MTAR®

email : info@mtar.in website : www.mtar.in

CIN No : L72200TG1999PLC032836

To, Date: 14 August 2024

The Manager, **BSE Limited.** **P. J. Towers, Dalal Street,** **Mumbai-400001.** **(BSE Scrip Code: 543270)**	**The Manager,** **NSE Limited,** **Exchange Plaza, Bandra Kurla Complex,** **Bandra (E), Mumbai- 400051.** **(NSE Symbol: MTARTECH)**

Dear Sir/Madam,

Subject: Submission of Notice of the 25th Annual General Meeting and Annual Report for the Financial Year 2023-24

Unit: MTAR Technologies Limited

We wish to inform you that, the Twenty-Fifth Annual General Meeting ("AGM") of Members of the Company is scheduled to be held on **Friday, 06th September 2024 at 03:00 P.M. through Video Conference "VC" / Other Audio-Visual Means**.

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure) Regulations, 2015 ("SEBI Listing Regulations"), please find enclosed herewith the copy of Notice of 25th AGM and Annual Report including the Business Responsibility and Sustainability Report of the Company for financial year 2023-24 being sent to the Members of the Company through electronic mode.

The aforesaid documents are also available on the website of the Company at https://www.mtar.in/annual-report/.

We request you to please take this intimation on your records.

Thanking you,

For MTAR Technologies Limited

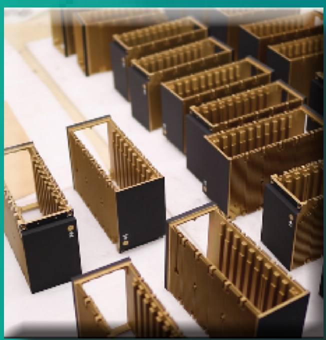
Naina Singh Digitally signed by Naina Singh Date: 2024.08.14 23:18:17 +05'30'

Naina Singh
Company Secretary and Compliance Officer

Encl: As above

Building a Sustainable Tomorrow





MTAR Technologies Limited

Annual Report FY 2023 - 24

Forward-looking statement

In this annual report we are presenting some forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements- written and oral- that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. Wherever possible, we have tried to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

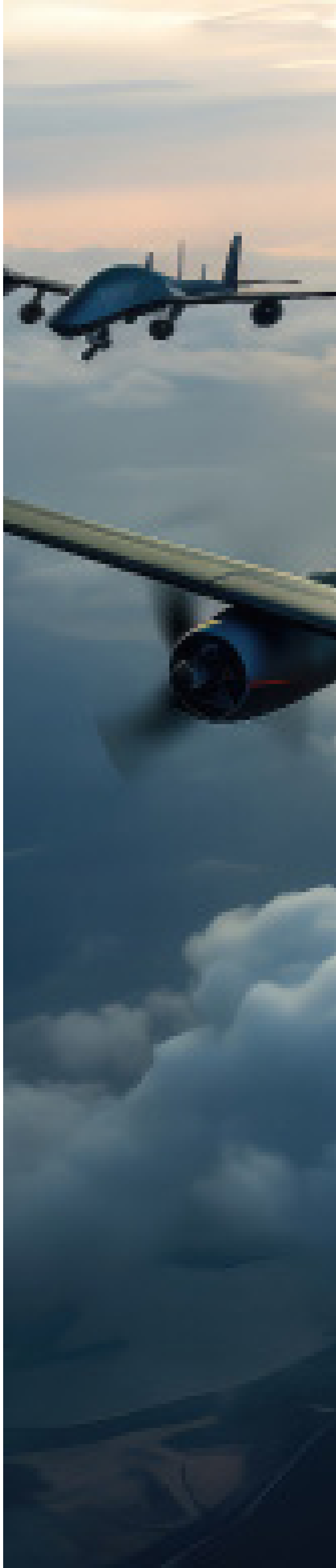
Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

Online Annual Report

www.mtar.in



Building a Sustainable Tomorrow

MTAR has been a leading manufacturer of mission critical precision engineered systems in Clean Energy – Civil Nuclear Power, Fuel Cells, Hydel, Space and Defence sectors.

Since our inception, we have progressively expanded our product portfolio by collaborating with our customers as a strategic partner and diversified into new business segments. Every decade the Company has forayed into new business verticals and indigenized the critical technologies for the strategic sectors

Continuing our legacy of innovation and indigenization, we have expanded our customer base and bolstered our product portfolio in Clean Energy & Aerospace verticals. In addition, the Company shall be catering to Oil & Gas sector going forward.

At MTAR, we are working on building a sustainable tomorrow by addition of new business segments, expansion of customer base and enhancement of our product portfolio.

Managing Director’s Overview

While there will be a short term-impact on margins due to development of new business segments, the Company is expected to witness a healthy growth in top-line and bottom-line over the next 2-3 years. The revenue contribution from Aerospace and other verticals of Clear Energy shall witness a significant growth

Dear Stakeholders,

Following the stellar performance in FY 22 and FY 23, FY 24 has been a challenging year for us and the Company has missed its guidance for topline and bottomline primarily on account of deferment of shipments in Clean Energy sector that had a significant impact on our revenues.

In FY 24, MTAR on consolidated basis has posted a revenue of Rs. 5807.52 Mn marginally higher than FY 23 and an EBITDA of Rs. 1127.02 Mn with a margin of 19.4%. Our Net profit stands at Rs. 561.13 Mn. The Company has registered a lower than estimated EBITDA because of lower operating leverage due to product transition in Clean Energy and delay in clearance from customer for Semi Cryo engine project in Space vertical .

Operational Overview

In Clean Energy Fuel Cells, we have executed Rs. 3511 Mn of orders in FY 24. The Company has dispatched 2752 units of Hot Boxes including Yuma, Santa Cruz and Santa Cruz Block 2 versions and 98 units of electrolysers. The closing order book for Clean Energy stands at 5362.90 Mn by end of FY 24.

The Company has delivered Rs. 619 Mn of orders in Civil Nuclear Power sector constituting approx. 10.70% of total revenue. Closing order book from Civil Nuclear Power stands at Rs. 1466 Mn by end of FY 24. The execution in Nuclear segment shall remain stable in FY 25 where as it will ramp up from FY 26 as 5000 Mn are expected from Kaiga 5 & 6 reactors. The closing order book for Civil Nuclear Power by end of FY 25 is estimated to be around Rs. 6500 Mn due to inflow of orders from Kaiga 5 & 6 and refurbishment of reactors over the coming quarters.

Revenue from Space stands at Rs. 390 Mn constituting approx. 6.80% of total revenue. We have executed nearly Rs. 85 Mn of orders in MNC Aerospace. Batch production orders are being placed by MNCs as and when a set of first articles are executed. In addition, we have entered into a long-term agreement from Israeli Aerospace Industries to supply mission critical assemblies in Aviation sector as per which orders to the tune of USD 90 Mn – 120 Mn shall be executed over the next 15 years. The Company has also entered into long-term agreement with Thales and looking forward to sign long term contract with GKN Aerospace as well. Apart from this, we are in discussions with various MNC Aerospace customers for several other projects.

We have recorded around Rs. 197 Mn of orders in Defence in the FY 24. Execution for Products & Others vertical stands at Rs. 1083 Mn where ASP assemblies consitutes Rs. 800 Mn. We have completed execution of First Articles related to a customer for locomotives, another new vertical, for potentials orders worth Rs. 800 Mn that are to be executed over the next two years

The Company has delivered around Rs. 182 Mn in Fabrication for various customers in Clean Energy and other sectors such as Voith, GE Power, Balaji Amines etc.

Industry Analysis

Clean Energy Fuel cells- Our major customer Bloom Energy has witnessed a 11% YoY growth in revenues in CY 2023, reaching over $1.33B. The Company’s backlog now stands at over $12B, a 21% increase from the previous year.

A 500-megawatt volume agreement with SK ecoplant is expected to generate significant revenue over the next several years. For 2024, Bloom Energy forecasts revenue of $1.4B to $1.6B, a growth of 5%-15% on an average. Bloom Energy is targeting increased profitability in 2024, with a focus on AI data centers as a significant growth segment and entered into a contract with intel. Bloom Energy plans to expand into additional international markets following its success in Korea. The growth of MTAR in fuel cells segment is expected to be in-line with the growth registered by Bloom Energy. Bloom is witnessing higher revenue growth compared to others in Fuel cells space. We are also in discussion with another Company in Clean Energy-Fuel Cells segment for supply of equip-ment to PEM electrolysers.

Clean Energy - Civil Nuclear Power: Government has announced construction of 14 reactors on fleet mode and majority of tenders have been floated for Gorakhpur 1&2. A private entity has won the contract worth Rs. 125 Bn for construction of two 700 MWe reactors at Kaiga, which is expected to be executed over the next 4-5 years. This translates into Rs. 5000 Mn opportunity for MTAR. There will be an inflow of Rs. 15 - 20 Bn of orders from construction of the balance 10 reactors. In addition, since majority of operational reactors have hit critical life span, refurbishment orders for major systems are expected for every couple of years.

Clean Energy - Hydro Power - With nearly 15 GW currently under construction at aggregate level, India is poised to witness a substantial increase in its hydroelectric power potential, targeting a rise from the present 42 GW to an impressive 67 GW by 2031-32, marking an increase of over 50 percent. Voith, Andritz and GE Power are some of the major players in Hydro power in Indian market and there is a significant requirement for specialised fabricated structures like spiral casing, draft tube etc. for hydro power plants.

Space : Currently, Indian Space economy which is valued at USD 8.4 Bn with a 2% share in the global space economy is expected to grow to USD 44 by 2033. The launches by ISRO are projected to be increased further as well as through INSPACe there is a thrust on increased private partipation in various developmental activities. In addition, the government has amended the policy to allow 100% FDI in Space. These initiatives in Space are going to drive our revenues further.

MNC Aerospace: Due to emphasis from government on Atmanirbhar Bharat, reputed MNC companies worldwide are keen to collaborate with Indian players and tap the opportunities available in market because of which this sector is expected to witness an exponential growth.

Defence:

The government aims to nearly triple India's total annual defence production to Rs 3 lakh crore by 2028-29. Under the Atmanirbhar Bharat Initiative, five positive indigenization lists of 509 products have been identified by Ministry of Defence.

Business outlook

A more detailed glance at our Company's performance shows that we have worked on setting the course for a promising future by entering into long-term contracts with reputed MNCs and execution of first articles in Aerospace vertical. Our deep understanding of manufacturing technology is enabling us to bolster our product portfolio further. The diversification into new verticals and products helps the Company deliver more consistent revenue growth going forward.

We project a 30% - 35% YoY increase in revenues in FY 25 with an EBITDA of 22% +/-100 bps. There is an impact on EBITDA margin on account of increased fixed costs due to execution of First articles in various business segments including Aerospace, Clean Energy, products & others Verticals. Once the new verticals are established in FY 25, we expect the operating leverage to come into play that should improve our margins starting from FY 26. We expect a 55%- 60% likely increase in closing order book by end of FY 25.

The revenues from Clean Energy- Fuel Cells are projected to increase by 15% YoY in FY 25. The execution from Civil Nuclear Power shall be stable in FY 25 whereas the revenues shall increase by two fold in FY 26 due to strong inflow of orders. There will be three fold increase in revenues from Space with an estimated revenues of Rs. 1200 Mn by end of FY 25. The Company expects around 15% growth from Defence vertical. In FY 25, the revenues from products shall be scaled up to 1300 Mn. The Company aims to execute around Rs. 450 Mn of orders in Clean Energy – Hydel, Wind and other sectors in FY 25.

In this context to bounce back with a strong performance over the next 2-3 years, our priorities are clear.

Continue to expand wallet share and deliver growth across existing business segments

MTAR's commitment to quality and innovation has enabled it to maintain long standing relationship with its customers. With a commitment to quality and innovation, we have been expanding the business with our current customers by increasing the number of products across the existing business segments and ramping up their production.

Maintain the thrust on customer addition and product diversification

The Company has consistently ensured diversification of products and added lot of customers over the past 2-3 years, which are turning into key accounts to generate recurring revenues. We are expecting nearly a three-fold increase in Space vertical due to increase of revenues from new customers. Similarly, the revenues are expected to be doubled in Fabrication vertical through which we are catering to various segments of Clean Energy such as Hydro Power, Wind Energy, among others.

Optimise the operational efficiencies to improve our margins

To enhance the operational efficiency, we are working on reducing the product cycle time, shop floor automation across various segments in the organisation. This is estimated to improve our margins from 24% in FY 26 to more than 26% from FY 27.

Strengthen the management team to cater to the growth

The Company is working on strengthening its management team to tap the growth opportunities. We have on boarded new Chief Commercial officer Mr. Arun Ojha who will be responsible for Business Development. He has got over 25 years of vast experience in Supply Chain, Business Development and Manufacturing and worked for prestigious firms such as including Schlumberger, Alstom, L&T and Andritz. Under the leadership of Arun we are expecting to enhance our customer base further and we have initiated discussions with several global customers.

Improve the cash flows and Reduce the NWC days

The Company has showcased a positive operating cash flow of around 573.92 Mn in FY 24, which is expected to improve further in FY 25, reflecting our financial health. The Company targets to reduce the NWC days to 220 days by end of FY 25, which shall be gradually reduced to 180 days over the next 2-3 years.

With a strong pipeline of large orders and improved cash flows, our business outlook over the next 2-3 years remains promising. The primary focus of the Company is on increasing the inflow of orders, entering into long-term agreements with customers and building newer verticals, which might have some impact on the margins in the near term till the new business verticals are streamlined. However, the long term growth of the Company is intact as there are multiple growth avenues and we are focused on strengthening the foundation of our business to translate the opportunities in pipeline into sustained growth.

Acknowledgements

I would like to thank all our stakeholders including our Board of Directors, employees, customers, suppliers, and investors who extended their continued support to MTAR to achieve noteworthy milestones over the decades. We would like to reiterate that the long-term growth of the Company is intact. With a commitment for excellence and innovation, we are committed to build a world class institution.

Parvat Srinivas Reddy
Managing Director

Company Overview

MTAR is a leading manufacturer of precision engineered systems for customers in Clean Energy- Civil Nuclear Power, Fuel Cells, Hydro Power & others, Space & Defence sectors

With a commitment for innovation and excellence, the Company has invested in cutting edge and futuristic manufacturing technologies to develop reliable and world class precision engineered products

The Company also supplies import substitutes such as ball screws, water lubricated bearings, roller screws, electro-mechanical actuation systems, ASP assemblies etc. that find applications across diverse sectors

Vision

Graduate from precision Engineering towards system integration

Be a reliable manufacturer and offer innovative manufacturing solutions to manufacture differentiated engineering products to clients across diversified segments and geographies

Enhance our current capabilities to manufacture world class products to cater to domestic and global engineering needs

Be an ESG compliant firm and generate margins through sustainable business practices, thereby creating value to all the stakeholders in the process

Management

The Company is managed by Parvat Srinivas Reddy and a team of experienced technical and management professionals. MTAR comprises 2472 employees including third party contract employees as on March 31, 2024. Under his leadership the Company has been witnessing significant growth in various segments. He was instrumental in establishing the Clean Energy - Fuel Cells and Export Aerospace verticals at MTAR.

Extensive Experience

MTAR Technologies Limited was established in 1969 by three founders (P. Ravinder Reddy, K. Satyanarayana Reddy and P. Jayaprakash Reddy) with the objective to address the growing post-embargo engineering requirements of India. The Company now enjoys more than five decades of rich experience and a prominent position in India's Clean Energy - Civil Nuclear Power, Space & Defence and Clean Energy - Fuel Cells & Others sectors.

The Company is led by Parvat Srinivas Reddy who possesses more than three decades of vast experience in engineering and construction sectors.

Products

MTAR specialises in the design and fabrication of complex precision engineered systems such as

1. Fuelling Machine Head, Bridge & Column, Fuel Transfer System, Coolant Channel assemblies, Drive Mechanisms, Fuel Locator Assembly, Sealing & Shielding doors etc. for the core of nuclear reactors.

2. Liquid Propulsion Engines, Cryogenic Engine Sub Systems, Electro-Pneumatic Modules, Satellite Valves, Grid Fin Structures etc. for Space Launch Vehicles, precision engineered assemblies for various MNC Aerospace companies

3. Gear boxes, Aerostructures, actuation systems, ball screws etc. for various applications in Defence.

4. SOFC & hydrogen units for Fuel cells, sheet metal assemblies, enclosures, and electrolysers in the Clean Energy sector.

5. Import substitutes such as ball screws, water lubricated bearings, roller screws, ASP assemblies that find various applications in Clean Energy-Civil Nuclear Power, Space & Defence sectors.

6. Specialised fabricated structures such as draft tube, spiral casing, Rotar & Stator assemblies for various Hydro Power and Wind Energy applications

Knowledge Capital

The Company is known for its rich technical expertise gained over the past five decades by catering to the niche requirement of customers in strategic sectors. This has been derived from a foundation of around 2472 employees including contract employees in FY 24. The Company comprises a healthy mix of seasoned industry veterans and dynamic young professionals; average employee age stood at 35 years as on March 31, 2024.

Cerfications

All our current units have been accredited with ISO 14001:2015 and AS9100D (technically equivalent to EN 9100:2018 and JISQ 9100:2016). We have initiated the AS9100D certification process for our new unit at Pashamylaram.

Our facilities at Adibatla, Unit 2, and EOU have been certified for ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health & Safety and ISO 27001:2013 Information Security Management System and we are in the process obtaining these certification for our new facilities at Unit 7, Pashamylaram to cater to Aerospace customers.

We have received the NADCAP certification for our facilities at Unit 2 and Unit 5. NADCAP certification is in progress for facilities at Gee-Pee Aerospace (a wholly-owned subsidiary of MTAR)

Customers

The Company caters to the marquee global MNCs such as Bloom Energy, GKN Aerospace, Thales, Andritz Hydro, Voith,GE Power, Regen Power, Hitachi Zosen, Rafael Advanced Defense Systems Ltd, Elbit Systems, Medha Servo Drives, Worldwide Oil Machine etc; it caters to reputed Indian customers like Nuclear Power Corporation of India Limited,Indian Space Research Organisation, Defence Research & Development Organisation and Hindustan Aeronautics Limited.

MTAR has added numerous customers over the past couple of year from whom recurring revenues are expected over the next 2-3 years. The Company is in discussion with lot of prestigious MNCs for various projects.

Credit Rating

ICRA has reaffirmed A Stable for Long-term fund-based/ CC, Long-term fund-based TL / Long-term-Non-fund based, Long-term unallocated and A1 for short-term - Non-fund based in FY 24

Milestones

1969

Inception of MTAR to supply Coolant Channel Assemblies to the Department of Atomic Energy

1983

Commenced supplies of components to Indian Space Research Organisation (ISRO)

1989

Rolled out first Vikas Engine for Space Launch Vehicle

1999

Developmrent of Cryogenic Upper Stage Engine Systems

At MTAR, every decade we have developed a new technology to address the evolving needs of our custo

2009

Foray into Clean Energy-Fuel sector by supplying SOFC units for fuel cells

2020

Development of Electro-Pneumatic Modules for Space Launch Vehicles

2023

Addition of new products like Roller Screws, ASP Assemblies

2024

Development of Electro-Mechanical Actuators

mers in strategic sectors such as Clean Energy - Civil Nuclear Power, Fuel Cells, Hydel, Space and Defence


Awards


Built to Specifications - Product Design


Advanced Machining

Specialised Fabrication


Assembly & Integration

Establishing a Dedicated Aerospace Vertical

The Company is establishing a dedicated Aerospace vertical at Pashamaylaram, Hyderabad, with all the facilities including advanced machining, assembly & integration and surface treatment under one roof that will enable to expand our Aerospace business further. It shall be operational in a full-fledged way by December 2024.

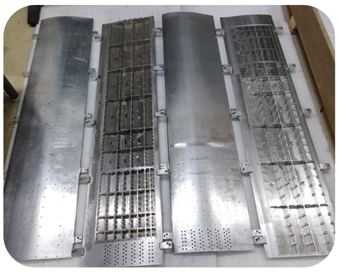
Integrated Systems

Specialised Fabricated Structures

Batch Production

Wide Product Portfolio

Mass Production



Aerostructures and High Precision components

Import Substitutes

MTAR addresses diverse products ranging from highly complex integrated systems to precision structures with close tolerances weighing from few gms to hundreds of tonnes

Product Portfolio - Civil Nuclear Power


Fuelling Machine Head


Grid Plate


FM Bridge & Column


Coolant Channel Assemblies


Calandria Vault Top Hatch Cover Beam

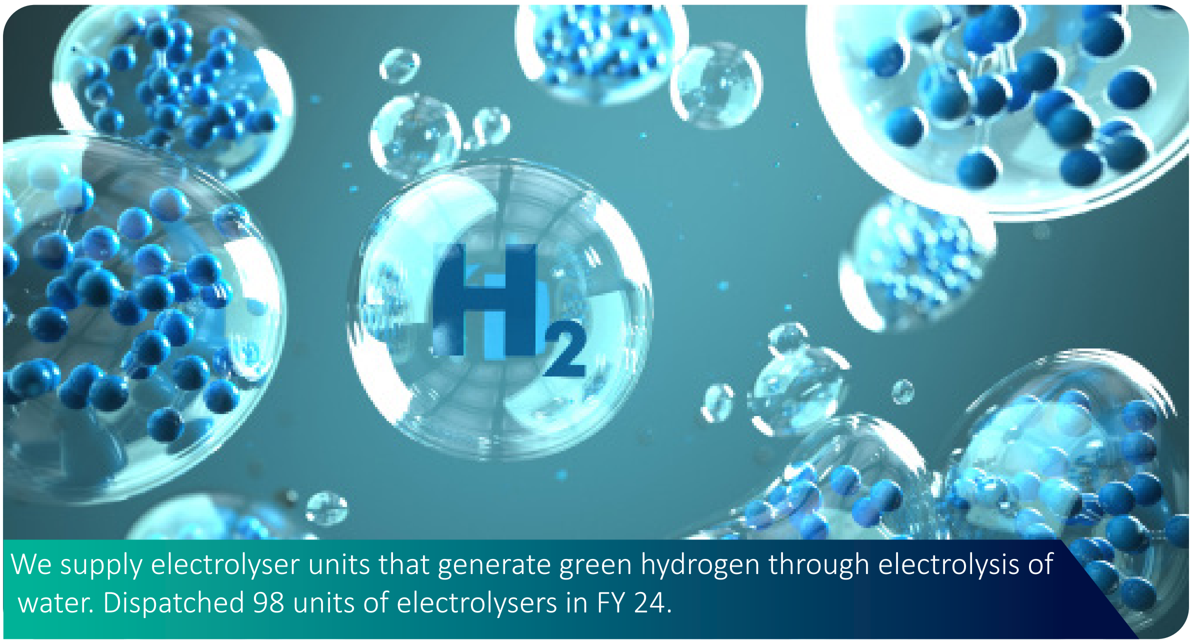

Control Plug


Water Lubricated Bearings

Clean Energy- Fuel Cells & Other Sectors

MTAR supplies SOFC and hydrogen units to Fuel Cells in Clean Energy. Dispatched 2752 Power Units for SOFC fuel cells

Manufacturing of Electrolyser Units



We supply electrolyser units that generate green hydrogen through electrolysis of water. Dispatched 98 units of electrolysers in FY 24.

