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
Kaynes Technology India Limited				
	Investments		-	0.10
	Loans and Advances received		75.70	569.63
	Purchases		-	2.60
	Sale of material		43.41	32.45
	Interest on loan advanced		48.53	30.34
Kaynes Electronics Manufacturing Private Limited				
	Sale of material		41.90	-
	Purchases		0.48	-



<i>Digicom Electronics Inc.</i>	Sale of material	0.11	-
<i>Kaynes International Design & Manufacturing Private Limited</i>	Sale of material	8.88	-
<i>Gridcrest Technologies Private Limited</i>	Sale of material	67.84	0.43

[C.] Balances with Related Parties

Name of the related party	Nature of the transaction	As at March 31, 2026	From 16.02.2024 to 31.03.2025
<i>Kaynes Technology India Limited</i>	Investments	0.10	0.10
	Loans and Advances received	674.28	604.47
	Trade receivables	8.97	-
	Interest on loan advanced	71.00	27.30
<i>Kaynes International Design & Manufacturing Private Limited</i>	Trade receivables	4.73	-
<i>Kaynes Electronics Manufacturing Private Limited</i>	Trade receivables	38.42	-
	Trade payable	0.48	-
<i>Gridcrest Technologies Private Limited</i>	Trade receivables	59.37	0.45
	Trade payable	0.09	0.09



23 Segment information

Based on the management approach as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographical segments. Accordingly, the Company has identified India and outside India as its reportable segment.

As expenses, assets and liabilities are not separately identified for the individual segments, these are considered as common cost and unallocated. Hence, information with respect to revenue alone is provided by the Company for the geographical segments identified.

The Company operates predominantly in one business segment of Electronics Manufacturing Services and accordingly primary reporting disclosures for business segment is not applicable.

A) Revenue from Customers

Geographic Segment	For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
Outside India	13.76	1.95
In India	243.32	236.13
	<u>257.08</u>	<u>238.08</u>

All material assets are located in India as export proceeds are also realisable in India. Hence no disclosure of segment assets/cost to acquire tangible and intangible asset is given.

Customer Contribution revenue more than 10% as below:

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Revenue Contribution more than 10%	Percentage of Revenue Contribution	Revenue Contribution more than 10%	Percentage of Revenue Contribution
	(in millions)	(in %)	(in millions)	(in %)
Sale of Goods :				
Customer A	57.48	22.99%	61.50	27.58%
Customer B	34.81	13.92%	27.93	12.52%
Customer C	-	-	27.32	12.25%
Sale of Services :				
Customer A	3.60	51.34%	4.03	57.11%
Customer B	1.01	14.35%	0.80	11.37%

Note: Customer Identities have been excluded to safeguard confidentiality. The entities represented in each period are not necessarily identical.



24 Earnings per share (EPS)

Particulars	As at March 31, 2026	As at March 31, 2025
Earnings		
Profit after tax for the year	(88.77)	(9.00)
Profit after tax for the year attributable to equity shareholders	(88.77)	(9.00)
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (number) :		
Basic :		
Number of Shares outstanding at the end of the year	10,000	10,000
Weighted average number of equity shares For calculating Basic EPS	10,000	10,000
Profit after tax for the year attributable to equity shareholders	(88.77)	(9.00)
Basic EPS (Rs. per share)	(8,877.00)	(900.00)
Diluted :		
Number of shares considered as basic weighted average shares outstanding	10,000	10,000
Diluted EPS (Rs. per share)	(8,877.00)	(900.00)
Earnings per equity share (Face Value INR 10/- per share)		
- Basic	(8,877.00)	(900.00)
- Diluted	(8,877.00)	(900.00)

25 Disclosure with respect to Ind AS 116 - Leases

Information about Leases Assets for which the company is a lessee is presented below:

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	91.17	-
Additions	-	94.69
Deletions	(1.18)	-
Depreciation*	(6.96)	(3.52)
Balance as at end of the year	83.03	91.17

* The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in the Standalone Statement of Profit and Loss.