Clean Energy- Hydel, Waste to Energy, and others

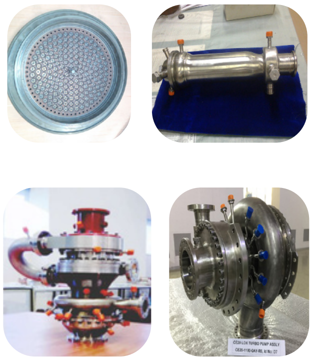
Stator Assemblies- Wind Energy

Rotor Assemblies- Wind Energy

Our Product portfolio in Space

Products Supplied to ISRO

Stage 3: Ball Screws

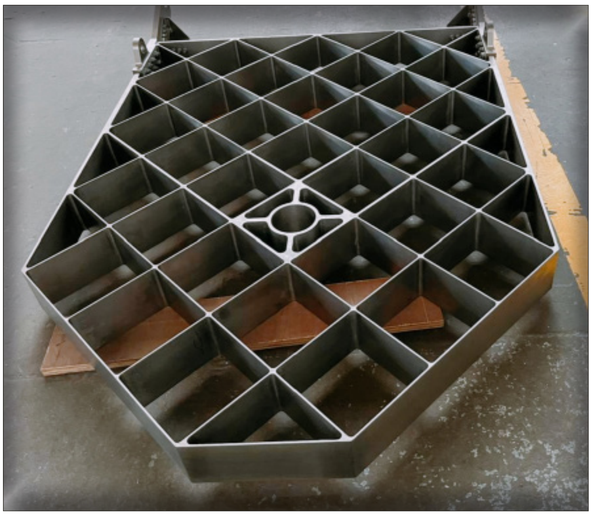


Stage 2: Cryogenic Upper Stage Assemblies (LOX Turbo Pump, LH2 Turbo Pump, Injector Head and Gas Generator)

Stage 1: Electro-Pneumatic Modules

Stage 1: Vikas Engine

Products Under Development - Space

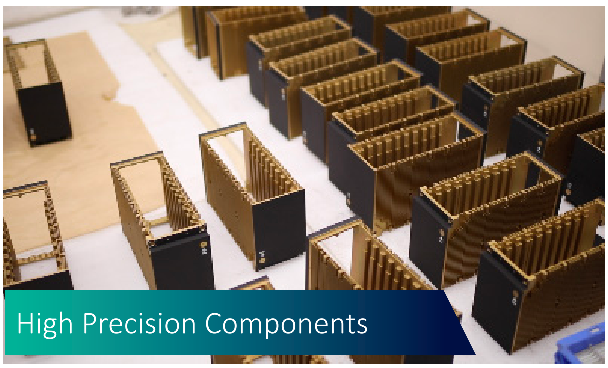


Grid Fin Structures for Gaganyaan, India's first human flight mission

Semi Cryo Engine - Enhances payload capacity of GSLV from 4 tonnes to 6 tonnes

Products - MNC Aerospace

Weldment Structures

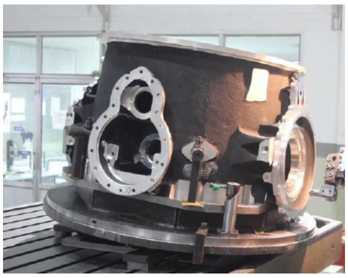


High Precision Components

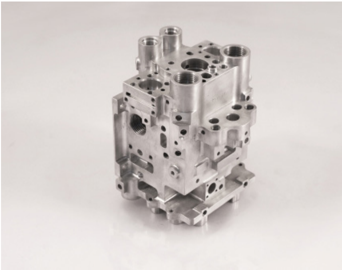
Aerostructures

Product Portfolio in Defence

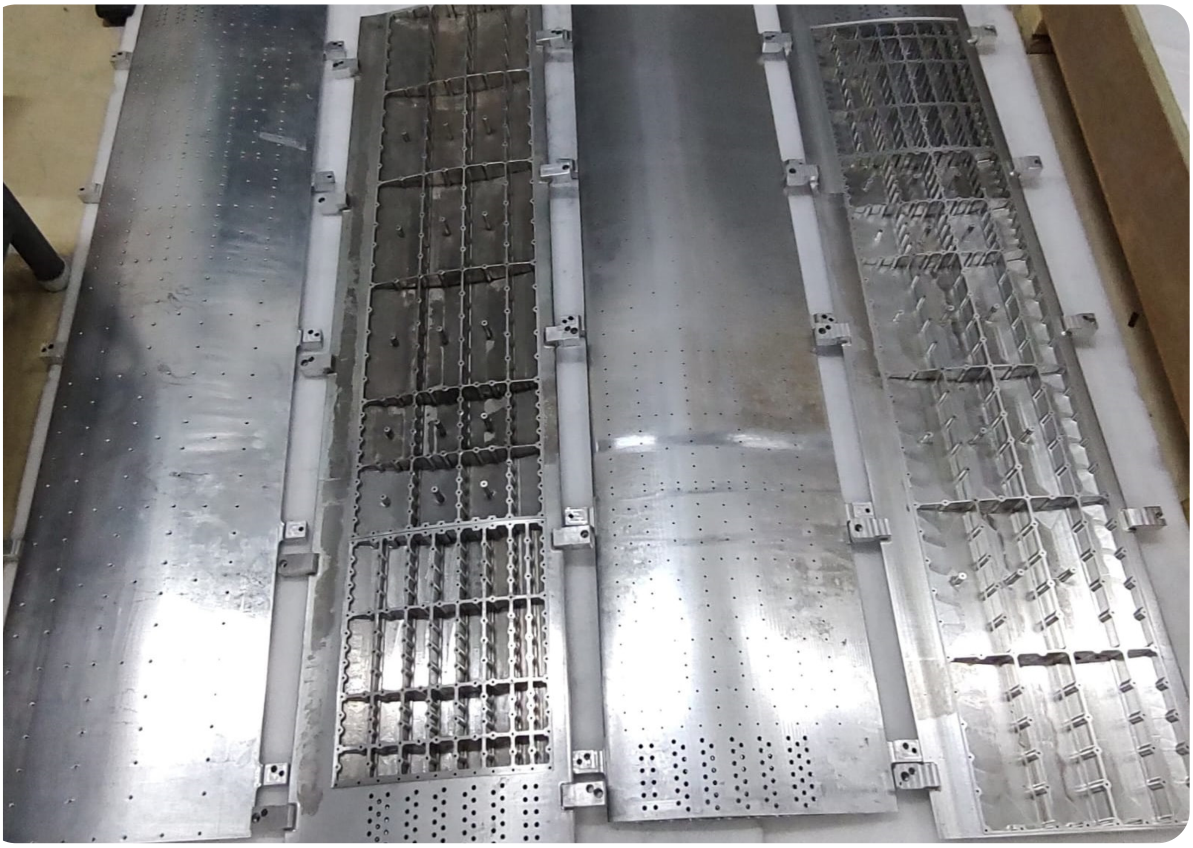
Helicopter Housing



Magnesium Gear Box



Dalia Actuators- LCA Tejas



Aerostructures- Wing Kit Assemblies

Specialised Products & Import Substitutes

Electro-Mechanical Actuators

Completed the development of Electro-Mechanical Actuators and executed Rs. 13 Mn worth of orders in FY 24. Balance orders will be executed by FY 25. Currently, the Company is working on getting more orders for actuators.

Valves

Initiated development of Valves for Space & Defence sectors on built to specification basis. Executed the Frist Article orders of Valves for Navy.

Roller Screws

Completed the development of First Articles. Awaiting certification from customer to commence batch production.

ASP Assemblies

Ramped up the production of ASP assemblies. Executed around Rs. 800 Mn orders for Clean Energy in FY 24

Diversified customer base across different sectors and geographies

The Company has added reputed global OEM such as GE Power, Voith, Regen Power, Thales, Collins Aerospace, GKN Aerospace, among others in Clean Energy & Aerospace sectors

Indian Space Research Organisation

Incorporated in 1969, Indian Space Research Organisation is the sixth largest space agency in the world. ISRO works on space exploration programmes and application-specific satellite products. ISRO has been involved in more than 100 space craft missions including three nano satellites and one micro satellite and 72 launch missions. ISRO launched nearly 270 foreign satellites of more than 30 countries.

Nuclear Power Corporation of India Ltd

A Public Sector Enterprise (under the administrative control of the Department of Atomic Energy, Government of India. The Company drives the operations and implementation of atomic power plants. NPCIL is responsible for design, construction, commissioning and operation of nuclear power reactors. NPCIL is operating 22 commercial nuclear power reactors with an installed capacity of 6780 MWe. NPCIL has eight reactors under various stages of construction totaling 6200 MWe capacity.

DRDO

R&D wing of Ministry of Defence in India with a vision to empower India with cutting-edge defence technologies and achieve self-reliance in critical defence technologies and systems. DRDO comprises a network of more than 50 laboratories engaged in developing defence technologies. DRDO's indigenous development and production of strategic systems and platforms comprised Agni and Prithvi series of missiles, light combat aircraft Tejas, air defence system Akash and a range of radars and electronic warfare systems.

Rafael Advanced Defense Systems Ltd

One of Israel's three largest defence companies, with more than 8,000 employees and numerous subcontractors and service providers. Synonymous with dynamic defence, daring innovation, and technological ingenuity. Pioneered advances in defence, cyber and security solutions for air, land, sea, and space. Innovations based on extensive operational experience and understanding of evolving combat requirements.

Elbit Systems

Israel's largest publicly traded arms and security Company. Has military contracts with governments in the US, UK and Europe, Africa, Asia and South America. Elbit Systems is the primary provider of the Israeli military's land-based equipment and unmanned aerial vehicles. It is an important Company within the defense industry of Israel.

Collins Aerospace

Collins Aerospace is one of world's leading supplier of Aerospace products. It's engaged in designing, manufacturing and servicing systems and components for commercial aviation, business aviation, military and defense, helicopters, space, airports, and other industries.

Collins Aerospace has six strategic business units: Aerostructures, Avionics, Interiors, Mechanical Systems, Missions Systems, and Power & Controls

GKN Aerospace

GKN Aerospace is the world's leading multi-technology Aerospace product supplier. With 38 manufacturing locations in 12 countries, it serves over 90% of the world's aircraft and engine manufacturers. It designs and manufactures innovative smart aerospace systems and components.

Thales

Thales Group is a French Multinational Company that designs, develops and manufactures electrical systems as well as devices and equipment for the aerospace, defence, transportation and security sectors. Its solutions include air traffic management systems, navigation solutions, flight deck, avionics equipment, flight avionics, electrical systems, and training solutions for the aerospace industry.

The Company also provides weapon systems, protection systems, radio communications products, network and infrastructure systems, critical information systems and cybersecurity solutions for the land, naval and air defense markets. Thales also offers maintenance, repair and training services. Head quartered in Paris, France, its business operations span across the Americas, Europe, Asia-Pacific, the Middle East and Africa.

Israeli Aerospace industries

Israel Aerospace Industries or IAI is Israel's major aerospace and aviation manufacturer, producing aerial and astronautic systems for both military and civilian usage. It a completely state-owned by the government of Israel. IAI designs, develops, produces and maintains civil aircraft, drones, fighter aircraft, missile, avionics, and space-based systems.

Bloom Energy Inc.

Provides solid oxide fuel cell technology. Technology generates on-site power from multiple fuel sources. Offers services to the banking, financial services, cloud services, data centers, technology, communications and media, consumer packaged goods and consumables, government, healthcare, hospitality, logistics, manufacturing, real estate and retail industries. Manufacturing facilities in California and Delaware.

Voith

The Voith Group is a global technology Company. With its broad portfolio of systems, products, services and digital applications, Voith has set standards in the markets of energy, paper, raw materials and transport & automotive. Founded in 1867, Voith is one of the larger family-owned companies in Europe with sales of € 4.3 billion and locations in over 60 countries

Regen Power

Regen Power was established in 2003 and is renowned for both innovation in the field of renewable energy in Australia. Regen provides a wide range of products for solar energy systems including solar panels, inverters, charge controllers, and wind turbines for both urban electricity grids and remote area off grid PV market systems at very competitive rates.To date, Regen has installed and maintains over 9000 residential rooftop Solar PV systems in Australia.

GE Hydro

GE Hydro is a one of the renowned players in Hydel sector that offers broadest range of hydro solutions and services: from water to wire, from individual equipment to complete turnkey solutions, for new plants and the installed base. GE'S Hydro Turbines and Generators represent more than 25% of the total installed capacity worldwide.

Medha Servo Drives

Medha is dedicated for manufacturing of Railway products. It has designed and manufactured various world class high-tech electronics products for application in Locomotives, Coaches and Railway Stations. Medha has successfully established a track record of more than 35 years.

Andritz Hydro

Andritz Hydro is a global supplier of electromechanical systems and services ("from water-to-wire") for hydro-power plants and one of the leaders in the world market for hydraulic power generation.

Worldwide Oilfield Machine

Worldwide Oilfield Machine(WOM) is a vertically integrated, multinational oilfield equipment manufacturer that specializes in custom solutions for the drilling, testing, production and intervention segments of the oil and gas industry. Established in 1980 with headquarters based in Houston, Texas, WOM group of companies' employ have 12 strategically located facilities around the world.

Building New Business Verticals- Customers in Pipeline

The Company aims to enter into Oil & Gas segment, accordingly, the Company is in discussions with reputed MNCs in Oil & Gas. Significant orders are expected in the coming quarters from this vertical.

Clean Energy

Fluence Energy

Fluence is a global leader in energy storage systems. It offers energy storage products that are optimized for common customer applications but can be configured for specific use cases and requirements. All Fluence products can be delivered as turnkey solutions to the customer including all associated balance of plant equipment.

Ohmium

Ohmium designs, manufactures and deploys modular, scalable proton exchange membrane (PEM) electrolyzer systems that enable cost-competitive green hydrogen production.

Ohmium's systems are vertically-stackable and integrate advanced power electronics, delivering superior value for a wide range of commercial and industrial applications in terms of safety, energy density, scalability and ramp rate.

human-scale electrolyzers are efficient to manufacture, quick to transport and easy to maintain. This versatility enables cost-effective plug-and-play operations that can scale rapidly.

Ohmium has a global green hydrogen project pipeline across the U.S., Mexico, Europe and Asia.

Energy- Oil & Gas

Weatherford International

Weatherford International plc is a leading global energy services Company that is operating in approximately 75 countries. It is catering to the energy industry with its global talent network of approximately 17,000 team members and approximately 350 operating locations, including manufacturing, research and development, service, and training facilities

Baker Hughes

Baker Hughes is an energy technology Company that solutions for energy and industrial customers worldwide. With a century of experience and trackrecord of conducting business in over 120 countries, Baker Hughes innovative technologies and services are taking energy forward – making it safer, cleaner and more efficient for people and the planet.

Technip FMC

TechnipFMC is a leading technology provider to the traditional and new energies industry, delivering fully integrated projects, products, and services.

With Technilproprietary technologies and comprehensive solutions, we are transforming our clients' project economics, helping them unlock new possibilities to develop energy resources while reducing carbon intensity and supporting their energy transition ambitions.

Others

GE Healthcare

GE Healthcare is a leading global medical technology player. With over 100 years of healthcare industry experience and around 50,000 employees globally, the Company operates at the center of an ecosystem working toward precision health, digitizing healthcare, helping drive productivity and improve outcomes for patients, providers, health systems and researchers around the world

Competitive Strengths

With a commitment for excellence and innovation, the Company has developed mission critical precision engineered systems for diverse sectors including Clean Energy, Space & Defence.

End to End Product Development Expertise - Built to Print & Built to Specifications

MTAR is a leading player in India's niche precision engineering industry over the past few decades and the Company has contributed to some of the prestigious Indian & Global programs in Clean Energy - Civil Nuclear Power, Fuel Cells, Space & Defence sectors.

The Company manufactures built to print precision engineered systems known for their quality and cost effectiveness that has enabled the Company to develop long-standing relationships with its customers. MTAR has also established a design cell to develop products on built to specification basis. Currently, the Company is trying to develop heat exchangers, pumps, valves, among others through its design arm.

Decades of expertise in manufacturing and development of innovative technologies in collaboration with its customers has led MTAR to develop state-of-the-art facilities including in-house product design, advanced machining, specialised fabrication, system integration, surface treatment and heat treatment. The design and production capabilities are further supplemented by an extensive and stringent testing and quality control mechanism undertaken at each stage of the production process to ensure that our finished product conforms to the exact requirement of our customers

The Company's profit centres have accreditations such as the ISO 9001:2015 certification and AS9100D certification (technically equivalent to the EN 9100:2018 and JISQ 9100:2016 certifications) for quality management systems. Our facilities at Unit 2, EOU and Adibatla have been certified for ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health & Safety and ISO 27001:2013 Information Security Management System. We have received the NADCAP certification for our facilities at Unit 2 and Unit 5. The Company has initiated certification process for new unit at Pashamylaram to cater to Aerospace vertical from FY 25.

Diversified product portfolio

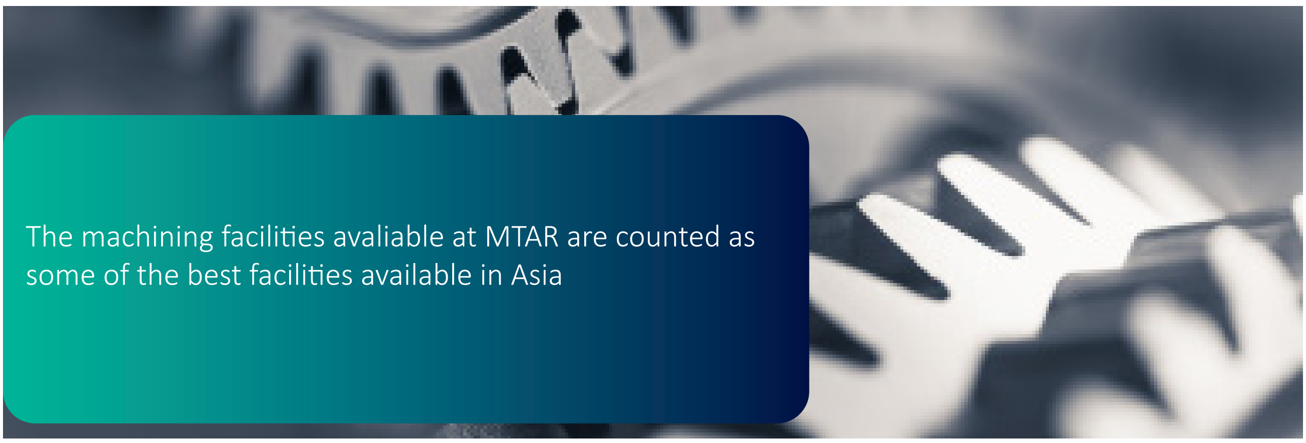
Over the decades, the Company has developed wide product portfolio across diverse sectors. Since its inception, the Company has supplied built to print products as per the customer specifications. Commitment towards quality and timely execution of mission critical projects have enabled us to become a strategic partner to our customers, thereby building customer trust and dependence.

The Company caters to Department of Atomic energy by supplying specialized products such as fuelling machine head, fuel transfer system, bridge and column and coolant channel assemblies, among others, not just for the new pressurized heavy water nuclear reactors, but also for refurbishment and maintenance of the existing reactors. These complex products bear testimony to the Company's ability to develop precision engineered systems for strategic sectors

MTAR supplies SOFC & hydrogen units, sheet metal assemblies, enclosures, ASP assemblies to solid oxide fuel cells and electrolyser units to solid oxide electrolysers in Clean Energy – Fuel Cells sector. The Company has got qualified for the supply of cable harnessing assemblies in Clean Energy – Fuel Cells sector. Further, the Company also caters to critical structures in Hydro Power, Wind and Waste to Energy sectors

Within the space sector, we have established relationship with ISRO to whom we have been supplying a wide variety of mission critical assemblies specifically, liquid propulsion engines, cryogenic engines (turbo pumps, booster pumps, gas generators and injector heads for such engines) and electro-pneumatic modules to serve Space Launch Vehicles .

The Company has also completed the development of roller screws that are import substitutes and is awaiting the certification from customer to start the volume production.



State of the art facilities with cutting edge manufacturing technologies

We operate through our seven state-of-the-art manufacturing facilities, including one EOU, each of which, is situated in Hyderabad, Telangana. Currently, the Company has established one more unit with world class facilties at Pasamaylaram that shall be operational from FY 25 to cater to the growing volumes in Aerospace. MTAR has consistently invested in cutting edge manufacturing technologies to provide end to end product development capabilities including product design, advanced machining, assembly & integration, surface treatment and heat treatment, quality control capabilities under one roof.

The Company has established capacities ahead of time through internal accruals, in the past with a view to cater to the increased production in future. The additional capacity available enables us to invest only in bottle neck areas for existing business verticals based on future demand at minimized cost of expansion With in house expertise, the Company designed and built, with inhouse expertise, certain sophisticated special purpose machines instead of importing comparable machines that has resulted in significant cost savings.

Plant	Products Manufactured	Sectors catered to	Facilities offered
Unit 1	Complex nuclear assemblies manufacturing such as fuelling machine head, top hatch beam, bridge and column and defence equipment, among others	Clean Energy- Civil Nuclear Power, Defence	Design, Advanced computerized numerical control ("CNC") machining and quality control
Unit 2	Liquid propulsion engines such as Vikas engine, Cryogenic engines, Semi Cryo engine, electro pneumatic modules for use in Polar Satellite Launch vehicle ("PSLV") and Geosynchronous Satellite Launch Vehicle ("GSLV") and satellite valves	Space	Advanced CNC machining, assembly, specialised fabrication, quality control and testing
Unit 3	High Volume nuclear assemblies including coolant channel assemblies, products such as Ball Screws, Water Lubricated Bearings, Roller Screws and other nuclear site orders	Clean Energy- Civil Nuclear Power, Defence	Advanced CNC machining and quality control
EOU	SOFC & Hydrogen units, electrolysers, ASP assemblies for Clean Energy, high precision equipment to Aerospace MNCs	Clean Energy- Fuel Cells & MNC Aerospace	Advanced CNC machining, assembly, special processes, and quality control
Unit 4	This is a supporting unit and undertakes rough machining	-	Rough machining
Unit 5	This is a supporting unit and undertakes surface and heat treatment	-	Surface treatment, heat treatment and special processes
Unit 6- Adibatla	Sheet metal components and enclosures for Clean Energy- Fuel cells; critical structures for Clean Energy- Hydel & Waste to Energy sectors Electronics Manufacturing Systems- Cable Harnessing Assemblies	Clean Energy- Fuel Cells, Hydel and others	Advanced Machining, Fabrication, Integration, Cable Harnessing Assembly
Unit 7- Pashamylaram (to be operational by Dec 2024)	Assemblies and Structures for Aerospace	Aerospace	Advanced Machining, Assembly and integration

Our Company does not have dedicated production lines to manufacture identified products and our facilities are fungile across all the sectors that gives us a greater flexibility in terms of utilization of our capacity.

Robust vendor base

Based on the requirement of a project, the Company sources wide variety of specialized raw materials including Inconel, 17-4 PH, SS 410, 13-8 MO from various vendors. The Company imports majority of the specialised raw materials from authorised vendors. Diversified vendor base has been developed over during the past five decades, thereby eliminating dependence on certain vendor

In Clean Energy- Fuel Cells sector, majority of raw materials are procured from customer directed sources and the Company will entering into price contracts with vendor a year ahead; any subsequent increase in price is a pass through. In Space, for orders related to ISRO raw material is supplied by the customers. For MNC Aerospace the Company is procuring the raw material and for some projects related to Defence customer is issuing the material.

Given that raw material expenses constitute a significant portion of our overall cost, we benefit majorly from a strong, spread out and diversified supplier base. This enables us to negotiate favourable terms and even avail better discounts. Additionally, we believe that our diversified supplier base helps us in minimizing supplier risk on account of low supplier dependency.

The Company doesn't have any long-term contracts with majority of our raw material suppliers, however, we have maintained long term relationships with our major suppliers that enable us to obtain good quality raw materials within the prescribed timelines.

Raw material prices vary from market to market, and our supply chain team accordingly analyses the arbitrage in different markets to take possible advantages of such variations by purchasing larger quantities from the cheaper source. The Company has a stringent vendor qualification process which enables us to keep a periodic check on our suppliers with regard to the quality of materials supplied and the corresponding prices. We use these details for negotiating purchases in the future and for quality claims, which we believe is a very important aspect of our business operations.

Experienced and well-qualified management team

MTAR is achieving greater heights under the leadership of Parvat Srinivas Reddy who has over three decades years of extensive work experience in manufacturing and construction sectors. Additionally, the Company's technical and corporate management team has substantial experience in Clean Energy - Civil Nuclear Power, Fuel Cells, Hydel & others, Space and Defence sectors that enables it to capture the potential market opportunities, manage client expectations as well as adopt to changes in the market conditions.

Each business vertical is being managed by experienced and hands-on segment business heads having in-depth technical and industry knowledge of the segments that we cater to that is fuelling the growth momentum of the Company over the past five years, at aggregate level. These business heads are instrumental in development of new technologies and establishing and maintaining relationships with our customers.

Further, our mid-level management is supported by our trained personnel and skilled workers who benefit from our regular in-house training initiatives. The Company emphasizes on execution with utmost quality and with minimum failures. Additionally, our personnel policies are aimed towards recruiting talented individuals, facilitating their integration, and promoting the development of their skills.

Track record of healthy growth in financials

We increased our revenue at a CAGR 22.10% during the last five years, from Rs. 2137.74 Mn in fiscal 2019-20 to Rs. 5800.33 Mn in FY 2023 - 2024. We posted an EBITDA of Rs. 1116.72 Mn in FY 2023-24 from Rs. 579.66 Mn in FY 2019-20 at a CAGR of 14.01%. Our PAT was Rs. 562.68 Mn in FY 2023-24 compared with Rs. 391.99 Mn in FY 2019-20, a CAGR of 7.5%

The opportunity in Clean Energy, Space and Defence driven by structural tailwinds will continue to drive growth

Increased volumes from the new customers in Aerospace and Clean Energy shall fuel a sustainable growth

9,151

Rs. Mn, Order book as on March 31, 2024

15,000

Rs. Mn, Expected Order book by March 31, 2025

Develop New Products

The Company is consistently introducting new products to mantain competitive advantage

While the Company has executed Rs70 Mn of intial orders for ASP assemblies in FY 23, it has ramped the revenues to Rs. 800 Mn in FY 24

The design cell in the Company is engaged in the development of various built to specification products including Valves, Pumps, Heat Exchangers etc. that find applications across diverse sectors such as Defence, Space and Energy, among others

Expand the presence across business segments

The Company is working on increasing its market share in Aerospace and Clean Energy verticals. Accordingly, it has increased its product offerings with the existing customers and added new customers. The Company has also entered into long-term contracts with Thales and IAI

In additon, MTAR also intends to entering into Oil & Gas vertical; the Company has initiated discussions with some of the reputed customers like Weatherford, Baker Hughes, Technip FMC etc.

Identify and Capitalise on growing industrial trends

Clean Energy Civil Nuclear Power

The government has accorded administrative approval for 10 reactors with a combined capacity of 7 GWe to be set up in fleet mode. A private entity has secured the contract for the construction of two 700 MWe reactors at Kaiga; There could be an inflow of around Rs. 5000 Mn of orders from these reactors. In addition, refurbishment orders to the tune of Rs. 1000 Mn for critical systems of operational reactors are expected in FY 25. The order potential from balance reactors will be atleast Rs. 15-20 Bn over the coming years.

Clean Energy Fuel Cells

Clean Energy fuel cells market is projected to witness a significant growth over the next decade and Bloom that is a pioneer in stationary fuel cells space is expected to register a growth in line with this. This might translate into atleast 15% growth for MTAR YoY. In addition, as world is witnessing the transition into Clean Energy, various clean technologies such as such as Hydro Power, Wind Energy, Battery Storage systems etc. shall witness a significant growth

Space

India's space economy, valued at USD 8.4 Bn in 2023 that accounts for 2-3% of the USD 400 Bn global space economy is estimated to grow to USD 44 Bn by 2033. Commercial launches such as launching foreign satellites for communication, navigation, and resource survey/ management expected to witness a significant growth that will result in increased volumes for MTAR. In addition to catering to increased volumes driven by growth in number of launches, the Company intends to increase our wallet share with ISRO by addressing opportunities including thrust chambers, light alloy structures, motor casings etc.

Defence

Ministry of Defence has set a target of achieving a turnover of INR 1700 Bn in Aerospace and Defence manufacturing by 2025 that includes exports of INR 350 Bn Additionally, to promote export and liberalise foreign investments FDI in Defence Sector has been enhanced up to 74% through the Automatic Route and 100% by Government Route. The formidable push on the establishment of indigenous manufacturing infrastructure is expected to drive the growth for domestic defence players.

Roadmap for Sustainable growth

MTAR has been registering strong growth over the past five years supported by its robust business models

Going forward, the Company has outlined the following steps to strengthen our business model further

- Develop New Products
- Expand the presence across business segments
- Identify and capitalise growing business trends
- Capacity Augmentation
- Optimise Operational efficiencies
- Addition of New Customers

Opening order book, FY 2023-24 (Rs. Mn)	New orders in FY 2023-24 (Rs. Mn)	Sales Restated at Order Book FY 2023-24 (Rs. Mn)	Closing order book, FY 2023-24 (Rs. Mn)
11,729	4,827	5,569	9,151

Capacity Augmentation

For regular business segments, the Company shall be augmenting the capacity in bottle neck areas in case of increased demand from the customers

New business verticals shall be assessed based on the business case and project specific investments to meet the customer requirements will be taken up based on the market potential

Evaluate inorganic opportunities to enhance engineering competence, increase market share, achieve operating leverage in key markets and strengthen cost competitiveness in the market

Optimise Operational efficiencies

The Company is working on adopting cutting edge technologies to reduce the cycle time for batch production orders that will enhace operational efficiencies

Implemented digital shopfloor management solutions for effective planning and coordination of manufacturing processes, which enables us to improve the machine utilisation rate

Addition of New Customers

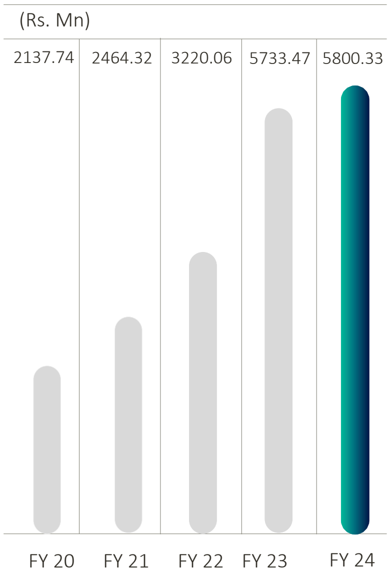
The Company is trying to enter into long-term contracts with customers to address lucrative opportunities in Aero-space & Clean Energy

In addition, the Company has added many new customers in FY 24

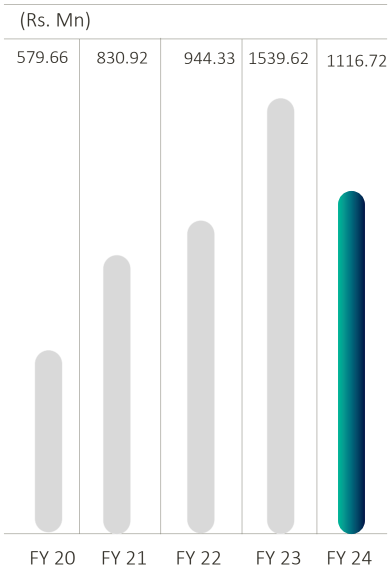
The Company continues to participate in seminars & international expos to build & develop network with leading foreign multinational companies.

At aggregate level, the Company has witnessed a healthy growth over the past 5 years

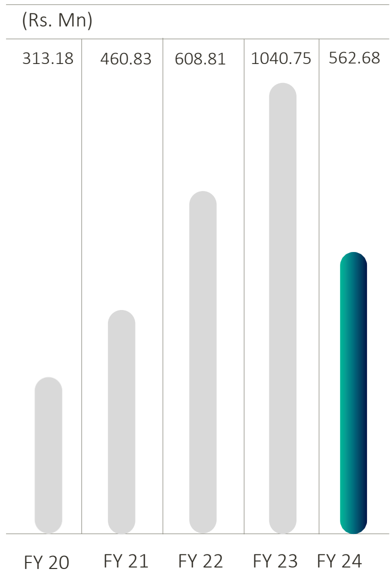
Revenues



EBITDA



Net Profit



Definition

Growth in sales net of taxes (if any)

Why is this measured?

It showcases the Company's ability to enhance sales, a number that can be compared with sectorial peers

What does it mean?

At aggregate level for the past five years the Company has witnessed an accelerated growth compared to industry average as the sectors Company is catering are at inflection point

Value impact

The revenues have grown at CAGR 22% of Rs. 2137.74 Mn in FY 20 to Rs. 5800.33 Mn due to development of new business verticals and enhancement of product portfolio with existing customers (detailed in the report)

Definition

Earnings before the deduction of interest, depreciation, extraordinary items, tax and other income

Why is this measured?

It is an index that showcases the Company's ability to generate a surplus following the expensing of operating costs

What does it mean?

It helps create a robust growth engine, a large part of which could be available for reinvestment

Value impact

The EBITDA has increased from Rs. 579.66 Mn in FY 20 to Rs. 1116.72 Mn FY 24 with a CAGR of 14.01%

Definition

Profit earned during the year after deducting all expenses, provisions and taxes

Why is this measured?

This measure highlights the strength of the business model in enhancing shareholder value

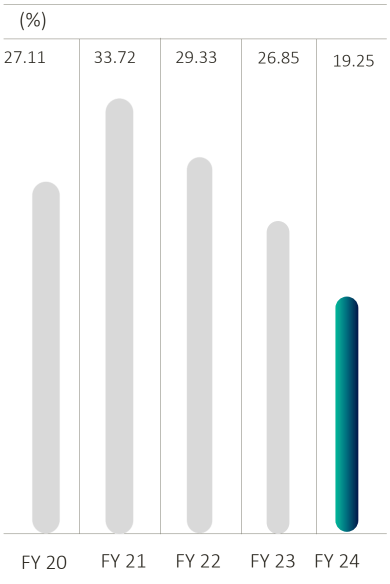
What does it mean?

It ensures that adequate surplus is available for reinvestment in Company's operations

Value impact

The Company reported net profit of Rs 562.68 Mn in FY 2023-24 from Rs. 313.18 Mn in FY 20, indicating a healthy growth in profits at aggregate level

EBITDA Margin



Definition

EBITDA margin is a profitability measure used to assess a Company's ability to generate a surplus on a rupee of sales, expressed as a percentage

Why is this measured?

The EBITDA margin provides an insight into the Company's earning capacity, which can be compared across companies within the same sector

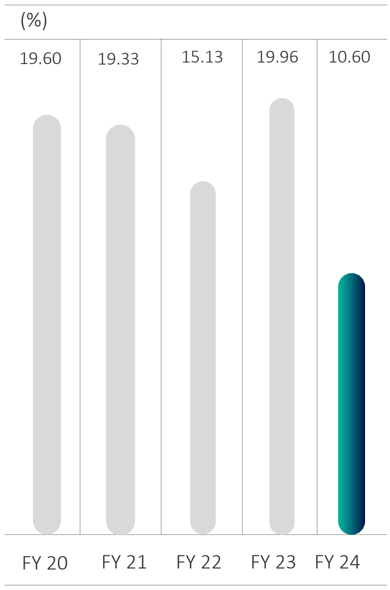
What does it mean?

This demonstrates Company's ability to absorb interest and tax outflow after depreciation

Value impact

The Company has registered an EBITDA margin of 19.2% as against the guided margin of 26% +/- 100 bps primarily due deferment of orders in Clean Energy vertical and delay in execution of Semi-Cryo engine project in Space

ROCE



Definition

It is a financial ratio that measures a Company's profitability and the efficiency with which its capital employed in the business

Why is this measured?

RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

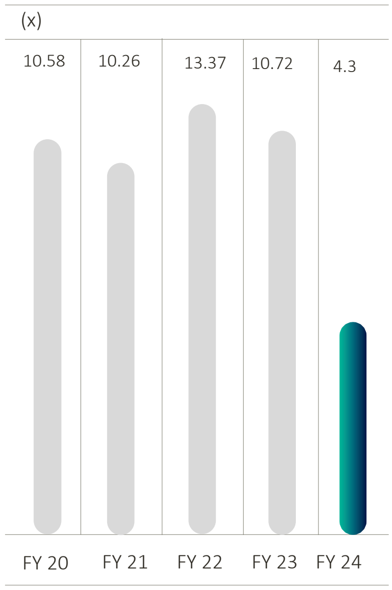
What does it mean?

Enhanced RoCE can influence valuation and perception.

Value impact

The Company's ROCE has diluted because of the reduced margins in FY 24 and investments for Aerospace vertical. The ROCE shall improve over the next two years once the production from our new customers ramp up

Interest Cover



Definition

This is derived through the division of EBIT by interest outflow

Why is this measured?

Interest cover indicates the Company's comfort in servicing interest – the higher the better.

What does it mean?

A Company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in assuring sizeable returns to shareholders.

Value impact

The Company's interest cover ratio got impacted due to reduction in operating margins. However, it will improve over the coming quarters as our margins improve

Sectorial Revenue break up

Sector	FY20		FY21		FY22		FY23		FY24	
	Rs. Mn	%*	Rs. Mn	%*	Rs. Mn	%*	Rs. Mn	%*	Rs. Mn	%*
Clean Energy Civil Nuclear	260	12.2	553	22.4	457	14.19	438	7.6	619	10.7
Clean Energy- Fuel Cells & others	1,375	64.3	1,227	49.8	2,016	62.61	4417	77	3511	60.5
Space	271	12.7	582	23.6	483	14.99	494	8.6	390	6.7
Defence	84	3.9	13	0.5	81	2.53	151	2.6	197	3.4
Products & Others	146	6.9	90	3.7	183	5.68	233	4.1	1083	18.67
Total Revenue from Operations	**2,138**		**2,464**		**3,220**		**5733**		**5800**	

%* represents revenue generated from a sector as a % of revenue from Operations

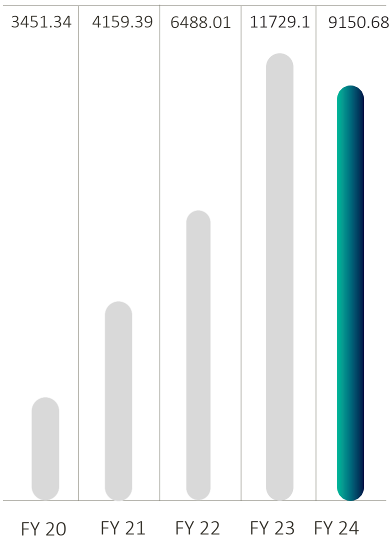
Creating Value to all the stakeholders with a Sustainable growth

Order book

Our order book has posted a CAGR of 21.54 % over FY 2019-24 and the closing order book for FY 25 is estimated to be around Rs. 15000 Mn.

Order book value

(Rs. Mn)



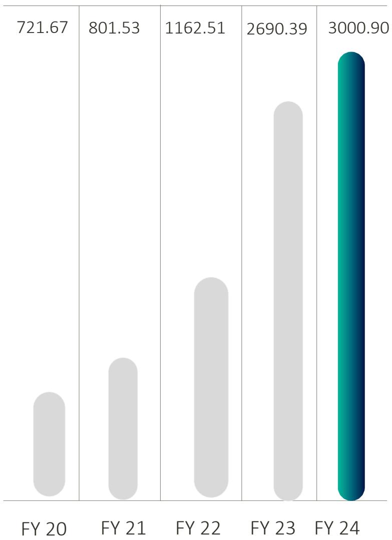
Our robust order book (revenue) provides ample visibility of continuous revenue growth as well as sustainable profitability

Manufactured Capital

Our assets, manufacturing equipment and technologies constitute our manufactured capital.

Raw Material Cost

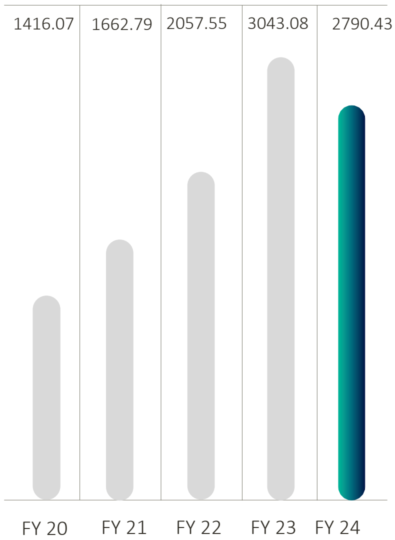
(Rs. Mn)



The Company increased the manufactured value of products year on year in-line with the increased revenue

Gross Profit

Revenue less cost of good sold (Rs. Mn)

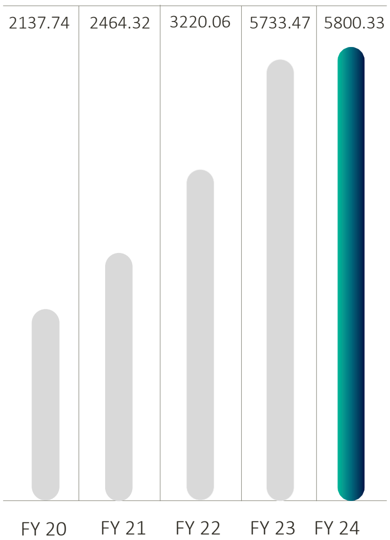


The Company increased the extent of value added to materials

Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible organisation.

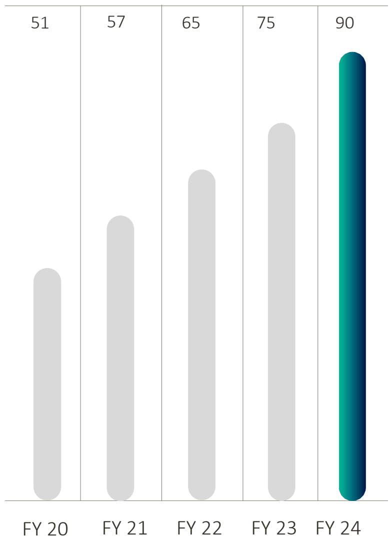
Revenue

(Rs. Mn)



Unique Customers

Nos

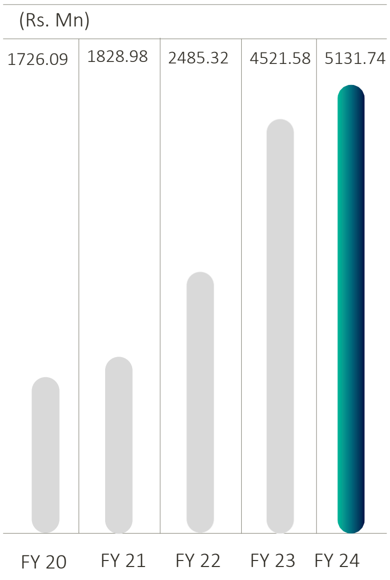


The Company increased revenues, an index of the value created for customers

Human Capital

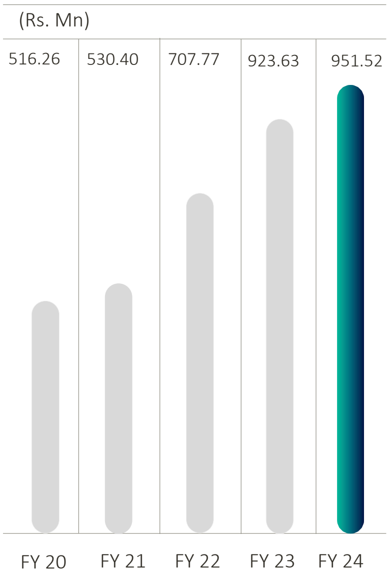
Our management, employees form a part of our workforce, the experience and competence enhancing value.