The changes / movement in Lease Liabilities of the company are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	90.46	-
Additions	12.14	102.99
Deletions	-	-
Payment of lease liabilities	(23.18)	(20.84)
Accreditation of interest	5.06	8.31
Balance as at end of the year	84.48	90.46
Current Liabilities	6.37	2.91
Non-Current Liabilities	78.11	87.55
Total cash outflow for leases	23.18	20.84



Kaynes Mechatronics Private Limited

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Notes to the Standalone Financial Statements

(All amounts are in INR Millions, except per equity share data)

The table below provides details regarding amounts recognised in the Standalone Statement of Profit and Loss:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Expenses relating to short-term leases and/or leases of low-value items	-	-
Interest on lease liabilities	5.06	8.31
Depreciation expense	6.96	3.52
Total	12.02	11.83

Contractual maturities of lease liabilities on undiscounted basis

	As at March 31, 2026	As at March 31, 2025
Less than one year	16.55	15.65
More than one year	109.96	126.50
	126.51	142.15

26 Taxes

(a) Income tax expense:

Components of Income Tax Expense

(i) Income tax recognised in Profit or Loss:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Tax expense recognised in the Statement of Profit and Loss		
A. Net current tax expense	-	0.82
B. Deferred tax (credit)/charge	(0.61)	(4.64)
Net deferred tax	(0.61)	(4.64)
Total income tax expense recognised in statement of Profit & Loss	(0.61)	(3.82)

C. Tax recognised in Other Comprehensive Income:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Origination and reversal of temporary differences - OCI	-	-
Remeasurement of Defined Benefit Obligation	-	-
Total	-	-



Current tax assets / liabilities (net)	As at March 31, 2026	As at March 31, 2025
D. Advance tax (net of provision for tax)	-	-
E. Provision for tax (net of advance payment of taxes)	-	-
Current tax assets / liabilities (net)	-	-
Deferred tax assets / liabilities (net)	As at March 31, 2026	As at March 31, 2025
F. Deferred tax asset	(5.25)	(4.64)
G. Deferred tax liability	-	-
Deferred tax Liability (net)	(5.25)	(4.64)

H. Reconciliation of tax expense and the Accounting Profit

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit Before Tax	(89.38)	(12.82)
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expense using the Company's applicable rate	-	-
Deferred tax effect	(0.61)	(4.64)
Impact of earlier tax period provision	-	0.82
Income tax expense recognised in statement of profit or loss	(0.61)	(3.82)

Note: The tax rate used for the year ended March 31, 2026 reconciliations above is the corporate tax rate of 25.17% , payable by corporate entities in India on book profits under Indian Income Tax Laws.



27 Employee benefit plans

[a.] Defined Contribution Plans

Particulars	For the Year ended March 31, 2026	From 16.02.2024 to 31.03.2025
Employers' contribution to Provident Fund	0.90	0.72
Employers' contribution to Employee State Insurance	0.29	0.42
Employers' contribution to Employee's Pension Scheme 1995	2.04	1.64

Additional Disclosure

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has assessed and disclosed the incremental impact of these changes on the basis of information available, consistent with the guidance provided by the Institute of Chartered Accountants of India.

Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact as impact of new Labour Codes under Employee Benefit Expenses in profit and loss statement for the year ended March 31, 2026.



28 Financial risk management objectives and policies

The company's principal financial liabilities comprise of short tenured borrowings, trade and other payables. Most of these liabilities relate to financing for working capital requirements. the company has trade and other receivables, loans and advances that arise directly from its operations.

The company is accordingly exposed to market risk, credit risk and liquidity risk.

The company's senior management oversees management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the company are accountable to the Board of Directors and the Audit Committee. This process provides assurance that the company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company's policies and overall risk appetite.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and advances.

i) Interest rate 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 company has no exposure to financial instruments with an interest rate risk as on March 31, 2026

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. the company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a foreign currency) and the company's net investments in foreign subsidiaries.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. the company's exposure to foreign currency changes for all other currencies is not material. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. the company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

A. Trade Receivables

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

the company does not hold collateral as security. the company evaluates the concentration of risk with respect to trade receivables as low, as its customers (which are in the nature of reputed banking and financial institutions) are located in several jurisdictions and industries and operate in largely independent markets.



The company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The management makes estimates of the expected losses on receivables taking into account past history and their assumptions. Expected credit loss allowance is calculated by comparing the management estimates with the provision matrix.

Details of allowances for expected credit losses are provided hereunder

Particulars	As at March 31, 2026	As at March 31, 2025
At the beginning of the year	-	-
Provisions created	1.65	-
Adjustments	-	-
Closing at the end of the year	1.65	-

B. Financial instruments and cash deposits

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

Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. the company's objective is to, at all times maintain optimum levels of liquidity to meet it cash and collateral requirements. the company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans, debt, and overdraft from both domestic and international banks at an optimised cost.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2026:

Particulars	Less than 1 year	More than 1 year
Interest bearing borrowings	-	-
Trade Payables	64.33	-
Other financial liabilities	71.32	-
Lease liabilities	6.37	78.11
Total	142.02	78.11

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2025:

Particulars	Less than 1 year	More than 1 year
Interest bearing borrowings	-	-
Trade Payables	69.93	-
Other financial liabilities	27.30	-
Lease liabilities	2.91	87.55
Total	100.14	87.55



29 Capital management

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholders value.

the company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. the company monitors capital using a gearing ratio, which is net debt divided by total capital. the company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Particulars	As at March 31, 2026	As at March 31, 2025
Gross debt	-	-
Less: Cash and Cash equivalents	(8.06)	(3.18)
Net debt	(8.06)	(3.18)
Equity	(97.67)	(8.90)
Total capital	(97.67)	(8.90)
Gearing ratio	8.25%	35.73%



30 Financial instruments: Fair values

Particulars	As at March 31, 2026				As at March 31, 2025			
	FVTPL	FVOCI	Amortised cost	Total Carrying Amount	FVTPL	FVOCI	Amortised cost	Total Carrying Amount
Financial assets								
At Fair value								
Investments - Equity	-	-	-	-	-	-	-	-
Investments - Mutual Funds	-	-	-	-	-	-	-	-
At amortised cost:								
a) Trade receivables	-	-	216.44	216.44	-	-	204.76	204.76
b) Cash and cash equivalents	-	-	8.06	8.06	-	-	3.18	3.18
c) Bank balances other than cash and cash equivalents	-	-	-	-	-	-	-	-
d) Loans and deposits	-	-	2.91	2.91	-	-	5.93	5.93
e) Other financial assets	-	-	-	-	-	-	-	-
Total Financial Assets	-	-	227.41	227.41	-	-	213.87	213.87
Financial liabilities								
At amortised cost:								
a) Borrowings (Long term)	-	-	-	-	-	-	-	-
b) Borrowings (Short term)	-	-	-	-	-	-	-	-
c) Trade payables	-	-	64.33	64.33	-	-	69.93	69.93
d) Other Financial Liabilities	-	-	71.32	71.32	-	-	27.30	27.30
e) Lease Liabilities	-	-	84.48	84.48	-	-	90.46	90.46
Total Financial Liabilities	-	-	220.13	220.13	-	-	187.69	187.69

The company has assessed that trade receivables, cash and cash equivalents, bank balances, other assets, borrowings, trade payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

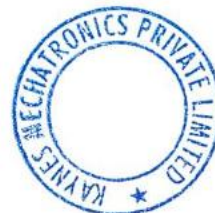
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

31 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - 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).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



32 Ratios as per Schedule III Requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Current Assets
Current Liabilities
Ratio
% Change from previous period/year

As at March 31, 2026	As at March 31, 2025
431.17	274.32
827.90	713.02
0.52	0.38
36.84	