Total Expenses



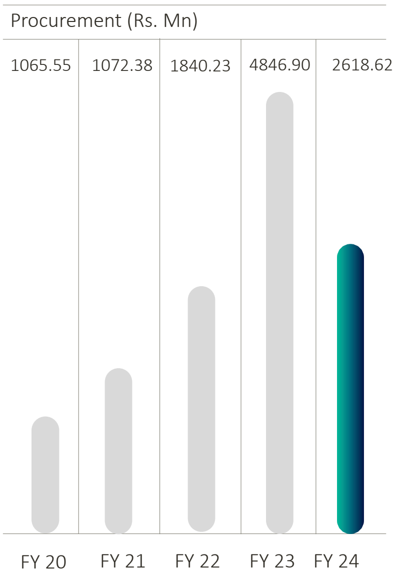
Total expenses have increased in line with the revenue growth

Salaries & Wages



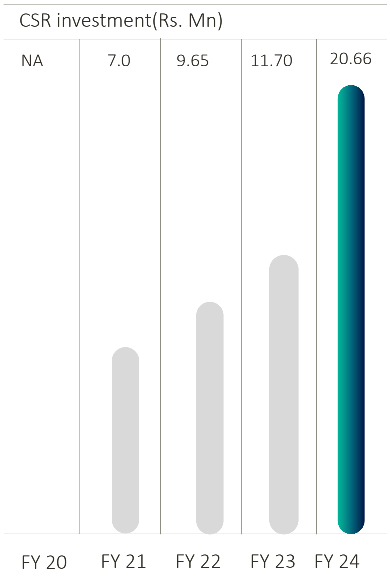
The Company has invested a progressively larger amount in employee remuneration, underlining its role as a responsible employer

Vendor Value



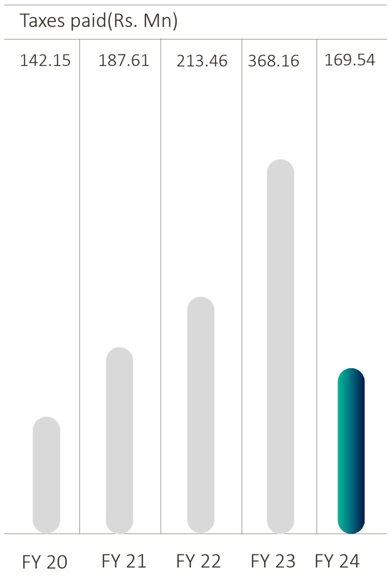
The Company procured a larger quantum of resources through the years, strengthening procurement economies

Community



The Company enriched communities in the geographies of its presence

Government



The Company addressed the timely payments of taxes and other statutory dues

Operational Review

Revenues from new customers and business Segments are poised to experience significant growth

The MTAR management explains operational performance in FY 24 and various key initiatives the Company is working upon

Q 1. Why the Company registered a lower than estimated growth in FY 2023- 24?

MTAR has posted a revenue of Rs. 5800.33 Mn in FY 24 marginally higher than the revenues registered in FY 23 as against initial guidance of 45%-50% YoY increase in revenues and an EBITDA of Rs. 1116.72 Mn with a margin of 19.3%. Our Net profit stands at Rs. 562.68 Mn. The Company has recorded a lower than estimated EBITDA because of lower operating leverage due to deferment of shipments in Clean Energy, change in product mix due to execution of first articles from new customers and delay in execution of orders in Space vertical. In Clean Energy, for SOFC power units, there was a transition from Yuma(50 KW) to Santacruz (65 KW)and subsequently to Santracruz Block 2 because of which customer has revised his projections post Q2.

Also, Bloom Energy has accumulated some inventories of Yuma during pandemic that was utilised for their production in CY 2023, with out procuring further Yuma units from supply chain partners till Santa cruz block 2 is stabilised that led to a dip in production of power units in FY 24 in spite of our customer witnessing a 10% growth in revenues in CY 23, which impacted our topline and bottom line. In addition, the execution of Semi Cryo engine has got deferred to FY 25, despite the Company completing its scope of work because of delays in inspection from customer that has led to further dip in margins

Q 2. How is the Company progressing on customer diversification?

The revenue contribution from Clean Energy- Fuel cells in FY 24 is around 60% as against 70% couple of year ago. The Company has onboarded lot of customers such as GE Power from Clean Energy – Hydro Power, Regen Power- Wind Energy, and Collins Aerospace, Thales Aerospace, GKN Aerospace, Thales among others in Aerospace vertical over the past few years to provide the business with more opportunities for growth. We have entered into long term contract with IAI to execute potential orders worth 90 Mn USD- 120 Mn USD projects over the next 10-15 years.

We are also in discussion with some of the reputed customers in Oil & Gas and Energy storage systems. MTAR intends to cater to new markets and expand its product portfolio in current business verticals by adding customers across various verticals, thereby providing further impetus to its growth. With a reputation for reliability and timely execution, the Company has a long standing relationships with all its existing customers and we aim to become a strategic partner to our new customers as well.

Q 3. What are the new product development initiatives the Company has taken up in FY 2023- 24?

The Company has consistently increased its product offerings in Clean Energy, Space, Defence sectors by collaborating with its customers. We have generated Rs. 182 Mn of revenue through Fabrication for Clean- Energy Hydro Power, Wind Energy and Rs. 464 Mn of revenue from sheet metal vertical where we are supplying new products to Clean Energy & Aerospace verticals. We have commenced the volume production for ASP assemblies for Solid Oxide in the year under review. We have also got qualified for cable harnessing assemblies in Clean Energy and have received an order from Defence.

The Company has incorporated a design vertical where we have started working on the design and development of various products including valves, heaters, heat exchangers, pumps on built to specification basis for Clean Energy, Defence and Space Verticals. We look forward to get qualified for these over the next two years.

Q

4. What is the estimated closing order book by end of FY 25?

We are estimating a closing order book of around Rs. 15000 Mn by end of FY 25. A private entity that has secured the contract for Kaiga 5 & 6 reactors and they have to procure the sub systems from pre-qualified vendors as per the tender conditions. Rs 5000 Mn of orders related various packages of nuclear island are expected in FY 25 from this package. In addition, there could be a potential inflow of Rs. 1000 Mn of orders from refurbishment of reactors.

From Clean Energy - Fuel cells vertical, we expect to get Rs. 3500 Mn worth of orders. Rs 1000-1500 Mn of orders are expected for various products.

In addition, Rs. 1500 Mn of orders are estimated to be received in Space division from ISRO & various other MNC Aerospace customers.

There could be around Rs. 600 - 700 Mn order inflows in Clean Energy- Hydel and other sectors. The Company is also expecting significant orders from Oil & Gas sector as lot of MNC customers are keen to shift their supply chains from Europe to India and the Company has initiated discussion with some reputed customers in Oil & Gas.

Q

5. In a three perspective, how does the Company growth look like?

Growth momentum is expected to continue in the sectors of our presence that shall translate into consistent growth for the Company at a CAGR of 30% over the next three years. The Company expects to derive this revenue from the volume ramp up of existing products, increase in wallet share with existing customers across all the business segments and revenue ramp from new customers in Clean Energy and Aerospace verticals.

Aerospace vertical is expected to grow at CAGR of 45-50% and revenues from ISRO are grow at a CAGR of 15-20%, pegging the growth of Space vertical at 40% CAGR. Clean Energy- Fuel Cells vertical is expected to register a CAGR of 15% wheras Civil Nuclear, Hydro & Wind shall witness a CAGR of 40% due to robust inflow of orders. Further, the Company is trying to penetrate into new verticals like Oil & Gas, energy storage systems and expand customer base in existing verticals.

Q

6. What is the business outlook for FY 25?

The Company has guided for 30%-35% increase in revenues in FY 25 compared to FY 24. Our EBITDA levels are projected to be at 22% +/-100 bps. Clean Energy energy Civil Nuclear Power will remain stable in FY 25, where as it will have an accelerated growth from FY 26.

Space shall witness a three fold increase in revenues due to increased volumes from Aerospace vertical. We aim to deliver 500 Mn worth of orders to ISRO and 700-800 Mn to MNC Aerospace customers

Products vertical is poised to generate Rs. 1300 Mn in FY 25 as against 1074 Mn in FY 24. Clean Energy fuel cells vertical shall grow at 10%, revenues from Hydro Power, Wind Energy and others are expected to be doubled.

While the debt levels of Company are healthy, the Company intends to reduce its debt further. In addition, We strategise to reduce working capital requirements

Q

7. Is the Company working on improving its cash flows and NWC days?

The Company has generated a positive operating cash flow of around 554.71 Mn in FY 24, which is expected to improve further in FY 25, reflecting our financial health.

Our NWC days by end of FY 24 stand at 252, however, we have improved our RM days and receivables compared to previous fiscal year as supply chains got streamlined. We aim to reduce NWC days to 220 in FY 25 and progressively get it down to 180 over 2-3 years. While WIP levels are expected to remain consistent, we are working on reducing the Raw Material inventories by procuring the material one quarter ahead of time that will enable us to reduce the working capital further.

Management Discussion & analysis

Global Economic Overview

World economy is likely to grow at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies—where growth is expected to rise to 1.7 percent in 2024 and 1.8 percent in 2025 from 1.6 percent in 2023 —will be offset by a modest slowdown in emerging market and developing economies to 4.2 percent in both 2024 and 2025 from 4.3 percent in 2023. Global growth five years from now is expected to grow at 3.1 percent, lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies.

Core inflation is projected to decline more progressively. In spite of significant central bank interest rate hikes to restore price stability, the global economy has been surprisingly resilient.

Source: IMF

Regional Growth %	2024E	2023
World Output	3.1	3.4
Advanced economies	1.7	1.6
Emerging and Developing economies	4.2	4.3

Source: IMF

Indian Economic Review

In FY 2024, Indian economy surpassed all market estimates of GDP, with 8.15% year-over-year (YoY) growth. In spite of global uncertainties, India's economy has exceeded growth expectations (averaging 8.3% annual growth over this period) for three consecutive years, driven by strong domestic demand and continuous government efforts toward reforms and capital expenditure. The fourth quarter of FY 24 witnessed a sharp growth of 7.8%, beating the government's second advanced estimate of 7.6% and Reserve Bank of India's (RBI) estimate of 7.3%. Fourth-quarter economic activities pointed to three interesting trends:

1. improvement in private consumption,
2. exports, and
3. manufacturing

Government of India intends to position manufacturing as a cornerstone for India's transformation into a developed nation. In view of that, the government has been providing unwavering support to Make in India to promote indigenisation and enhance India's global competitiveness. As of 2023, the manufacturing sector accounted for 17% of the GDP and provided employment to more than 27.3 Mn individuals in India.

The government plans to increase manufacturing's share to 25% of the economy by 2025.

The government has introduced targeted measures to accelerate the growth of specific sectors. Accordingly, Budget 2024 has laid a strong foundation for India's manufacturing resurgence. By investing in infrastructure, rationalizing customs duties, and supporting key sectors, the government has demonstrated its resolve to transform India into a global manufacturing hub. Because of the push from government on manufacturing, global customers are keen to collaborate with Indian suppliers specifically in Clean Energy Defence sectors, manufacturers were able to pass on higher costs to customers, as demand increased, resulting in improved margin

As the country envisages to herald a manufacturing renaissance, sectors like Clean Energy- Civil Nuclear Power, Space Defence are set to witness a significant growth. Building a futuristic competency in these sectors will require focusing on R&D, investments in technology transfers, global tie-ups, and incentivizing private investments along with collaboration across academia, industry, and the government.

Propelled by growth in priority sectors and driven by favourable mega trends, India's manufacturing sector is estimated reach $4.5 trillion, taking its GDP share to 22 percent by 2047 (against a base projection of $2.5 trillion with a 17 percent share in GDP), creating a sustained economic growth in the years to come

Source: Economic Times, IMF

India's manufacturing activity maintained strong momentum in April 2024 and is second strongest in 3.5 years

Y-o-Y growth of the Indian economy

	FY18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24E
Real GDP growth (%)	7.2	6.1	4.2	6.6	8.7	7.2	8.2

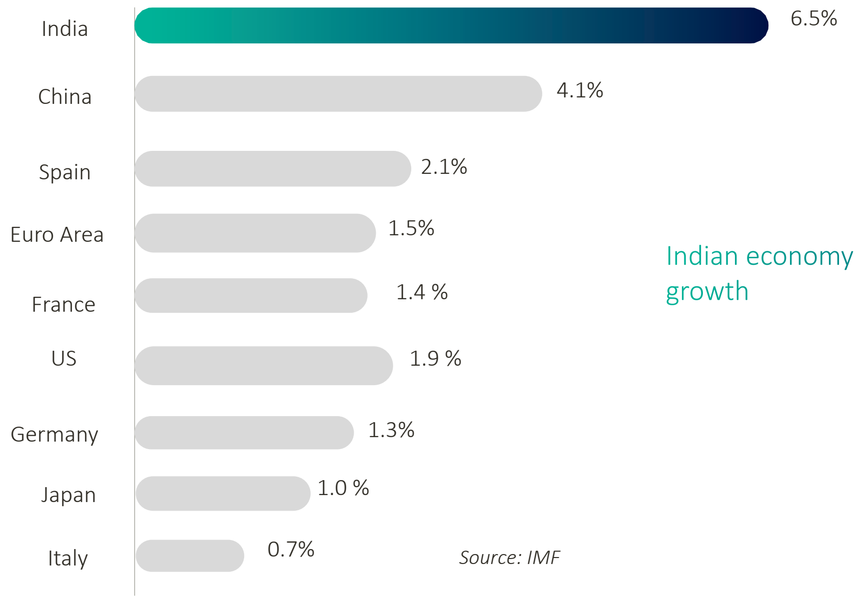
Source: Economic Times, IMF

Growth of the Indian economy, FY 2023-24

	Q1 FY 24	Q2 FY 24	Q3 FY 24	Q4 FY 24
Real GDP growth (%)	8.2	8.1	8.6	7.8

Source: Economic Times, IMF

IMF's growth outlook for 2025



Source: IMF

Indian economy is estimated to witness a significant growth

Divisional Review

Clean Energy

The need for renewables has never been more important than now. Worldwide the shift to renewable energy is gaining traction. Reliable and affordable delivery of electricity is required for sustainable development of economies.

Simultaneously, the need to address climate change is driving a transformation of power systems globally. Renewables, including civil nuclear power, solar, wind, fuel cells, hydro, battery storage systems, waste to energy, tidal and others, are at the centre of the transition to a less carbon-intensive and more sustainable energy system. MTAR aims to increase its market share in various verticals of Clean Energy to contribute to the global transition to renewables to achieve carbon neutrality

To achieve a less carbon intensive economy, the energy shall be derived from multiple technologies. Hence, MTAR is working on expanding its presence in various clean technologies

Clean Energy - Civil Nuclear Power

India firmly believes that nuclear power is a clean and environment friendly source of electricity that is not only available 24X7, but also provide the country long-term energy security in a sustainable manner. Government of India has initiated steps to increase the share of nuclear power capacity. Addition of capacity in civil nuclear power sector is imperative to meet the twin goals of energy security and sustainable development.

To secure long-term energy independence, the country has a three stage nuclear power programme, with a mature first stage. Nine more reactors are under construction. Currently, 23 reactors with a combined capacity of 7.4 GWe are operational in the country, 8 reactors with combined capacity of 6.0 GWe are under construction. 19 operational reactors are Pressurised Heavy Water Reactors (PHWRs) and balance are Light Water Reactors (LWRs). Recently, Department of Atomic Energy has added two indigenously designed 700 MW Pressurized Heavy Water Reactors (PHWR), the Kakrapar Atomic Power Project – Unit 3 & 4. In a historic milestone marking entry into the vital second stage of our three stage nuclear power programme, the "Core Loading" took place recently at our first indigenous Fast Breeder Reactor (500 MWe).

Additionally, The government has accorded administrative approval for 14 reactors with a combined capacity of 9.8 GWe to be set up in fleet mode to strengthen the domestic nuclear supply chain in line with the government's 'Atmanirbhar Bharat' initiative. The Centre has also given 'in-principle' approval for the site at Jaitapur in Maharashtra for setting up six European Pressurised Reactors with a total capacity of 9.9 GWe in technical cooperation with France, which once built will be the largest nuclear power generating plant in the world.

Out of 14 fleet reactors, NPCIL has already floated majority of tenders for Gorakhpur 1&2. Recently, a private entity has secured the contract worth Rs. 125 Bn for Kaiga 5 & 6 reactors of 700 MWe each; tenders are yet to be floated for the balance 10 reactors

Government of India is also considering steps for development of Small Modular Reactors (SMR) with 220 MWe, which is a testament to scientific and engineering capability in the country. It intends to increase the private sector's role in India's nuclear capacity expansion through partnerships to set up small modular nuclear reactors and research on nuclear energy technologies. Nuclear energy experts have for long pitched the lower capital costs and modular construction of small reactors as key advantages over conventional large nuclear reactors

Source: NPCIL, World Nuclear Association, CRISIL Research

23
Operable reactors
7.4 GWe

7
Operable reactors
5.4 GWe

1
Reactors shutdown
0.13 GWe

Opportunity for MTAR

MTAR caters to 20-25% equipment portion of the overall order for a 700 MWe PHWR nuclear plant. The Company supplies 15 different products to the nuclear island and has the capability to cater to the entire core of the nuclear island.

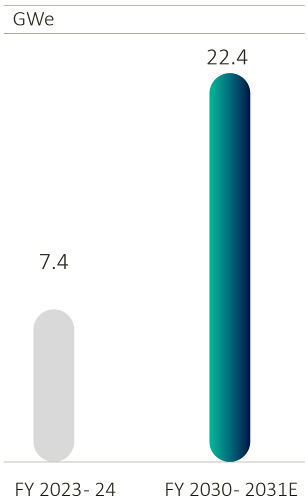
MTAR has facilities to address orders from 4 reactors at a time. The Company's ability to manufacture and supply specialized products such as fuel machining head, bridge and column and coolant channel assemblies, among others, not just for the new pressurized heavy water nuclear reactors, but also for refurbishment of the existing reactors enables it to address the massive opportunity available in civil nuclear power sector. Nearly Rs. 5000 Mn of orders are expected from kaiga 5 & 6 reactors. From the balance 10 fleet reactors for which tenders are yet to be floated, there could be an order inflow Rs. 15- 20 Bn over the next 6-7 years. Since majority of operational reactors have hit the critical life-span, around Rs. 500 Mn- 600 Mn of reburbishment orders are anticipated every alternate year. In addition, there will requirement of Rs. 100-200 Mn of maintenance orders on an annual basis.

Source: NPCIL, World Nuclear Association, CRISIL Research

New-build market (Rs billion)	Overall capital cost (Rs. bn)	Equipment cost (Rs. bn)
Operational reactors*	110-120	22-28
Under-construction reactors**	680-720	130-170
Planned expansion (medium to long term)	1,760-1,800	350-435

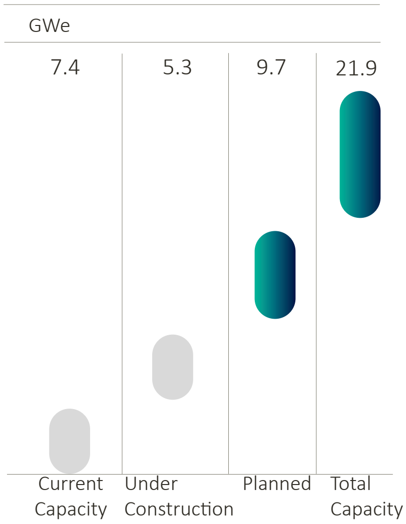
Source: NPCIL, World Nuclear Association, CRISIL Research

Increase in India's nuclear capacity, for 2021-2030P

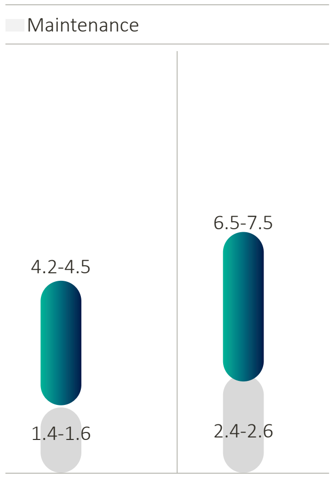


Source: NPCIL, World Nuclear Association, CRISIL Research

Increase in nuclear capacity in India



Source: NPCIL, World Nuclear Association, CRISIL Research



Source: NPCIL, World Nuclear Association, CRISIL Research

Rs. 5000 Mn of orders expected from Kaiga 5 & 6 reactors that shall be outsourced to a major private player

Under-construction reactors	Construction start	State	Type	Gross capacity (Gwe)
PFBR	2004	Tamil Nadu	FBR	0.5
Rajasthan 7 & 8	2011	Rajasthan	PHWR	0.7*2
Kudankulam 3, 4, 5 6	2017	Tamil Nadu	PHWR	1*4
Gorakhpur 1 & 2	2018	Haryana	PHWR	0.7*2
Total				6.0

Source: NPCIL, World Nuclear Association, CRISIL Research

New reactors planned	State	Type	Gross capacity (Gwe)
Gorakhpur 3 & 4	Tamil Nadu	FBR	0.7 * 2
Chutka 1 & 2	Gujarat	PHWR	0.7 * 2
Mahi Banswara- 1, 2, 3 & 4	Rajasthan	PHWR	0.7 * 4
Kaiga 5&6	Tamil Nadu	PHWR	0.7 * 2
Kudankulam- 5 & 6	Haryana	PHWR	1.0 * 2
Total			**9.1**

Source: NPCIL, World Nuclear Association, CRISIL Research

Key MTAR-Projects Executed FY 2023 - 24

- Fuelling Machine Head
- Coolant Channel Assemblies and other products
- Ball Screws
- Water Lubricated Bearings

Key MTAR projects in progress

- Fuelling Machine Head
- Fuel Transfer System
- Fuel Locator Assembly
- Fuelling Bridge & Column

Clean Energy - Fuel Cells

Fuel Cells Industry Potential

Fuel cells market is projected to witness a significant growth due to increasing demand for clean and efficient energy solutions. Global Fuel Cell market is estimated to attain a value of USD 25.10 Billion by 2031, with a CAGR of 27.1% during the forecast period (2024-2031). Fuel cells convert chemical energy from fuels like hydrogen, methanol, or natural gas into electrical energy. They are highly compatible and are specially designed for use in various applications across consumer electronics, military, medical devices & portable power generator, making them commercially sustainable. There is a rising demand for green energy solutions due to increasing environmental regulations and the global push towards reducing carbon footprints. Portable fuel cells, being eco-friendly, cater to this demand by offering a clean alternative to traditional batteries and internal combustion engines.

Fuel cells, being eco-friendly, cater to a rising demand for green energy solutions due to increasing environmental regulations and the global push towards reducing carbon footprints by offering a clean alternative to traditional batteries and internal combustion engines.