Reason for change more than 25%
Increase in ratio due to increase in other current assets.

b) Debt Equity Ratio = Total Debt divided by total equity

Total Debt
Total Equity
Less : Non-controlling Interest
Less: Non free reserves
Equity attributable to the owners of the company
Ratio
% Change from previous period/year

As at March 31, 2026	As at March 31, 2025
84.48	90.46
(97.67)	(8.90)
-	-
-	-
(97.67)	(8.90)
(0.86)	(10.16)
(91.49)	

Reason for change more than 25%- No variance>25%

c) Debt Service Coverage Ratio = Earnings available for servicing debt divided by total interest and principal payments

Profit before tax
Less : Preference Dividend
Add: Depreciation
Add: Finance Cost
Adjusted Profit

Interest cost on borrowings
Principal repayments
Total of Interest and Principal repayments
DSCR
% Change from previous period/year

As at March 31, 2026	As at March 31, 2025
(89.38)	(15.37)
-	-
29.25	12.46
53.60	38.65
(6.53)	35.74
48.53	30.34
-	-
48.53	30.34
(0.13)	1.18
(111.02)	

Reason for change more than 25%
Decrease in ratio due to decrease in profitability.

d) Return on Equity Ratio = Profit after Tax divided by Equity

As at March 31, 2026	As at March 31, 2025
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(All amounts are in INR Millions, unless otherwise stated)

Profit after tax	(88.77)	(11.55)
Less : Share of Profit / (Loss) of minority interest	-	-
Standalone Net Profit after tax, for the year/period attributable to equity shareholders	(88.77)	(11.55)
Total Equity	(97.67)	(8.90)
Less : Non-controlling Interest	-	-
Less: Non free reserves	-	-
Equity attributable to the owners of the company	(97.67)	(8.90)
Average Shareholder's equity	(53.29)	(3.13)
Ratio	166.59	369.60
% Change from previous period/year	(54.93)	

Reason for change more than 25%

Changes in ratio due to decrease in equity.

e) Trade Receivables Turnover Ratio = Credit Sales divided by Closing Trade Receivables

Revenue from Operations
Average Trade Receivables
Ratio

% Change from previous period/year

	As at March 31, 2026	As at March 31, 2025
Revenue from Operations	257.08	222.79
Average Trade Receivables	210.60	111.40
Ratio	1.22	2.00
% Change from previous period/year	(39.00)	

Reason for change more than 25%

Changes in ratio due to increase in revenue.

f) Trade Payables Turnover Ratio = Credit Purchases divided by closing trade payables

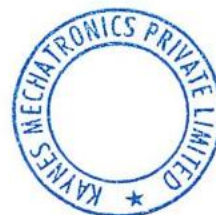
Credit Purchases
Average Trade payables
Ratio

% Change from previous period/year

	As at March 31, 2026	As at March 31, 2025
Credit Purchases	116.95	86.12
Average Trade payables	67.13	42.46
Ratio	1.74	2.03
% Change from previous period/year	(14.29)	

Reason for change more than 25%- No variance>25%

Increase ratio due to increase in purchases.



g) Inventory Turnover Ratio = Revenue from operations divided by Closing Inventory

Cost of Goods Sold
Average Inventory
Ratio
% Change from previous period/year

As at March 31, 2026	As at March 31, 2025
116.77	78.29
29.77	10.26
3.92	7.63
(48.62)	

Reason for change more than 25%
Changes in ratio due to increase in revenue.

h) Net Capital Turnover ratio= Sales divided by net working capital

Revenue from Operations
Average working capital
Ratio
% Change from previous period/year

As at March 31, 2026	As at March 31, 2025
257.08	222.79
(417.72)	(249.65)
(0.62)	(0.89)
(30.34)	

Reason for change more than 25%
The increase in ratio due to increase in revenue.

i) Profit Ratio = Profit after tax divided by Revenue from Operations

Profit after tax
Revenue from Operations
Ratio
% Change from previous period/year

As at March 31, 2026	As at March 31, 2025
(88.77)	(11.55)
257.08	238.08
(34.53)	(4.85)
611.96	

Reason for change more than 25%
Decrease in ratio due to decrease in profit.



Kaynes Mechatronics Private Limited

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Notes to the Standalone Financial Statements

(All amounts are in INR Millions, unless otherwise stated)

j) Return on Capital Employed= Adjusted EBIT / Total Capital Employed

Profit before tax
Add: Finance Costs
EBIT

Tangible Net worth
Non Current Borrowings
Lease Liabilities
Short Term Borrowings
Total

ROCE

% Change from previous period/year

Reason for change more than 25%

Change in ratio due to increase in negative tangible net worth.

	As at March 31, 2026	As at March 31, 2025
Profit before tax	(89.38)	(15.37)
Add: Finance Costs	53.60	38.65
EBIT	(35.78)	23.28
Tangible Net worth	(102.60)	(190.53)
Non Current Borrowings	-	-
Lease Liabilities	84.48	90.46
Short Term Borrowings	-	-
Total	(18.12)	(100.07)
ROCE	197.46	(23.26)
% Change from previous period/year	(948.93)	



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Notes to the Standalone Financial Statements

(All amounts are in INR Millions, unless otherwise stated)

33 Disclosure required under Section 186 (4) of the Companies Act, 2013

The company does not have any loans and investments included in loans, the particulars of which are to be disclosed as per under Section 186 (4) of the Companies Act, 2013.

34 Corporate social responsibility expenses:

The Company assesses the applicability of the provisions of Section 135 of the Companies Act, 2013 at each reporting date. As the Company did not meet the prescribed thresholds for applicability of CSR provisions during the year, the requirements relating to CSR were not applicable and, accordingly, no CSR expenditure, provision or liability has been recognised in these financial statements.

35 Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act):

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Principal amount due to micro & small enterprises	-	-
Interest due on above	-	-
Interest paid during the period beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the period	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	-	-

Note: The above information and that given in Note 13(a) 'Trade Payables' regarding Micro and Small Enterprises has been determined on the basis of information available with the company and has been relied upon by the auditors.



36 Other Statutory disclosures

1. Benami Property

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

2. The Company does not have any transaction with companies struck off u/s 248 of Companies Act, 2013 or u/s 560 of Companies Act, 1956.

3. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

5(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

5(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

6. The company has neither declared nor paid any interim dividend or final dividend during the year.

7. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

8. The company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

9. The Company has not been declared as willful defaulter by any bank or financial institution or other lender.

10. Undisclosed Income- The company does not have any transactions that are not recorded in books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.



Kaynes Mechatronics Private Limited

CIN No: U26100KA2024PTC184900

Notes to the Standalone Financial Statements

(All amounts are in INR Millions, unless otherwise stated)

11. The Company uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software. There is no instance of audit trail feature being tampered with was noted in respect of the accounting software.

Presently, the log has been activated at the application and the access to the database continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

For the financial year ended March 31, 2026, the Company's accounting software has an audit trail functionality. This feature remained operational throughout the year, capturing a chronological record of all relevant transactions processed within the software. The audit trail has not been tampered with during the year. The audit trail logs have been preserved as per the statutory requirements for record retention.

37 Previous year figures have been regrouped/ re-classified wherever necessary.

As per our report of even date

For K.P. Rao & Co

Chartered Accountants

Firm Registration Number: 003135S



Mohan R Lavi

Partner

Membership No.029340

Place: Mysuru

Date: May 11, 2026

For and on behalf of the Board of Directors of

Kaynes Mechatronics Private Limited

Handwritten signatures of Ramesh Kunhikannan and Jairam P Sampath.

Ramesh Kunhikannan

Director

(DIN: 02063167)

Place: Mysuru

Date: May 11, 2026

Jairam P Sampath

Director

(DIN: 08064368)

Place: Mysuru

Date: May 11, 2026