Technological Advancements in fuel cell technology paved way for improvements in efficiency, durability, and cost-effectiveness. Innovations in fuel cell technologies such as solid oxide fuel cells (SOFC) and proton exchange membrane fuel cells (PEMFC) have enhanced the reduced the overall costs, making them more attractive for widespread use. There is emergent interest in the use of fuel cells in remote and off-grid areas. Fuel cells provide a reliable power source for locations without access to traditional power grids, supporting critical operations in disaster response, military deployments, and remote medical facilities.

Governments worldwide are investing in fuel cell research and development as part of their efforts to transition to sustainable energy systems, which is furthering the commercialization & adoption of fuel cells. Likewise, the growing awareness and adoption of green energy solutions among consumers and industries are fuelling market growth further. To meet corporate sustainability goals and comply with environmental regulations, businesses are increasingly seeking eco-friendly alternatives, boosting the demand for fuel cells.

In 2023, Asia Pacific is anticipated as second leading region in the global portable fuel cells market due to rapid industrialization, urbanization, and increasing adoption of clean energy solutions in countries like China, Japan, and South Korea. Government initiatives promoting sustainable energy development, coupled with investments in infrastructure and technology, are driving the demand for portable fuel cells across various sectors such as electronics, automotive, and telecommunications in the region

Efficiency of Solid Oxide Fuel Cells to Function at high Temperatures to Drive the Market Share

The Solid Oxide Fuel Cell segment is the fastest growing segment in the fuel cells market owing to its high efficiency to work in extreme temperatures. They can be used without costly catalysts like the ruthenium. A wide range of solid oxide fuel cells are increasingly used in the stationary uses.

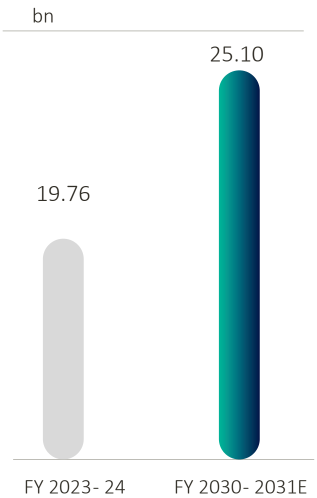
Increasing Demand from Asia Pacific for additional electricity to Continue its Dominance

Asia Pacific that held considerable share of the market in the past few years is poised to lead in future as well owing to less dependency on fossil fuels, adoption of green energy, and high demand for additional electricity. These factors enabled the region to increase the market share in a splendid manner. Also, the market is expanding majorly in nations like South Korea, China, and Japan due to significant push from government, spending in fuel cell technology, and favourable regulations. Significant investments for the R&D to further improve the fuel cells technology have been undertaken by North America that is projected to be the fastest growing region. Canada and the United States are the leading countries for the development of fuel cells.

Fuel cell type	Operating temperature	Typical stack size	Electrical efficiency (%)	Major technology deployment players
Alkaline fuel cell	90-120°C	1–100 kW	60%	AFC Energy
Direct methanol fuel cell	30-130 °C	25-5 kW	40%	SFC Energy
Phosphoric acid fuel cell	150–200°C	5–400 kW, 100 kW module (liquid PAFC) <10 kW (polymer membrane)	40%	Doosan Corporation
Molten carbonate fuel cell	600–700°C	300 kW –3 MW, 300 kW module	50%	Fuel Cell Energy
Solid acid fuel cell	220-280°C	10W- 10kW	-	SAFCell Inc

Scale of Manufacturing is expected to reduce the costs of fuel cells in a significant way. The cost of fuel cell systems has declined by 20% over the past five years

Fuel Cells Industry Growth



Increased Volumes to drive the cost reduction

As fuel cells find more commercial applications and higher reception in the market, the demand for fuel cells will help to bring economies of scale and aid in the reduction of prices. For instance, scaling fuel cell production from 10,000 to 50,000 units can reduce unit costs by as much as 7-10%, without technological breakthroughs. This cost reduction goes up to 40-45% with production volume of 200,000 units i.e., 20x times growth in fuel cell production. The major cost driver for fuel cells is manufacturing technology, which is reduced by increased volumes and improving operational efficiencies. By taking advantage of these increased production volumes, companies can achieve significant cost reductions for several reasons. Economies of scale will help reduce procurement costs and streamline production with lower requirement of supplies and additives.

Electrolysers Market Potential

Hydrogen production today is dependent on unabated fossil fuel technologies. To achieve, green hydrogen plays a key role in sectors that are hard to decarbonise, such as heavy industry and long-distance transport, with electrolysis powered by renewable electricity being the main route of production.

Electrolysers split water into hydrogen and oxygen, thereby generating green hydrogen using electricity from renewable sources

Like fuel cells, electrolyzers consist of an anode and a cathode separated by an electrolyte. Electrolyzers function in different ways based on technology, mainly due to the different type of electrolyte material involved and the ionic species it conducts.

Electrolysers today constitute 33-57% of green hydrogen production cost and the balance is divided between renewable and hydrogen storage units. Globally, industries want to reduce the cost of hydrogen production from USD 6 to USD 1 for which electrolysers to reduce from USD 500- 700 KW per KW today to about USD 200 per KW. Even the stack life and efficiency of electrolysers has to be improved. There are various technologies of electrolysers available today

Source: industry, Yahoo Finance, CRISIL Research

Solid Oxide electrolyzers

Solid oxide electrolyzers use a solid ceramic material as the electrolyte that selectively conducts negatively charged oxygen ions (O2-) at elevated temperatures as high as 800- 900 degree celsius. Steam at the cathode combines with electrons from the external circuit to form hydrogen gas and negatively charged oxygen ions.

The oxygen ions pass through the solid ceramic membrane and react at the anode to form oxygen gas and generate electrons for the external circuit. Solid oxide electrolyzers operate at temperatures high enough for the solid oxide membranes to function properly (about 700°–800°C, compared to PEM electrolyzers, which operate at 70°–90°C, and commercial alkaline electrolyzers, which typically operate at less than 100°C). Advanced lab-scale solid oxide electrolyzers based on proton-conducting ceramic electrolytes are showing promise for lowering the operating temperature to 500°– 600°C.

The solid oxide electrolyzers can effectively use heat available at these elevated temperatures (from various sources, including nuclear energy) to decrease the amount of electrical energy needed to produce hydrogen from water.

Proton exchange membrane (PEM) electrolysers

PEM electrolysers constitute one-fifth of the global eletrolyser capacity. PEM has a compact and simple design, and it has advantages in terms of operability with intermittent loads, i.e., fast response to varying renewable electricity. These electolysers operate at high pressure, due to the use of thin perfluorosulfonic acid (PFSA) membranes, which translates to an efficiency of 80- 90 per cent. However, the PFSA acidic environment makes it necessary to use gold and titanium plated electrodes and metals such as platinum, iridium, and ruthenium as catalysts, which increase its cost significantly.

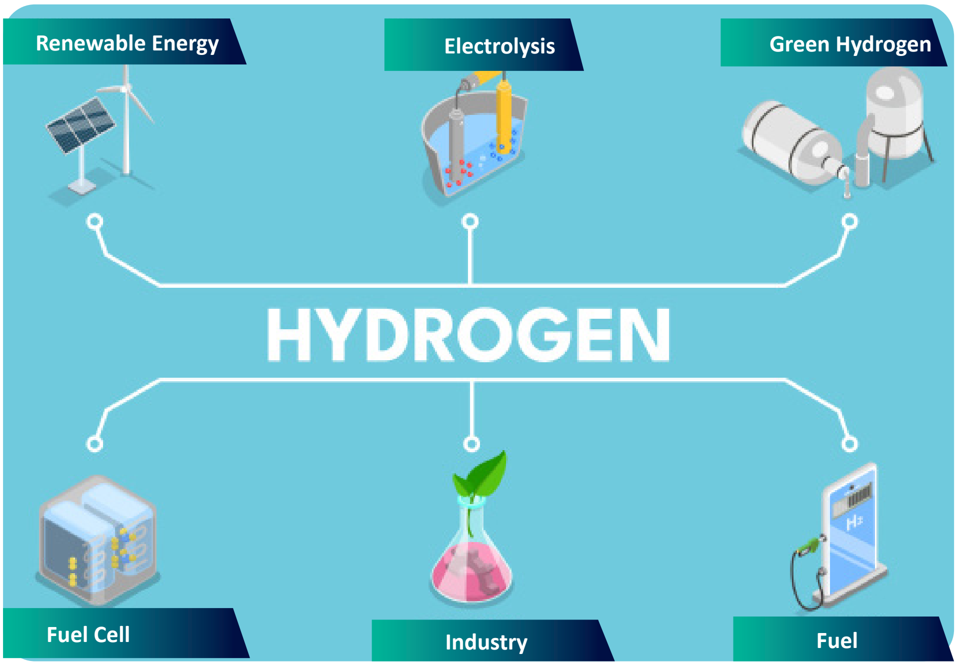
Alkaline Electrolysers

Alkaline electrolysis is a mature and commercially available technology used primarily by the fertiliser and chlorine industries. It presently accounts for almost two-thirds of the global electrolyser capacity.It operates at a pressure of 30 bar and uses thick membranes and nickel-based electrodes. While the technolgy is simple and relatively low-cost stack and system design makes it the cheapest electrolyser technology, its thick
membranes reduce its efficiency to 70- 80 per cent

The global hydrogen electrolyzer market is anticipated to clock US$ 651.6 million in 2024, driven by international collaboration and trade. This is projected to reach a total valuation of approximately US$ 5,709.8 million by 2034 at a CAGR 24.2% between 2024 and 2034, creating new opportunities for the market.

Continuous innovation in electrolyzer design, materials, and manufacturing processes is expected to drive down the capital and operational costs associated with hydrogen production.

Source: industry, Yahoo Finance, CRISIL



Market Opportunity for Bloom Energy

In the clean energy segment, MTAR caters to Bloom Energy USA, a leading player in the manufacture of Solid Oxide Fuel Cells (SOFC) and Solid Oxide Electrolysers SOEC. Bloom Energy has witnessed a 11% YoY growth in revenues in CY 2023, reaching over $1.33B. Bloom Energy's backlog now stands at over $12B, a 21% increase from the previous year. The revenue of Bloom Energy is forecast to grow 18% p.a. on average during the next 3 years starting from CY 2024, compared to a 8.0% growth forecast for the Electrical industry in the US. Bloom is witnessing a strong market interest and robust commercial activity across diverse end markets

Bloom has extended the market deal with SK group, South Korean based conglomerate, till 2027. The amended agreement includes a recommitment of 250 MW from the 2021 contract and an additional 250 MW under the current agreement. The deal will bring around USD 1.5 billion (EUR 1.35bn) in product revenues and USD 3 billion in service revenues over 20 years. Since their collaboration from 2018, the parties have deployed 400 MW. South Korean government released a Hydrogen Economy Roadmap in 2019 calling for 15,000 megawatts of stationary fuel cells by 2040, which shows an immense potential available for fuel cells. Increasing public-private partnerships are also expected to result /in a faster adoption of hydrogen-based applications.

In addition, Bloom is forecasting major revenues from deployment of stationary fuel cells for AI powered data centres. Accordingly, it has entered into a power capacity agreement with Intel that will result in Silicon Valley's largest fuel cell-powered data center.

Key Products being supplied by MTAR

- SOFC Units
- electrolyser Units
- ASP assemblies
- Sheet meal assemblies & enclosures

The total opportunity size from hydrogen fuel cells is estimated at USD 300 Bn; including other areas such as the US C&I market and international expansion, the total opportunity is estimated at more than USD 2 Trn. Bloom Energy is targeting 30- 35% CAGR over CY20-30E

Key advantages of Solid Oxide fuel cells supplied by Bloom Energy

cells: The key advantages of Bloom Energy's fuel cells over traditional grid power comprise the following: Competitively priced: Bloom Energy's penetration is increasing, with an annual reduction of 18% CAGR in product costs. The Company expects to be competitive against traditional grid power in all 50 US states by 2025 (penetration in 12 states currently).

Uninterrupted power with high efficiency: Bloom's fuel cells are designed to provide 24x7 power and enjoy a track record of no outages, compared with grid power, while generating the highest electrical efficiency of 65% among peers.

Lower emissions: Fuel cells generate 50% lower CO2 when compared with the US base load power generation with no particulates (SOx and NOx). A recent study indicates that fuel cells are able to reduce carbon reduction as effectively as renewables, given their high capacity factor (of 95%) against 10-30% for solar/ wind.

Lower production footprint and no transmission lines: A 1 MW Bloom box takes only 170m2 of space as against 22,257m2 by a solar PV (12,500% higher), while onsite generation eliminates T&D infra requirements

Qualified Products

- Cable Harnessing Assemblies

Key advantages of Solid Oxide Electrolysers

Bloom Energy's Solid Oxide (SO) electrolyzer are 20% more efficient than the PEM electrolyzer (45kWh/kg vs. 55 kWh/kg), however, the technology is yet to be commercialised . Higher efficiency is expected to enhance the market share of Bloom Energy

Opportunity for MTAR

MTAR is one of the key suppliers to Bloom Energy for power units, sheet metal assemblies and enclosures of Solid Oxide Fuel Cells. The Company is the sole supplier for electrolyser units.

The Company has more than 12 years of relationship with Bloom Energy. MTAR caters to 50%- 60% of its typical hotbox requirement and has a 100% compliance record with it. MTAR's growth is estimated to be in-line with Bloom Energy. Over the past few years, the Company has been consistently increasing its wallet share with Bloom Energy by adding new products such as sheet metal, enclosures and ASP assemblies. In FY 24, we have delivered around Rs. 800 Mn of ASP assemblies, a new product developed in FY 23. The Company has executed around Rs. 3301 Mn orders for power units, sheet metal assemblies and enclosures.

In addition, MTAR has also increased the content with in the hot box by indigenising off the shelf items such as bellows, fins, fork lift bases , among others that enable the Company to save the costs and preserve the margins.

The growth of MTAR is expected to be in-line with the growth of Bloom Energy. Also, the Company is in discussion to supply products for a firm that is into manufacture of PEM electrolysers.

Source: industry, Yahoo Finance CRISIL Research

Clean Energy - Battery Storage Systems

Market Potential

Batteries are the most scalable type of grid-scale storage and the storage systems market has seen strong growth in recent year. Energy storage systems are quintessential to increase the share of power generated through renewable energy sources,

Carbon neutrality Scenario envisions both the massive deployment of variable renewables like solar PV and wind power and a large increase in overall electricity demand as more end uses are electrified. As the electricity grid increasingly relies on variable load power generation, the ability to store this electricity becomes crucial to avoid supply disruptions and prevent the wastage of surplus energy through curtailment. Hence, to achieve a high level of RE share requires development of energy storage systems (ESS) to manage the intermittency associated with wind and solar power.

The ESS is currently mainly driven by the battery energy storage systems (BESS) and pumped hydro storage projects (PSP). The amplified the demand for longer duration energy storage technologies. Additionally, the utilization of both battery and non-battery storage in various applications offers promising growth opportunities for players in this sector. The need for efficient energy storage solutions is continuing to gain momentum, marking a transformative shift in the power industry.

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The tariff under the BESS tenders more than halved from Rs 10.84 lakh/MW/month in the first Solar Energy Corporation of India (SECI) tender in August 2022 to Rs 4.49 lakh/MW/month in the latest tender by Gujarat in March 2024, reflecting the decline in battery prices and improving competitiveness of such projects

Opportunity for MTAR

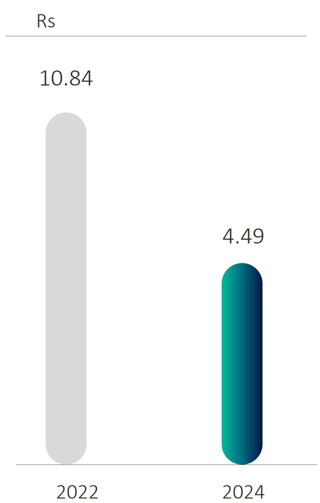
MTAR aims to cater to storage solutions considering the exponential growth the storage solutions sector is set to witness

The Company has concluded discussions with Fluence Energy that is into battery storage systems for supplying enclosures to their batteries. Fluence Energy is yet to win an order for Battery Storage systems in India. Also, it is trying to develop batteries with some major firms in India as the custom duties levied on the import of batteries are higher, taking away cost competitiveness for export of battery storage systems from Indian. Hence, till the development of batteries, Fluence intends to work with Indian manufacturer to address Indian market for which Fluence has to win a contract for the supply of battery storage systems

It has potential to generate significant revenues, once the deal is materialized. We have also initiated discussions with Enervenue that is into Hydrogen Storage Systems. MTAR startegises to grow the storage systems vertical in a significant way over the next five years.

Source: industry, Economic Times

BESS Tariff



Clean Energy - Hydel, WInd Energy & Others

Market Potential - Hydro Power

Hydropower currently generates more electricity than all other renewable technologies combined and is expected to remain the world's largest source of renewable electricity generation into the 2030s. Henceforth, it will continue to play a critical role in decarbonising the power system.

India sees hydro power, one of the renewable sources of energy as key in its transition away from coal to help manage the fluctuations caused by intermittent solar and wind supplies. With nearly 15 GW currently under construction at aggregate level, the country is poised to witness a substantial increase in its hydroelectric power potential, targeting a rise from the present 42 GW to an impressive 67 GW by 2031-32, marking an increase of over 50 percent.

The progress of hydroelectric power projects is set to substantially augment the country's renewable energy capacity, thereby enabling a significant transformation in the adoption of renewables.

Opportunity for MTAR

MTAR is catering to customers such as Andritz, Voith, GE Power, among other by supplying complex fabricated products including draft tubes, spiral casings etc. The customer in Hydro Power sector are projecting strong demand for the next decade and are keen to release more orders for MTAR post the execution of current orders.

Source:industry, Economic Times

Clean Energy - WInd Energy

Market Potential - Wind Energy

Wind is estimated to be one of the predominant sources of power generation in the Net Zero Emissions by 2050. India may add about 25 GB wind energy capacity by 2028 but will need about Rs 2 lakh crore, according to Crisil. The sector just added 9 GW between 2021 and 2024

The growth in wind power capacity is driven by the increasing need for renewable energy to provide grid balancing and continuous power supply, contrasting with solar power which is limited to daylight hours

Opportunity for MTAR

MTAR has started catering to rotar and stator assemblies for Regen Power that is into Wind Energy. The Company also startegises to expand its presence with other players in Wind Energy

Source: industry, Economic Times

Divisional Review

Space

Indian Space Industry Market Potential

The Indian Space Research Organisation (ISRO) has carved a unique niche in the global spacefaring community, renowned for its cost-effective and innovative missions for launching lunar probes, building satellites, ferrying foreign satellites up. ISRO has even succeeded in reaching Mars and stands out as one of the most cost-effective in the world.

Established in 1969, ISRO has steadily climbed the ladder of space exploration with a robust launch vehicle portfolio, including the reliable Polar Satellite Launch Vehicle (PSLV) and the heavy-lift Geosynchronous Satellite Launch Vehicle (GSLV). Self-reliance in launch vehicles significantly reduced mission costs compared to relying on foreign launch services.

Currently, Indian Space economy which is valued at USD 8.4 bn with a 2% share in the global space economy is expected to grow to USD 44 bn by by 2033. Experts opine that the global space economy could well be $1 trillion in the next few years

So far, ISRO has carried out 125 spacecraft missions, 92 launch missions. Currently, it is planning several missions including the Gaganyaan (crewed/robotic) and Interplanetary mission such as Lunar Polar Exploration Mission, Chandrayaan-4, Shukrayaan and Mangalyaan-2 (MOM 2)

2023 marked a monumental year for ISRO as it has successfully achieved first-ever soft landing of Chandrayaan-3 on the Moon's uncharted South Polar region. Chandrayaan 3, lauded for its technical complexity and budgetary efficiency, placed India at the forefront of lunar exploration.

Aditya-L1 spacecraft , an Indian solar observatory at Lagrangian point L1, launched on September 2, 2023 and inserted in its targeted halo orbit on January 6, 2024, has completed its first halo orbit around the Sun-Earth L1 point. Aditya-L1 spacecraft in the Halo orbit takes 178 days to complete a revolution around the L1 point

The ambitions of ISRO extend beyond lunar exploration. The Gaganyaan mission, currently under development, aims to send the first Indian astronauts to space by 2024.

Additionally, ISRO actively contributes to global space endeavors, collaborating with various international agencies on projects like the Aditya-L1 mission, studying the Sun's corona

As apart of future endeavors, ISRO plans interplanetary missions to Venus and Mars, further solidifying their place as a key player in the global space race. Additionally, they focus on developing reusable launch vehicles and human spaceflight capabilities, pushing the boundaries of space exploration.

The growth of Indian Space industry and successful space exploration missions is a testimony to the power of innovation and cost-effectiveness.

Privatisation of Space

The Indian space industry is offering a tremendous opportunity for the private sector in the country as a new area of growth and development.

To promote competence within Space sector, enhance the diffusion of space technology and boost space economy within the country, DOS desires to encourage the participation of private companies in space activities. ISRO shall complement DOS in its objective of opening up the space sector to private industries.

Indian space equipment market (Rs billion) by type, for FY17-FY25P

Segment	CAGR (FY17-FY21)	CAGR (FY21-FY25P)
Satellite	-7.5%	6.0 – 7.0%
Launch systems	-26.5%	10.0 – 11.0%

Source: ISRO, CRISIL Research

Government policies are aimed at allowing Indian private players to become independent actors in the space sector instead of being solely vendors or suppliers to the government programs. Accordingly, Government has outsourced the contract for construction of 5 PSLVs to consortium of HAL-L&T. Similarly government has invited industry to submit bids for GSLV and SSLV.

To facilitate private sector participation, the government has created the Indian National Space Promotion and Authorization Centre (IN-SPACe), as a single window, independent, nodal agency under Department of Space. The main mandate of IN-SPACe is to promote and enhance the role of Non-Government Entities (NGEs) in the space sector through hand holding, support, and by providing them with a level playing field. It will also authorize the use of ISRO facilities by private companies, development of Indian satellite systems, and launch of rockets/ vehicles developed by the private sector.

Currently, the following Support is being rendered from IN-SPACe to all the private entities

1. Building Launch Vehicles and Satellites
2. Sharing of ISRO facilities
3. Establishment of facilities in Department of Space premises
4. Mentorship, Evaluation & consultancy
5. Launch campaign & launch
6. Customization & Delivering of sub-systems packages to NGEs
7. Space based services

The policy framework by IN-SPACe has encouraged private players to involve in manufacturing of launch vehicles, satellites and provide launch services. These developments might take medium to long term in order to fully materialise. Going forward, ISRO shall solely focus on development of new technologies, its ambitious exploration and human spaceflight missions.

Competitive landscape of space industry

Indian Space industry is marked with high entry barriers as working with Space technologies entails advanced technological capabilities, skilled talent pool,manufacturing prowess, quality assurance, reliability and state of the art production facilities. As a result, the supplier ecosystem of ISRO has very few major players, with each operating in a niche monopolistic segment of precision equipment manufacturing. However, recently many start ups have emerged in Launch Vehicle space because of the opportunities due to commercialization of Space

Opportunity for MTAR

MTAR has been associated with ISRO from 1983. The Company has been a trusted partner to ISRO for the past four decades. It has proven capabilities in manufacturing high-tech products for PSLV, and GSLV like liquid propulsion rocket engines (Vikas Engine for PSLV), cryogenic engine sub systems, electro-pneumatic modules etc.; these products are used in the LVM 3 and PSLV for prestigious missions such as Chandrayaan 3 and Aditya L1 missions. The Company is also manufacturing critical structure like grid fin for Gagaganyaan mission.

Increase in launches from ISRO due to success of commercial launches over the coming years is expected to provide increased inflow of orders to MTAR. Furthermore, the Company intends to increase its wallet share and address opportunities including motor casings, light alloy structures and thrust chambers through our new sheet metal facility.

Source: industry, Economic Times,

Key Products being supplied by MTAR

- Vikas Engines
- Cyrogenic Upper Engine assemblies including Turbo Pump, Booster Pump and Gas Generator
- Satellite Valves
- Structures for Gaganyaan

Key Products under development

- Semi Cryo Engine
- Initiated discussions for development of electro-mechanical actuators
- Valves for Launch Vehicles

MNC Aerospace

MNC Aerospace industry analysis

Due to push from Government on Self reliance, Global MNC Aerospace firms are looking at Indian firms to be a manufacturing and supply chain partner

With over seven decades of presence in India, companies like Boeing, Airbus continue to support the development of indigenous aerospace and defense capabilities in the country strengthening the Aerospace eco-system in India. The growth of the Indian aviation industry will create further opportunities for local sourcing, skilling, and service support.

MNC Aerospace customers are viewing India as an Asian alternative to Chinese manufacturing. Reputed MNC customers have been trying to establish their supplier bases in India since the launch of “Make in India” campaign to raise the profile of India as a global manufacturing hub.

Companies like Thales, a French military, avionics & cyber security software group, are bullish on India not only as a market due to increasing orders from its defence sector and airline operators but also as an R&D hub with its massive engineering talent.

India also has got a huge pool of talent as the country generates 1.5 million engineers per year, which is massive compared to European countries and even compared to the UK or the US. This further strengthens the case for MNC Aerospace firms to establish their base in India to invest and develop the futuristic technologies in addition to push from government for self-reliance.

Domestic Aerospace industry is set to witness an exponential growth as MNC customers are viewing India as a top MRO destination and Manufacturing destination

Market Potential for MTAR

MTAR has established MNC Aerospace division in the year 2018 and started catering to Rafael and ELBIT. Over the year the Company has added several prestigious gobal MNCs such as GKN Aerospace, Thales, Thales Aliena Space, Israeli Aerospace Industries, Collins Aerospace, among others. The Company is projecting a growth of around 45%-50% from MNC Aerospace vertical over the next five years as we have completed the execution of first articals and will cater to the volume production

Source: Economic Times, CRISIL Research

Key Products being supplied by MTAR

- Aerostructures
- Ammunition Boxes
- Engine Parts
- Drone components
- Housings

Defence

Ministry of Defence aims to bolster India's defence sector with increased self-reliance and domestic manufacturing, the roadmap government has set for achieving its defence production and export goals is both bold and transformative. Government of India aims to nearly triple annual defence production to Rs 3 lakh crore by 2028-29 and more than double exports to Rs 50,000 crore, which provides Indian Defence industry an opportunity for significant growth.

India's defence production value for FY24 stands at Rs 74,739 crore, down from Rs 1.09 lakh crore in FY23. This decrease follows FY23's historic production surpassing Rs 1 lakh crore. The private sector's contribution rose to Rs 16,411 crore, or 22% of total defence production in FY24, up from 19% in FY23 but still below the previous year's levels.

The interim Union Budget allocated Rs 6.21 lakh crore to the Ministry of Defence (MoD) for FY24-25, marking a 4.72% increase from FY 23 but a slight decrease from revised allocations. While Defence spending as a percentage of government expenditure stood at 13%, as a percentage of GDP, it remained below 2%

The transformative shift towards indigenization will aid in reducing dependence on foreign armaments and enable self-reliance in cases of geopolitical tensions

By liberalizing procurement processes for startups, and easing payment terms, Indian government is supporting start ups in Defence sector and promoting innovation. The MoD targets a turnover of Rs 1.75 lakh crore in aerospace and defence manufacturing by 2025. In addition, private sector that has been taking on the majority share of Defence production is expected to over 50% of India's defence production over the next decade

The strategic shift towards self-reliance involves reducing dependency on foreign suppliers by boosting domestic manufacturing. The government intends to allocate 75% of the capital acquisition budget for procurement from local sources. To realise the same, government has taken up Initiatives like the Defence Industrial Corridors and positive indigenization lists are part of this strategy To achieve its ambitious export targets, India might need to enhance private sector contributions through supportive policies and incentives. To attract global client through our exports we need to enter into strategic partnerships with foreign OEMs shall expedite technology, crucial for modernisation. This shall propel the growth of domestic defence manufacturers. The Positive indigenization list and initiatives like the DcPP Programme of DRDO are expected to contribute to the further growth of domestic defence industry

MTAR's Contribution to Defence

MTAR caters to niche areas of Defence by supplying products such as Magnesium Gear Boxes, Air frames, structural components for helicopters etc. We have supplied 5 ton and 10 ton actuators to LCA Tejas program. The Company is awaiting the roller screws that are currently being imported from Rollviz Sweden. The Company has executed some part of electro-mechanical actuators in this fiscal year and is anticipating more orders over the coming quarters.

Key Products

- Magnesium Gear Boxes for Helicopters
- Actuation Systems
- Aerostructures
- Valves

Opportunities and threats

Clean Energy Civil nuclear: While Government has announced for construction of reactors on a fleet mode, NPCIL has already floated tenders for Gorakhpur 1&2 and orders for kaiga 5& 6 reactors shall be given to pre-qualified vendors of NPCIL. In addition, the tenders for the balance reactors shall be floated over the next 6-7 years. The capacity addition from these new reactors will provide unprecedented growth of the domestic industry. This sector is marked with stringent qualification criteria that could provide incumbents an edge over others. MTAR has approximately 20- 25% equipment share in each nuclear reactor; the Company is expected to capitalise on robust order inflow from construction of new

Clean Energy Fuel cells, Hydel, Wind and Others: Global governments are emphasizing renewable energy sources to achieve carbon neutrality by 2050. Fuel cells are efficient energy sources; exponential growth is expected in this segment, boosting Company's revenues. In addition, the market for electrolysers is expected to grow significantly over the coming years that shall further strengthen our revenues. The Company is one stop solution provider for mechanical systems for SOFC fuel cells of Bloom Energy

The Company intends to expand its presence in Clean Energy sector, accordingly, it has started fabricating critical structures for Hydel, Wind Energy and Waste to Energy sector. The Company is also in discussion with other customers in Clean Energy.

Space: The launches by ISRO are expected to increase as the market share of India in the Global Space economy valued at USD 400 Bn is projected to increase from 2% to Increased launches from ISRO could 10% by 2030. Vikas Engines supplied by MTAR are used in all the launch vehicles where as cryogenic upper stage systems are used in GSLV. Increased Company. Our sheet metal facility enables us to address new opportunities such as motor casings, thrust chambers and light alloy structures, including others. The Company is also working on the development of valves for Space on a built to specification basis.

Defence: Government of India so far released five positive lists of indigenisation and the sector is expected to witness an exponential growth . The Company is awaiting the certification from customer for roller screws, once approved it is expected to provide substantial opportunity in this area. Additionally, Company is working on the development of valves on a built to specification basis.

Company overview

MTAR Technologies is a leading manufacturer in India's niche precision manufacturing industry. The Company is engaged in the manufacture of mission critical precision engineered systems for Clean Energy- Civil Nuclear Power, Fuel Cells,Hydro Wind, Space and Defence sectors . The Company emerged as a market leader due to its contribution to the Indian civilian nuclear power programme, Indian space programme, Indian defence, global defence as well as global clean energy sectors. The Company is respected for having invested in state-of-the-art facilities comprising machining, assembly, specialised fabrication, painting and special process facilities. The Company's clients comprise ISRO, DRDO, Bloom Energy, Andritz, GE Power, Voith, Hitachi Zosen, Rafael, Elbit, GKN Aerospace, Collins Aerospace, Thales among others. Owing to a complex product portfolio for strategic sectors, MTAR is one of the top three suppliers that provide precision engineering requirements to the Indian Civil Nuclear Power, Space and Defence sectors.

Segment wise or product wise performance

The Company does not operate in the manner of different business segments. However, we do measure revenues based on various customer segments. Revenue from exports stands at 71% of total revenue from operations in FY 2023-24 as against 79% of total revenue from operations in FY 2022-23. Revenue from domestic stands at 29% of total revenue from operations in FY 2023-24 as against 21.0% of total revenue from operations in FY 2022-23. Products and others has witnessed an exponential growth due to ramp up of ASP assemblies.

Sector	Revenue generated from customers in FY 2023 - 24 (Rs. Mn)	Revenue generated from customers in FY 2022 - 23 (Rs. Mn)
Clean Energy- Civil Nuclear Power	619	438
Clean Energy- Fuel Cells & Others	3,511	4,417
Space	390	494
Defence	197	151
Products and Others	1,083	233
Total	**5,800**	**5,733**

Financial overview

Analysis of the profit and loss statement

Revenues:
Revenues from operations reported at Rs. 5,800.33 Mn in FY 2023-24 compared to Rs. 5,733.47 Mn in FY 2022-23. Increase in revenue from operation is 1.17% compared with FY 2022-23.

Expenses:
Total expenses increased by 13.49% from Rs. 4,521.48 Mn in FY 2022-23 to Rs. 5,131.78 Mn. Cost of materials consumed, accounting for 54.72% share of the Company's revenues, increased by 0.84% from Rs. 3,147.23.05 Mn in 2022-23 to Rs. 3,173.66 Mn in FY 2023-24 owing to an increase in the material cost related to domestic revenues. Employees expenses, accounting for a 16.40 % share of the Company's revenues, increased by 3.02% from Rs. 923.63 Mn in 2022-23 to Rs. 951.52 Mn in FY 2023-24. Finance costs of the Company increased by 52.88% from Rs. 145.02 Mn in 2022-23 to Rs. 221.71 Mn in FY 2023-24. Increase in finance costs was due to increase in term loans and working capital loans. Other expenses of the Company increased by 24.55% from Rs.579.83 Mn in FY 2022-23 to Rs. 722.19 Mn. In[crease in others expenses is due to Increase in sub-contracting costs.

Analysis of the Balance Sheet
Sources of funds
The Equity capital employed by the Company increased by 9.08% from Rs. 6,208.12 Mn as on March 31, 2023 to Rs. 6,771.65 Mn as on March 31, 2024. Net Increase in Long term borrowing (Including Current maturity of long-term borrowings) is 35..58% from Rs.1,050.82 Mn as on March 31, 2023 to Rs. 1,424.70 Mn as on March 31, 2024. due to Investment in New Capex.

Applications of funds

Fixed assets (gross) of the Company primarily increased by 19.14% from Rs. 3,670.37 Mn as on March 31, 2023 to Rs. 4,372.72 Mn as on March 31, 2024 owing to an increase in Capex for our EOU Unit to Increase the capacity and specialised fabrication facilities at Adibatla.
Depreciation on tangible assets increased by 25.24% from Rs. 176.47 Mn in 2022-23 to Rs. 221.01 Mn in FY 2023-24 owing to an increase in fixed assets during the year under review.

Working capital management

Current liabilities of the Company decreased by 39.69% from Rs. 3,407.75 Mn as on March 31, 2023 to Rs. 2,055.27 Mn as on March 31, 2024, due to decrease in trade payables and advance received from customers. The Current Ratio of the Company stood at 2.75 at the close of FY 2023-24 compared to 2.04 at the close of 2022-23. Inventories including raw materials, work-in-progress and finished goods, among others, decreased by 10.14% from Rs. 3,859.67 Mn as on March 31, 2023 to Rs. 3,468.39 Mn as on March 31, 2024. owing to decreased in stock of raw materials and work in progress. The inventory cycle decreased to 218 days of turnover equivalent in 2023-24 to 246 days of turnover equivalent in FY 2022-23. Company received the trade receivable within due date which resulted in decrease of 30% in trade receivables from Rs. 2,081.16 Mn as on March 31, 2023 to Rs. 1,462.72 Mn as on March 31, 2024. All receivables were secured and considered good and 90% of receivables are not overdue. The Company contained its debtor's turnover cycle within 92 days of turnover equivalent in FY 2023-24 compared to 132 days in 2022-23. Cash and bank balances of the Company increased from Rs. 309.81 Mn as on March 31, 2023 to Rs. 506.64 Mn as on March 31, 2024.

Other Current Assets decreased by 70.14% from Rs. 382.35 Mn as on March 31, 2023 to Rs. 114.16 Mn on account of reduction of balances recoverable from government authorities. During the year 2023-24 Company received 320 Mn refunds from GST Authorities.

Margins

The EBITDA margin of the Company reduced from 26.85% in 2022-23 to 19.25% in 2023-24. while net profit margin of the Company reduced from 18.2% in 2022-23 to 9.7% in 2023-24.

Key Ratios

Particulars	2023-24	2022-23	Remarks
Debtor's turnover ratio	3.27	3.27	Our debtors turnover ratio is stable due to Company continuous effort in collecting receivable before due date.
Inventory turnover ratio	0.82	1.13	The decrease in ratio is due to increase in average inventory during the year.

Particulars	2023-24	2022-23	Remarks
Interest coverage ratio	4.30	10.72	The decrease in Interest service coverage ratio is due to decrease in net profit.
Current ratio	2.75	2.04	The current ratio of Company Increase is due to decrease in trade payables during the year.
Debt-equity ratio	0.28	0.23	Increase in ratio is due to new term loans obtained for procurement of property, plant and equipment.
Operating profit margin (%)	16.45%	27.10%	Our operating margin has seen reduced in FY 2023-24 compared with last year due to Increase in Employee benefit expenses and Operational cost. .
Net profit margin (%)	9.7%	18.49%	Our net profit margin decreased compared with last year due to Increase in finance cost, Depreciation and Other expenses
Return on Net worth	8.67%	18.25%	Our RoNW decreased by 52% compared with last year due to decrease in Net profit

Risks and concerns

Identifying and assessing risks is crucial to examine the relationship between different types of risks and the cascading impact they could have on an organisation's strategic goals.

The product transition in Clean Energy and inspection delays in Space vertical have impacted our revenues and margins in FY 24. Such events could pose a threat for our revenues in future as well. Similarly, the Company imports majority of raw materials for Clean Energy vertical and any supply chain disruption could impact our revenues adversely However, with our diligent procurement and production planning Global geo-political occurrences might pose supply chain disruptions that could cause a delay in the procurement of raw materials, labour shortages and customer clearances, which could affect revenues. However, the Company follows a defined and comprehensive risk management process, which is integrated with its operations.

The Company has a three tier risk management structure. It has constituted a board risk management committee, apex risk management committee and functional risk management committee to manage risks at various levels. This enables it to identify, categorize and prioritize operational, financial and strategic business risks. To address the identified risks, the Company continues to spend significant time, effort and human resources to manage and mitigate such risks

Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a quarterly basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively

Information Technology

The Company has continued implementation of various IT solutions and undertook upgradation of technology in relation to customer order management and dispatches, production planning and reporting, manufacturing processes, financial accounting and scheduling raw material purchase.

We have carried out necessary upgrades in ERP addressing the requirements from different functions including production, finance, sales, manufacturing processes, storage and warehousing, inventory and human resource management to have a greater control over the business.

Our facilities at Unit 2, EOU and Adbatla have been certified for ISO 27001:2013 Information Security Management System. The Company is working on getting the ISO 27001:2013 for its new unit at Pasamailaram

The Company has also increased its investment further in automated shop floor management solutions to reduce the cycle time and enhance productivity by addressing product life cycle bottlenecks. MTAR shall continue to focus on investments in IT systems and processes, including backup systems, to improve operational efficiency, customer service, decision-making and reduce manual intervention and risks of system failures and negative impacts these failures may have on the business, improving reliability of operations.

Human Resources

The Company has sufficient manpower to cater to future growth. The Company aligns as per the industry standards . As on March 31, 2024, the Company has 671 staff and 1077 workmen (including on and off rolls) and 724 third party contractors. Historically, the Company has a modest attrition rate due to conducive personnel policies. The attrition rate for FY 24 stands at 5.6% .

The Company has always maintained amicable industry relations . The Company has two recognised labour unions, with registration numbers. There is no labour unrest in seven years.

Our personnel policies are aimed at recruiting talent, facilitating their integration into the Company, encouraging the development of skillsets, paving way for career growth and creating a mutually beneficial relationship to build a world class organisation.

Particulars	FY 2023 - 24	FY 2022- 23
Staff, including on and off the rolls	671	603
Workmen including on and off the rolls	1077	952
Third party contractors	724	1010
Total	**2472**	**2565**

Disclosure of Accounting Treatment

During the preparation of the financial statement of FY 2023-24 the treatment, as prescribed in an Accounting Standard, has been followed by the Company. There is no discrepancy in Accounting Treatment as followed by the Company in the last financial year as compared to the previous financial year.

Cautionary statement

This statement made in this section describes the Company’s objectives, projections, expectation and estimations which may be ‘forward-looking statements’ within the meaning of applicable securities laws and regulations

Embedding ESG into core business model

MTAR has integrated ESG into core business model. The Company envisions to be 100% ESG complaint for a sustainable future; More than 70% of the Company's revenue is derived from manufacturing climate positive products in FY 24

The revenues from Clean Energy are expected to increase further over the next 2-3 years, reflecting our commitment to manufacture climate positive products

Our ESG Outlook

We believe companies have a key role to play in achieving carbon neutrality, improving workplaces and gender representation, and improving governance. Sustainability should be an adjunct to business, but a core part of business strategy.

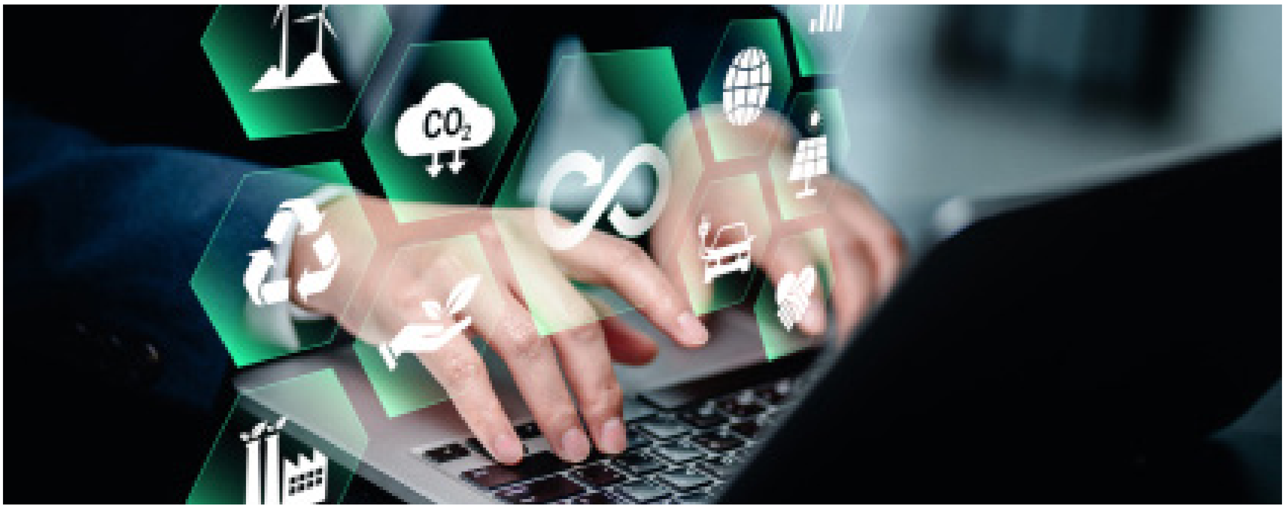
Progressive and proactive ESG policies enable a sustainable business growth, thereby enhancing value to all the stakeholders including investors, customers, employees, suppliers and wider communities.

The Company believes a comprehensive ESG framework links to the cashflows in five important ways:

1. Facilitating top-line growth
2. Improving Bottom-line
3. Reducing costs
4. Minimising regulatory and legal interventions
5. Increasing employee productivity
6. Optimising investment and capital expenditure

Environmental, social and governance (“ESG”) factors are an integral part of our investment decisions and operational processes to achieve a sustainable growth over long-term

Our Environment Commitment



The Company strongly believes that making the right environmental decision leads to better investment outcomes and increased wellbeing of our stakeholders and society at large. We intend to continuously improve the environmental impact of our business by manufacturing climate positive products that contribute to the reduction of carbon emissions and by making our operational processes more sustainable

Over the decades the Company has strengthened the clean energy segment significantly to manufacture climate positive products for various clean technologies that contributes in a small way to global transition into low carbon economy. Majority of revenues are derived from clean energy segment including civil nuclear power, fuel cells, hydro power and others. The Company has a substantial potential to benefit through the growth of low-carbon prod-ucts and services

To reduce our energy consumption and improve the sustainability of our operational processes we have installed solar rooftops at Unit 2 and EOU.

The Company is the process of installing solar rooftops at Unit 3 and Adibatla

Our facilities at Unit 2, EOU and Adibatla are certified for ISO 14001:2015, Enviromental Management System. In addition, the Company has indegenised products like fins, fork lift bases, bellows in Clean Energy which were imported previously that enabled us to contribute to carbon emission reduction by avoiding sea shipments. In the past also the Company has also developed import substitutes such ball screws, water lubricated bearings etc.

Revenue as % of total revenue from operation	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Clean Energy – Fuel Cells & Hydel	61.41%	64.34%	49.79%	62.61%	77.04%	60.53%
Clean Energy – Civil nuclear Power	13.04%	12.17%	22.43%	14.19%	7.64%	10.67%
Total	74.46%	76.51%	72.22%	76.80%	84.68%	71.21%

Our Social Commitment

MTAR believes that ability to maintain healthy, positive, fair, and ethical relationships with all the stakeholders including employees, customers, suppliers, and communities promotes business growth and competitiveness

The Company has inaugarated a Science Lab for the ZPHS school at Adibatla

Diversity, Equity and inclusion

The Company's policies are framed in such a way to promote diversity, equity and inclusion among the employees. We believe in an inclusive growth and provide equal opportunities to everyone. Though we are placing additional efforts to increase the number of women in the organisation, there is signifcant gender gap because of the nature of the industry. However, we would aim to reduce this significantly over the next 3-4 years.

Employee Welfare and Training

At MTAR, we have been recognised for a culture of excellence, marked by high people retention, knowledge-enhancing workplace, extension of one's workplace to the large exercise of nation-building, and talent investments including recruitment, retention and training) Our policy on Environment, Health and Safety emphasizes a safe and healthy work environment for employees.

Our facilities at Unit 2 and EOU have been certified for ISO 45001:2018 Occupational Health and Safety. The Company also measures the employee satisfaction index with the most recent annual measurement being 85.0% with a net promoter score of 24. The result of our best-in-class talent management practices have been high people retention with an average attrition rate of 7.2% over the last few years

Customers

MTAR is known for exceptional quality of products it, which enabled it to develop a long standing relationships with all its primary customers. The Company acts as a strategic partner to its primary customers

Vendor Development

The Company is known for prompt payments among its vendors. It believes in the empowerment of local vendors; nearly 45% of our raw material is procured from local vendors

Encouraging the start up ecosystem: We have contributed Rs. 5 Mn for start up incubation program at IIM Visakhapatnam

Shed constructed by MTAR at Adibatla school

ZPHS Govt School adopted by MTAR Technologies

The Company has allocated Rs. 20.66 Mn funds in FY 24 towards various CSR initiative aimed at improving education, skill development and healthcare.

MTAR has adopted a ZPHS school at Adibatla. The Company has upgraded the infrastructure facilities at this school by building a shed, four class rooms and a science laboratory.

Our Governance Commitment

The Company's governance component ensures ethical and anti-corruption practices, compliance, transparency, and commitment to shareholder and their voting rights

Code of conduct

The Code of Conduct of the Company enshrines policies relating to ethics, bribery and corruption. The policy covers our employees and all stakeholders including board of directors, our wholly owned subsidiary, suppliers, contractors and business partners. The Company regularly trains its employees on code of conduct policies.

Executive Compensation

Our NRC committee decides the remuneration to directors, key management personnel and senior management including fixed and incentive pay, which ensures the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate senior executives of the quality required to run the Company successfully

Investors

The Company organises quarterly earnings call and provides a broad annual revenue guidance in the beginning of the fiscal year. The Company regularly interacts with investor community, participates in group conferences, and maintains transparency with them about our ongoing business developments

Board of directors

At MTAR, our strategic direction is influenced by our Board that comprises of professionals and technologists of standing. Of our nine Directors, five are independent including two technologists from Civil Nuclear and Defence sectors.

The Company has passed a resolution to appoint our Independent directors for a five year term. and rest of the directors are appointed on rotation basis. Appointment and removal of directors is under board's purview as per the Companies Act, 2013

Cyber Security

MTAR operates in sensitive sectors and cyber security The Company has a comprehensive cyber security policy. Our facilties at Unit 2, Adibatla, and EOU are certified for ISO 27001:2022 – Information Security Management systems. We are conducting regular audits to ensure necessary measures are in place

Dividend policy

As per our current approved dividend policy not exceeding 35% of the annual standalone net profits of the Company (Profit After Tax) can be given at any point of time.

Managing Risks with a robust Enterprise Risk Management Framework

At MTAR, we believe that prioritising and mitigating risks, enables us to conduct business operations in a seamless way in an increasingly volatile and complex business environment

The corporate risk management policy is framed by our Board of Directors, comprising esteemed professionals with decades of industry experience to address unpredicted events like technological disruption, geopolitical risk, threats to the global supply chain, data security etc. that can disrupt the business operations and impact our finances

The Company's governance principles, including overall risk tolerance, are directed by the Board of Directors. The corporate policy (and in effect our ability to manage organisational risk) is framed by our Board of Directors, comprising esteemed professionals with decades of industry experience to ensure a sustainable business growth. Apart from risk management committee, our board is assisted by various committees with specific functions

Risk Management Hierarchy

MTAR has a three tier risk management committee structure to activate a response that is agile, improvisational, and iterative to manage strategic, financial, operational and compliance risks. The key strategic risks are assessed at board level by board risk management. The functional risk management committee reviews the functional and operational risks, which is submitted to Apex risk management committee.

The Apex Risk management committee assesses strategic, financial risks; reviews operational and complaince risks and submits the same to Board Risk Management Committee

Three Tier Risk Management Committee

Committee	Roles & Responsibilities
Board Risk Management Committee	• Assessment of strategic risks • Summary review of operational, financial and compliance risks
Apex Risk Management Committee	• Assessment of Strategic risks • Assessment of financial risks • Summary review of operational and compliance risks
Functional Risk Management Committee	• Review of operational and compliance risks of respective functions

Classification of Risks

Particulars	Areas covered
Strategic	Governance, planning, M&A, Expansion, Market dynamics, Major initiatives
Financial	Accounting, Liquidity, Capital structure
Operational	Capacity, IT, Supply chain, manufacturing, sales and marketing, people
Compliance	Code of conduct, legal, regulatory

The Company's risk management team has provided a comprehensive framework specifically for monitoring customer concentration and working capital risks

Key Risks & Concerns

Customer Concentration Risk

Majority of the Company's revenues have historically been derived from few customers. If we lose one/more of our significant customers of there is a reduction in volumes of a certain major product , our revenues could be impacted adversely, which may lead to a significant impact on our financial condition and cash flows.

The Company has been enhancing its customer base significantly over the past two years to reduce the customer concentration. We have also entered into long-term agreements with IAI and Thales.

The Company operates in a niche space; our past experience in the supply of our products, reputation for quality, financial strength, and the cost effectiveness of our offerings, has not only strengthened our position in the market but also has enabled us to establish and maintain relationships with our customer. There has been no instance of prominent customer attrition though proportions in revenues from customers could vary as per the market conditions. Also, the Company has been working on increasing its wallet share with majority of its existing customers in order to reduce the impact on revenues in case of reduced volumes of a certain product.

In addition, the Company closely tracks the business growth and industry trends of its prominent customer and redirects its strategy to mitigate the risk. Also, all our assets are mostly fungible across various sectors

Supply Chain risk

We source majority of raw materials from the third party suppliers except for few materials that are issued by the customer. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, restrictions on the import of raw material, competition, import duties, tariffs and currency exchange rates and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. For instance, failure of our suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations.

However, the Company procures the raw material well ahead of time and maintains a diversified supplier base spread across geographies to navigate through supply chain disruptions. In addition, for import of raw material in Clean Energy-Fuel Cells vertical we enter into pricing contract with the vendor where the Company freezes the price one year ahead of time. Any escalation in raw material price during that year is a pass through for us protecting us from price fluctuations. Also, we have price escalation clause for raw materials in Civil Nuclear Power.

Currency risk

More than 60% of our revenue is derived from cutomers outside India because of which the Company transacts in foreign currencies primarily USD. Appreciation or depreciation of the Indian rupee against the U.S. Dollar and other foreign currencies may affect our results of operations.

Our exports are greater than imports, moderating the forex fluctuation risk. Our treasury team has started Forex hedging in FY 24. Also, the team is closely tracking geo-political events and forex fluctuations to ensure a right hedging strategy.

Lack of innovation & Technology

If the company doesn't innovate and upgrade its technology as per the emerging market trends, the products supplied by the company, it might not have the pricing advantage which will affect its revenues and profitability.

Further, new technology is also required for improving the quality performance and reducing process variability. Lack of new technology will set constraints to improving the quality performance and reducing process variability.

Lack of usage of advanced manufacturing technologies would pose a risk of non competitiveness and quality products.

MTAR has always indigenised new technologies and enhanced product portfolio as per the needs of market and the company continues to develop new products

Regular assessment of risks is quintessential considering the complex nature of our business

Information Security System Risk

MTAR operates in sensitive sectors like Civil Nuclear Power, Space and Defence where data is confidential. Disruption or failure of our IT systems could have significant effect on our operations. A large-scale IT malfunction could disrupt our business or lead to disclosure of sensitive Company information, particularly since our Company caters to sectors such as nuclear and space and defence, which are of national importance and involve dealing in highly sensitive information. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers.

The Company has systems in place for continuous monitoring of preventive, detective, and corrective security controls to protect information assets from compromise or to limit the damage to the organization should a compromise occur. Our facilties at Unit 2, Adibatla, and EOU are certified for ISO 27001:2022 – Information Security Management systems systems.

Working Capital Management

Our future working capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments. Our working capital requirements may increase if, under certain contracts, payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burdens. In addition, our net working capital days have increased recently because we have undertaken a growing number of projects specifically in exports division and have procured raw material ahead of time due to pandemic and geopolitical tensions. The Company is taking necessary measures to reduce the NWC days.

Success Planning & Talent Management Risk

The Company caters to strategic sectors that demands highly specialised knowledge, which increases the Company's dependency on its corporate and technical team including Promoters, Directors, senior management and other key managerial personnel, including skilled project management personnel. The loss of any of its Promoters, Directors, senior management and other key managerial personnel or an inability plan for succession of key resources or inability to manage the attrition levels in different employee categories may significantly impact our business, growth prospects, results of operations and cash flows.

Recruitment and retention skilled and professionally qualified staff is a major bottleneck in manufacturing industry. Due to the limited availability of skilled personnel, competition for senior management and skilled engineers in our industry is intense. The Company may experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for our business needs, which might call for an increase in our pay structures to attract and retain such personnel.

The Company has policies in place for an effective talent management, provides fair compensation packages, and ample opportunities for the professionals to grow up the ladder. Historically, the Company has witnessed a very low attrition rate.

Indebtedness & Interest risk

As the Company expands and sets up new verticals, our working capital requirements might increase and we might need to invest in new capabilities for which we need to raise the capital through debt or equity. If we are raising the capital through debt and if the new business doesn't take off as expected, it might impact us adversely

The Company assesses business case before taking up any new vertical. In addition, all the investments we have undertaken so far have given us decent returns in the long-term. We have always maintained a healthy debt-equity ratio.

Global Economic Conditions

Geo-political events and trade tensions across certain geographies might impact the revenues derived from customers in those geographies. In addition, the geo-political tension might cause supply chain disruption that might result in delay in procurement of critical raw material, impacting production. Also, supply chain disruptions might cause delay in shipments of end products to customer site, resulting in delay of receivables, thereby extending the working capital cycle and impacting margins.

We are closely tracking global events and the Company has diversified customer and vendor base across geographies. In addition, we are focusing on expanding our domestic business as well to ensure our growth is affected during geo-political turmoil.

Competition & Pricing Pressure Risk

As the Company operates in a niche space, we have not faced pricing pressure in the past for customised production in strategic sector where entries of barriers are high. However, pricing pressure from customers is characteristic of the nature of the job we undertake. In volume production, there could be a possibility for customers to pursue aggressive but systematic price reduction initiatives and objectives each year with their suppliers, and such actions are expected to continue in the future. MTAR is prepared to address such pricing pressure by adopting lean practices as it grows its business in terms of volumes with its customers every year. For instance, our Company has reduced the pricing in Clean Energy- Fuel Cells by undertaking certain manufacture in-house, instead of sourcing from outside, and by process optimisation to reduce man power.

Board of Directors

Subbu Venkata Rama Behara

Mr. Subbu Venkata Rama Behara is the Chairman and Independent director on our board. He has more than 20 years of manufacturing industry expertise and held senior leadership positions in various renowned firms including TATA, Hyundai, among others. He has immense global exposure with proven leadership abilities in transforming the organisations by formulating the growth strategies. He was recognised as India's 100 most powerful CEOs by ET. Currently, he is acting as an independent director to KPIT Technologies Limited as well.

Parvat Srinivas Reddy

Mr. Parvat Srinivas Reddy is the Managing Director on the board of our Company. Mr. Parvat Srinivas Reddy has more than three decades of industry experience in Manufacturing and Construction. He has been associated with MTAR for the past 13 years. He holds a bachelor's degree in industrial production engineering, from the University of Mysore and a Master's degree in science, specialising in industrial engineering from College of Engineering, Louisiana Tech University. Mr. Reddy is instrumental in setting up and growing exports vertical in the Company.

Praveen Kumar Reddy Akepati

Mr. Praveen Kumar Reddy Akepati is an Executive Director on the Board of our Company. He holds a bachelor's degree in electronics and communication engineering from the Faculty of Engineering, Andhra University. Prior to becoming a Director of our Company, he was associated with our Company for over 21 years, and has previously served as our vice president of projects. Currently, he heads business development function in the Company

Anushman Reddy Mitta

Mr. Anushman Reddy Mitta is an Executive Director on the board of our Company. He is responsible for heading exports and supply chain divisions in MTAR; instrumental in growing exports vertical in the Company. He has nearly ten years of experience in manufacturing and worked in global organisations including AeroVironment.

Venkatasatishkumar Reddy G

Mr. Venkatasathishkumar Reddy Gagapatnam is a Non-Executive Director on the Board of our Company. He holds a bachelor's degree in mechanical engineering from Bangalore University, and a master's degree in industrial engineering, from Bradley University. Apart from his association with our Company, he is a director on the board of Rasun Ace Infra Private Limited and Acecorp Group Private Limited.

Udaymitra Chandrakant Muktibodh

Mr. Udaymitra Chandrakant Muktibodh is an independent director on our board. He has decades of experience in Civil Nuclear Power Plant Technology in India. During his tenure at NPCIL he acted as a Technical Director of NPCIL and was also a member on the board of NPCIL. After the completion of Master's training with distinction in Nuclear Science and Engineering in Bhabha Atomic Research Centre (BARC) in 1981, he joined Reactor Processes Group of erstwhile Power Project Engineering Division, latter incorporated as Nuclear Power Corporation of India Ltd., of the Department of Atomic Energy.

Krishna Kumar Aravamudan

Mr. Krishna Kumar Aravamudan is an independent director on our board. He has a rich experience in Banking & Financial sectors, and served SBI for more than 39 years in various capacities where he had also taken up the role of Managing Director. He was nominated by SEBI as Public Interest Director on the Board of Central Depository Services (India) Limited from July 2016 to July 2019. Currently, he is also an Independent Director on the Board of SBI Payment Services Private Ltd, a JV between State and of India and Hitachi, and various other companies.

Gnana Sekaran Venkatasamy

Dr. Gnana Sekaran Venkatasamy is an independent director on our board. He is an eminent Missile Scientist and the Chief Designer of the Long-Range Ballistic Missile System AGNI 5. He has held key roles in DRDO including Chief Controller R&D (Missiles & Strategic Systems), Programme Director to Agni Missiles. During his tenure in DRDO he has carried out extensive research, developed many critical technologies for Indian Defence Industry and involved in framing several policies in the areas of joint collaborations and technology acquisitions with in the country as well as abroad. He is honoured with various prestigious awards such as Scientist of the year award, Path Breaking Research/Outstanding Technology Development Award, Technology leadership awards, among others.

Ameeta Chatterjee

Ms. Ameeta Chatterjee is an independent director on our board. She is an IIM Bangalore Alumnus and has more than two decades of corporate experience in developing, managing and executing large projects across infrastructure sectors in India and UK. Ameeta, currently also holds independent director board positions in Nippon Life India Asset Management Company, Jubilant Ingrevia Limited Listed and JSW Infrastructure. In the last five years, Ms. Ameeta has also founded Ekam Foundation Mumbai, a non-government organisation that provides subsidised surgeries and drug support to underprivileged children in Mumbai.

Parvat Srinivas Reddy,
Managing Director

Akepati Praveen Kumar Reddy,
Executive Director

Anushman Reddy Mitta,
Executive Director

LEADERSHIP TEAM

Gunneswara Rao Pusarla- CFO

Raja Sekhar Bollempally, COO

Arun Kumar Ojha, CCO

MANAGEMENT COUNCIL

Technical Team

N. MONDAIAH
Sr VICE PRESIDENT PRODUCTS

K. SREE RAMULU REDDY
Sr VICE PRESIDENT QUALITY

D. SIDDA REDDY
VICE PRESIDENT CLEAN ENERGY FUEL CELLS

AV. SUDHAKAR REDDY
VICE PRESIDENT SPACE

CH. RAMESH REDDY
VICE PRESIDENT CIVIL NUCLEAR POWER

DEFENCE

LAKSHMAN BABU
VICE PRESIDENT AEROSPACE

Dr. MANIMARAN
VICE PRESIDENT R&D NEW PRODUCT

DEVELOPMENT

V. RAVI KUMAR
ASSOCIATE VICE PRESIDENT

NILADRI BANERJEE
GM QUALITY

S. KRISHNAN
GM CLEAN ENERGY, HYDRO POWER, WIND & OTHERS

Corporate Team

PUSPARAJ SATPATHY
Sr VICE PRESIDENT HR

SRILEKHA JASTHI
HEAD - STRATEGY & INVESTOR RELATIONS

NAINA SINGH
Company SECRETARY AND COMPLIANCE OFFICER

Statutory Reports

Notice

NOTICE IS HEREBY GIVEN THAT THE 25TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF MTAR TECHNOLOGIES LIMITED WILL BE HELD ON FRIDAY, 6TH DAY OF SEPTEMBER, 2024 AT 03:00 P.M. THROUGH VIDEO CONFERENCING ("VC") /OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Standalone and Consolidated Audited Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.

2. To appoint a director in place of Mr. Anushman Reddy (DIN: 08104131) who retires by rotation and being eligible, offered himself for re-appointment. (Brief Profile: Annexure A to this Notice).

3. To appoint a director in place of Mr. G V Satish Kumar Reddy (DIN: 06535717) who retires by rotation and being eligible, offered himself for re-appointment.
(Brief Profile: Annexure A to this Notice).

SPECIAL BUSINESS:

4. Ratification of Payment of Remuneration to the Cost Auditor for The Financial Year 2024-25:

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

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the remuneration payable to M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118) who were appointed by the Board of Directors as the Cost Auditors of the Company, based on the recommendation of the Audit Committee, to audit the cost records of the Company for the financial year ending 31st March 2025, amounting to Rs. 3,50,000/- (Rupees Three Lakhs Fifty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, be and is hereby ratified.

RESOLVED FURTHER THAT Mr. P. Srinivas Reddy, Managing Director and / or the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorised to do all such acts, deeds, as may be deemed necessary, desirable proper or expedient and file necessary e-forms with the Registrar of Companies, Telangana to give effect to this resolution and for matters connected there with or incidental thereto.

5. Increase in Remuneration payable to Mr. Praveen Kumar Reddy Akepati, Whole Time Director of the Company w.e.f., 1st October 2023.

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

"**RESOLVED THAT** pursuant to the provisions of Section 178 and 197 read with Schedule V and other applicable provisions, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, consent of the members of the Company be and is hereby accorded for increase in remuneration payable to Mr. Praveen Kumar Reddy Akepati (DIN: 08987107) as Whole Time Director of the Company from Rs. 54 Lakhs to Rs. 96 Lakhs per annum and 30% as Variable Pay along with driver and maintenance cost for personal car w.e.f. 1st October 2023 pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors with authority to the Nomination and Remuneration Committee to determine the actual variable pay based on the performance of the Company.

RESOLVED FURTHER THAT in case of inadequacy of profits in any of the financial years, Mr. Praveen Kumar Reddy Akepati, be paid and allowed same remuneration, perquisites and allowances as minimum remuneration for a period not exceeding three years.

RESOLVED FURTHER THAT Company Secretary & Compliance Officer of the Company, be and is hereby authorized to take all such steps as may be deemed necessary, desirable proper or expedient and file necessary e-forms with the Registrar of Companies, Telangana to give effect to this resolution and for matters connected there with or incidental thereto."

Mr. Praveen Kumar Reddy Akepati being his relative are interested in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION

1. Nature of Industry: Precision engineering

2. Date or expected date of commencement of commercial: The Company started its commercial operations in the year 11.11.1999

3. In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable

4. Financial performance based on given indications

Particulars	2021-22 (Rs. in Mn)	2022-23 (Rs. in Mn)	2023-24 (Rs. in Mn)
Turnover	3220.06	5773.47	5800.33
Net profit after Tax	608.81	1040.75	562.68
Profits as per Sec 198	789.44	1369.46	732.22

5. Foreign investments or collaborations, if any: Not Applicable

II. INFORMATION ABOUT THE APPOINTEE

A. Mr. Praveen Kumar Reddy Akepati:

1. Background Details:

Mr. Praveen Kumar Reddy Akepati, is an engineering graduate from Andhra University, with experience of over 25 years in the Industry. He has been associated with MTAR for over 22 years and has also given immense support in the Operations, Strategies and Management

2. Past Remuneration: The remuneration drawn by Mr. Praveen Kumar Reddy Akepati (DIN: 08987107) for the FY 2023-24 was Rs. 54 Lakhs p.a. plus 30% performance linked variable pay up apart from the perquisites and allowances as stated above.

3. Recognition or awards: Not Applicable

4. Job Profile and his suitability:

The Industry in which MTAR operates demands from the top management a great amount of experience in the field of Aerospace, Civil Nuclear Energy, oil & Gas and Defence manufacturing etc., Involved in business development of various multi-national companies like GE Vernova, Andritz hydro, VOITH and GKN aerospace. Mr. Praveen Kumar Reddy Akepati, is an engineering graduate from Andhra University, with experience of over 25 years in the Industry. He has been associated with MTAR for over 22 years and has also given immense support in the operations, strategies and management.

5. Remuneration proposed:

As set out in the resolutions for the Item No. 5 the revision in the remuneration of Mr. Praveen Kumar Reddy Akepati, Whole Time Director is recommended by the Nomination and Remuneration Committee and Board of Directors.

Increase of Remuneration payable to Mr. Praveen Kumar Reddy Akepati, Whole Time Director from Rs. 54 Lakhs p.a. plus 30% performance linked variable pay apart from the perquisites and allowances as stated above to Rs. 96 Lakhs per annum and 30% as Variable Pay along with driver and maintenance cost for personal car w.e.f. 1st October 2023.

6. Comparative remuneration profile with respect to industry, size of the Company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

Taking into consideration of the size of the Company, the profile of Mr. A Praveen Kumar Reddy and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed, his wife (relative) Mrs. A Manogna, promoter of the Company holds 11,86,889 equity shares representing 3.86% of paid up capital in the Company.

B. Mr. Anushman Reddy:

1. Background Details: Mr. Anushman Reddy holds bachelor's degree in mechanical engineering from JNTU, MS global supply chain management from Marshall School of Business (University of Southern California), and Executive post graduate diploma from Narsee Monjee Institute of Management. He has nearly eight years of experience in manufacturing and worked in global organisations including AeroVironment. Within a short span of time in his career Mr. Anushman Reddy has attained a broad spectrum of experience in operations, supply chain and strategy. He currently heads export division & Supply chain division in MTAR and is instrumental in growing export defense vertical in the Company.

2. Past Remuneration: The remuneration drawn by Mr. Anushman Reddy (DIN: 08104131) for the FY 2023-24 was Rs. 54 Lakhs p.a. plus 30% performance linked variable pay apart from the perquisites and allowances as stated above.

3. Recognition or awards: Not Applicable

4. Job Profile and his suitability:

The Industry in which MTAR operates demands from the top management a great amount of experience in the field of Aerospace, Nuclear Energy and other Defense related activities including Missiles Technology etc., involving various government and non- government agencies both in India and Abroad like ISRO etc. Mr. Anushman Reddy, who holds bachelor's degree in mechanical engineering from JNTU, MS global supply chain management from Marshall School of Business (University of Southern California), and Executive post graduate diploma from Narsee Monjee Institute of Management has given immense support in the field of operations, supply chain and strategy.

5. Remuneration proposed:

As set out in the resolutions for the Item No. 6, revision in the remuneration of Mr. Anushman Reddy, Whole Time Director has been recommended by the Nomination and Remuneration Committee and Board of Directors.

Increase of Remuneration payable to Mr. Anushman Reddy, Whole Time Director from Rs. 54 Lakhs p.a. plus 30% performance linked variable pay apart from the perquisites and allowances as stated above to Rs. 144 Lakhs per annum and 30% as Variable Pay along with driver and maintenance cost for personal car w.e.f. 1st October 2023.

6. Comparative remuneration profile with respect to industry, size of the Company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

Taking into consideration of the size of the Company, the profile of Mr. Anushman Reddy and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed, he is holding 2,68,128 fully paid-up equity shares of Rs. 10/- each., 0.87% of the Company and his mother (relative) Mrs. M. Madhavi, Promoter holds 12,05,983 fully paid-up equity shares of Rs. 10/- each 3.92% of the Company.

III. OTHER INFORMATION:

1. **Steps taken or proposed to be taken for improvement:** Necessary efforts are being made to increase the production and efficiency, which in turn will add to the growth of the business as well as the profitability.

2. **Expected increase in productivity and profit in measurable terms:**

The Company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the Company will increase considerably in the coming years.

By order of the Board of Directors of
MTAR Technologies Limited

Sd/-
P. Srinivas Reddy
Managing Director
(DIN: 00359139)

Place: Hyderabad
Date: 28.05.2024

ANNEXURE-A: ITEM. 2 & 3 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. G V Satish Reddy	Mr. Anushman Reddy
Designation	Non- Executive Non Independent Director	Whole Time Director
DIN	06535717	08104131
Date of Birth	25/02/1966	01/10/1991
Age	58 Years	32 Years
Date of First Appointment on the Board	21/09/2017	09/08/2022
Qualification and Experience	Mr. G V Satish Reddy is a Graduate in specialised mechanical engineering, from Bangalore University, and a master's degree in science, specialising in industrial engineering, from Bradley University. He has been associated with the Company for since 2017 as Non - executive Director, thus is well versed with the functions and Management of the Company.	Mr. Anushman Reddy holds bachelor's degree in mechanical engineering from JNTU, MS global supply chain management from Marshall School of Business (University of Southern California), and Executive postgraduate diploma from Narsee Monjee Institute of Management.
Expertise in specific functional area	Management & Business Development	Export Operations, supply chain management, cost reduction measures and setting up green field projects with lean manufacturing.
Relationships between Directors inter se	Not related	Mr. Anushman Reddy and Mr. A Praveen Kumar Reddy are related to each other.
Name of the Listed entities in which the person also holds the directorship and the membership of the committees of the Board along with the Listed entities from which the person has resigned in the past three years*	Nil	Nil
Number of shares held in the Company	Nil	2,68,128 fully paid-up equity shares of Rs. 10/- each.
Skills and capabilities required for the role and the manner in which the Directors meet the requirements (Independent Directors)	NA	NA

*Excluding MTAR Technologies Limited

Notes

1. The Shareholders may note that in compliance with the provisions of the Ministry of Corporate Affairs read with General Circular No. 09/2023 dated 25th September 2023, No. 10/2022 dated 28th December 2022 and No. 20/2020 dated 5th May 2020, and other circulars issued in this respect ("MCA Circulars"), allowed the Companies to conduct the AGM through VC/OAVM till 30th September 2024. The Securities and Exchange Board of India has also vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated 7th October 2023 and other circulars issued in this regard ("SEBI Circulars") provided certain relaxations from compliance with certain regulations of the SEBI Listing Regulations. In compliance with these MCA Circulars, SEBI Circulars, provisions of the Act and the SEBI Listing Regulations, the 25th AGM of the Company is being conducted through VC/OAVM facility, without the physical presence of Members.

2. The Deemed Venue of the 25th AGM of the Company shall be its Registered Office.

3. Since the AGM will be held through VC/OAVM (e-AGM), the Route Map for venue of AGM is not annexed to the Notice.

4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum of the AGM under Section 103 of the Act.

5.In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 as aforesaid, Notice of the AGM along with the Annual Report (viz. Financial Statement) for Financial Year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/R&T Agent. Members may note that the Notice and Annual Report for Financial Year 2023-24 will also be available on the Company's website https://www.mtar.in/, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and www.nseindia.com respectively and on the website of R&T Agent of the Company viz. KFin at https://evoting.kfintech.com.

Alternatively, Member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy, DP ID (in case of electronic mode shares), via e-mail at the Email Id – einward.ris@kfintech.com for obtaining the Annual Report and Notice of e-AGM of the Company electronically.

6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

7. To avoid fraudulent transaction(s), the identity / signature of the Members holding shares in electronic /demat form is verified with the specimen signatures furnished by NSDL/ CDSL is verified as per the records of the R&T Agent of the Company. Members are requested to keep the same updated.

8. Pursuant to the provisions of the Act and other applicable Regulations, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on their behalf and the proxy need not be a Member of the Company. However, since this AGM is being held pursuant to the MCA/SEBI Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will also not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

9. Corporate/institutional Members (i.e., other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG format) of the relevant Board Resolution/ Authority Letter / Power of Attorney etc. together with attested specimen signature of the duly authorised signatory(ies) who is /are authorised to vote, to the Scrutinizer through e-mail at ssrfcs@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'MTAR_EVENT No.'

10. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will remain open up to 15 minutes after the scheduled start time of the e-AGM, and will be available for 1000 members on a first-come first-served basis. This rule would however not apply to participation in respect of large Shareholders (Shareholders holding 2% or more shares of the Company), Promoters, Institutional Investors, Auditors, Key Managerial Personnel and the Directors of the Company including Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

11. Members are requested to notify change in their address, if any, immediately to the R&T Agent of the Company.

12. To receive faster communication by Company including Annual Reports and Notices, the Members are requested to register / update their e-mail address, Telephone Number/Mobile Number with their respective Depository Participants (DPs) where they hold their shares in electronic form. Members are requested to support the Green initiative efforts of the Company.

13. For ease of conduct, Members who would like to ask questions/express their views on the items of the businesses to be transacted at the AGM can send their questions / comments in advance by visiting URL https://emeetings.kfintech.com and clicking on the tab 'Post your Queries' during the period starting from 03rd September 2024 (9.00 a.m. IST) to 04th September 2024 (5.00 p.m. IST) mentioning their name, demat account no./Folio no., Email Id, mobile number etc. The queries so raised may also be mailed at info@mtar.in.

The queries should be precise and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

14. The Company has been maintaining, inter alia, the following statutory registers at its Registered Office-Hyderabad:

i. Register of contracts or arrangements in which directors are interested under Section 189 of the Act.

ii. Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act.

In accordance with the MCA circulars, the said registers shall be made accessible during the AGM for inspection, through electronic mode and the Shareholders can view the statutory registers of the Company after log in to https://emeetings.kfintech.com/ and clicking the button next to Thumb symbol.

15. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and respective provisions of Secretarial Standard-2, the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the Annual General Meeting (AGM) is annexed hereto.

16. The Explanatory Statement pursuant to Section 102 of the Companies Act 2013 ('Act') setting out details/ material facts relating to the proposed special business(es) under Item Nos. 4 to 6 of the Notice is annexed hereto.

17. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Members can contact the Company or its R&T Agent KFIN Technologies Limited for assistance in this regard.

18. In terms of circulars/regulations issued by SEBI, it is now mandatory to furnish a copy of PAN Card to the Company or its R&T Agent in case of transactions related to transfer of shares, deletion of name, transmission of shares and transposition of shares, hence members are requested to furnish copy of their PAN Card while proceeding for such transactions.

19. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such folios and send the relevant Share Certificates to the R&T Agent of the Company for enabling them to consolidate the shares with due process.

20. Register of Members and Share Transfer Books of the Company will remain closed from 31 August 2024 to 06 September 2024 (both days inclusive), for the purpose of AGM.

21. Shareholders who have not yet en-cashed their dividend warrant(s) for any financial year from the date of listing i.e., 15 March 2021, are requested to submit their claim to the R&T Agent of the Company immediately to avoid transferring of their unpaid dividend amount to IEPF A/c.

Members are further requested to note that pursuant to the provisions of Section 124 and 125 of Companies Act, 2013, the dividends if not en-cashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF) and the shares in respect of which dividends remain unclaimed for seven consecutive years are also liable to be transferred to the demat account of the IEPF Authority and no claim with the Company shall lie in respect thereof. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends /shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form IEPF-5 available on http://www.iepf.gov.in/content/iepf/global/master/Home/Home.html With respect to procedure for making claim from IEPF, please refer to Corporate Governance Report separately annexed and forming part of the Annual Report.

22. Information and Instructions for e-voting and joining the e-AGM of Company are as follows:

1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations (as amended), and MCA Circulars, the Company is providing facility of re-mote e-voting to its shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Kfin for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a shareholder using remote e-voting as well as the e-voting system on the date of the AGM will be provided by Kfin.

2. The Board of Directors of the Company has appointed M/s. S.S. Reddy & Associates, Practicing Company Secretaries as Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

3. Voting right of the Members shall be reckoned in proportion to their shares held in the paid-up equity share capital of the Company as on Friday, 30 August 2024 (the "Cut- off date"). Person who is not a member as on the cut-off date should treat the Notice for information purpose only.

4. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories (viz. CDSL/NSDL) as on the cut-off date i.e., Friday, 30 August 2024 only shall be entitled to avail the facility of remote e-voting for the resolutions placed in the AGM.

Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

5. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

6. In order to increase the efficiency of the voting process, and pursuant to the SEBI Circular No. SEBI/HO/CFD/ CMD/ CIR/P/2020/242 dated 9th December 2020, the demat account holders, are provided a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders will now be able to cast their vote without having to register again with the E-voting Service Providers ("ESPs"), thereby facilitating seamless authentication and convenience of participating in e-voting process.

7. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting: From 9.00 a.m. (IST) on Tuesday, 3rd September 2024.

End of remote e-voting: At 5.00 p.m. (IST) on Thursday, 5th September 2024.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled/blocked thereafter by the e-voting service providers. Once the vote on a resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

INSTRUCTION FOR REMOTE E-VOTING

(I) IN CASE OF INDIVIDUAL SHAREHOLDERS HAVING SHARES IN ELECTRONIC/DEMAT MODE:

A. The detailed process and manner for remote e-voting for individual shareholders holding securities in Demat mode are explained herein below:

Login method for e-Voting:

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. The remote e-voting process of the Depositories viz NSDL and CDSL are different which are stated below to facilitate the members.

Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website https://www.cdslindia.com/ and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting their vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all ESPs, so that the user can visit the ESPs' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page.
Individual Shareholders holding securities in Demat mode with CDSL	The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all ESPs.

Individual Shareholders holding securities in Demat mode with CDSL	The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all ESPs.
Individual Shareholders holding securities in Demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-Voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com/. Select "Register Online for IDeAS" portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000.

B. Login method for e-voting and joining virtual meetings for shareholders holding shares in physical mode and non- individual shareholders holding shares in demat form:

i. Shareholders should log on to the e-voting website: https://evoting.kfintech.com/.
• Enter the login credentials i.e., user id and password mentioned below:
For Members holding shares in Demat Form :-
a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID
b) For CDSL: 16 digits beneficiary ID
For Members holding shares in Physical Form:

ii. After entering the details appropriately, click on LOGIN.

iii. In case you are retrieving and using your 'initial password', you need to enter the 'initial password' and the system will force you to change your password. Once you reach the Password change menu you will be required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, e-mail etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

You need to login again with the new credentials.

iv. On successful login, the system will prompt you to select the EVENT i.e., 8218.

v. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/ dissenting to the Resolution, then enter all shares and click "FOR"/" AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option "ABSTAIN" in case you wish to abstain from voting. If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

vi. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.

vii. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote.

viii. During the voting period, shareholders can login any number of times till they have voted on the resolution.

ix. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.

x. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e., 30th August 2024.

xi. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., 30 August 2024, may obtain the User ID and password in the manner as mentioned below:
If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may:

a) Send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1.	Example for NSDL:	MYEPWD <SPACE> IN12345612345678
2.	Example for CDSL:	MYEPWD <SPACE> 1402345612345678
3.	Example for Physical:	MYEPWD <SPACE> XXXX1234567890

b) On the home page of https://evoting.kfintech.com/, click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of https://evoting.kfintech.com/ or contact KFin Technologies Ltd. at 1800 309 4001 (toll free). It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

(II) E-VOTING IN CASE OF ATTENDING AGM AND VOTING THEREAT:

Attending of E-AGM

i. Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of e-AGM provided by KFin at https://emeetings.kfintech.com/ by using their remote e-voting login credentials and by clicking on the tab "video conference". The link for e-AGM will be available in members login, where the EVENT and the name of the Company can be selected.

ii. Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for seamless experience.

iii. Further, members registered as speakers will be required to allow camera during e-AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.

iv.Members may join the meeting using headphones for better sound clarity.

v. While all efforts would be made to make the meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

vi. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL https://emeetings.kfintech.com/ and clicking on the tab 'Speaker Registration' during the period starting from 3rd September 2024 (9.00 a.m. IST) to 4th September 2024 (5.00 p.m. IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Only questions of the members holding shares as on the cut-off date will be considered.

vii. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL https://emeetings.kfintech.com/ , under the "How It Works" tab placed on top of the page.

Members who need technical assistance before or during the e-AGM can contact KFin at emeetings@ kfintech.com or Helpline: 1800 309 4001.

Voting at E-AGM (INSTAPOLL)

i. Only those members/shareholders, who will be present in the e-AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote.

ii.Members who have voted through remote e-voting will still be eligible to attend the e-AGM.

iii.Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

iv. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes. Members viewing the e-AGM, shall click on the 'e-voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

General Information:

i. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting and make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, and submit the report to the Chairperson of the Company or any person authorized in that respect within 2 working days of the conclusion of the AGM, who shall countersign the same and thereafter results of the voting will be declared. The results declared along with the scrutiniser's report shall be placed on the Company's website at www.mtar.in and on the website of R&T Agent KFin viz. https://evoting.kfintech.com/ and shall also be communicated to the stock exchanges viz BSE Limited where the shares of the Company are listed. The resolutions shall be deemed to have been passed at the AGM of the Company subject to obtaining requisite votes thereto.

ii. Application(s) by RTA KFINTECH

Members are requested to note that as an ongoing endeavor to enhance shareholders experience and leverage new technology, Kfintech has developed following applications for shareholders:

Investor Support Centre:

Members are hereby notified that our RTA , KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), based on the SEBI Circular (SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72) dated Jun 08, 2023, have created an online application which can be accessed at https://ris.kfintech.com/default.aspx#%20%20%3E%20Investor%20Services%20%3E%20Investor%20Support.

Members are required to register / signup, using the Name, PAN , Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request , Query , Complaints , check for status, KYC details, Dividend , Interest, Redemptions, eMeeting and eVoting Details.

Quick link to access the signup page: https://kprism.kfintech.com/signup

Summary of the features and benefits are as follows:
1. The provision for the shareholders to register online.
2. OTP based login (PAN and Registered mobile number combination)
3. Raise service requests, general query, and complaints.
4. Track the status of the request.
5. View KYC status for the folios mapped with the specific PAN.
6. Quick links for SCORES, ODR, e-Meetings and eVoting.
7. Branch Locator
8. FAQ's

Senior Citizens investor cell:

As part of our RTA's initiative to enhance the investor experience for Senior Citizens, a dedicated cell has been newly formed to assist exclusively the Senior Citizens in redressing their grievances, complaints, and queries. The Senior Citizens wishing to avail this service can send the communication with the below details to the email id, senior.citizen@kfintech.com .

Senior Citizens (above 60 years of age) have to provide the following details:
1. ID proof showing Date of Birth
2. Folio Number
3. Company Name
4. Nature of Grievance

The cell closely monitors the complaints coming from Senior Citizens through this channel and assists them at every stage of processing till closure of the grievance.

Online PV:

In today's ever-changing dynamic digital landscape, security, foolproof systems and efficiency in identity verification are paramount. We understand the need to protect the interests of you (shareholders) and also comply with KYC standards. Ensuring security and KYC compliance is paramount of importance in today's remote world. Digital identity verification, using biometrics and digital ID document checks, helps combat fraud, even when individuals aren't physically present. To counteract common spoofing attempts, we engage in capturing liveness detection and facial comparison technology.

We are excited to announce that our RTA has introduced an Online Personal Verification (OPV) process, based on liveness detection and document verification.

Key Benefits:

o A fully digital process, only requiring internet access and a device.

o Effectively reduces fraud for remote and unknown applicants.

o Supports KYC requirements.

Here's how it works:

I. Users receive a link via email and SMS.

II. Users record a video, take a selfie, and capture an image with their PAN card.

III. Facial comparison ensures the user's identity matches their verified ID (PAN).

WhatsApp:

Shareholders can use WhatsApp Number: (91) 910 009 4099 to avail bouquet of services.

23. Relevant documents referred to in the acCompanying Notice, as well as Annual Reports and Annual Accounts of the Subsidiaries Companies whose Annual Accounts have been consolidated with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.

24. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant with the Company's Registrar and Share Transfer Agents.

For and on behalf of the Board of
MTAR Technologies Limited

Sd/-
P. Srinivas Reddy
Managing Director
(DIN: 00359139)

Place: Hyderabad
Date: 28.05.2024

DIRECTORS REPORT

To
The Members,
MTAR Technologies Limited

The Board of Directors take pleasure in presenting the Twenty-Fifth Annual Report including *inter-alia* Directors' Report, its annexures and audited financial statements (including standalone and consolidated financial statements along with respective Auditors' Report thereon) for the year ended 31st March 2024. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. FINANCIAL SUMMARY/HIGHLIGHTS:

The performance of the Company during the year has been as under:

(Amount in Rs. Mn)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	5800.33	5733.47	5807.52	5737.51
Other Income	63.63	197.02	58.07	194.77
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	1180.35	1736.64	1185.09	1734.51
Less: Depreciation/ Amortisation/ Impairment	226.42	182.71	231.63	186.61
Profit /loss before Finance Costs, Exceptional items and Tax Expense	953.93	1553.93	953.46	1547.90
Less: Finance Costs	221.71	145.02	223.09	145.67
Profit /loss before Exceptional items and Tax Expense	732.22	1408.91	730.37	1402.23
Add/(less): Exceptional items	0	0	0	0
Profit /loss before Tax Expense	732.22	1408.91	730.37	1402.23
Less: Tax Expense (Current & Deferred)	169.54	368.16	169.24	368.04
Profit /loss for the year (1)	562.68	1040.75	561.13	1034.19
Total Comprehensive Income/loss (2)	0.85	30.27	0.85	30.27
Total (1+2)	563.53	1010.48	561.98	1003.92
Balance of profit /loss for earlier years	0	0	0	0
Less: Transfer to Debenture Redemption Reserve	0	0	0	0
Less: Transfer to Reserves	0	0	0	0
Less: Dividend paid on Equity Shares	0	0	0	0
Less: Dividend paid on Preference Shares	0	0	0	0
Less: Dividend Distribution Tax	0	0	0	0
Balance carried forward	0	0	0	0

2. REVIEW OF OPERATIONS:

Revenues – Standalone

During the year under review, the Company has recorded an income of Rs. 5,863.96 Mn and net profit of Rs. 562.68 Mn as compared to sales and other income of Rs. 5,930.49 Mn and net profit of Rs. 1040.75 Mn achieved in the previous financial year.

Revenues – Consolidated

During the year under review, the Company has recorded an income of Rs. 5,865.59 Mn and net profit of Rs 561.13 Mn as compared to sales and other income of Rs. 5,932.28 Mn and net profit of Rs 1,034.19 Mn achieved in the previous financial year.

3.BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS:

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis report, which has been prepared, *inter-alia*, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms part of the Annual Report.

4. CHANGE IN THE NATURE OF THE BUSINESS, IF ANY

During the period under review and the date of Board's Report there was no change in the nature of business pursuant to *inter-alia* Section 134 of the Companies Act, 2013 and Companies (Accounts) Rules, 2014.

5. RESERVES:

The Closing balance of reserves, including retained earnings, of the Company as at 31st March 2024 is Rs. 6,464.06 Mn.

6. DIVIDEND

The Company has not paid any dividend during the year under review.

In terms of Regulation 43A of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations), the Dividend Distribution Policy was adopted to set out parameters and circumstances that will be taken into account by the Board while determining the distribution of dividend to the shareholders. The Policy is available on the website of the Company under the web link https://www.mtar.in/investor-relations/corporate-governance/policies-related-documents/

7. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company which have occurred during the end of the Financial Year 2023-24 of the Company to which the financial statements relate and the date of the Annual Report.

8. FUND RAISING BY ISSUANCE OF DEBT SECURITIES, IF ANY

Pursuance to SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018, read with SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated October 19, 2023, the Directors the Directors confirm that the Company is not defined as a "Large Corporate" as per the framework provided in the said Circular. Further, your Company has not raised any funds by issuance of debt securities.

9. BOARD MEETINGS:

The Board of Directors duly met four (04) times during the financial year from 1st April 2023 to 31st March 2024.

The dates on which the meetings were held are 17th May 2023, 10th August 2023, 08th November 2023, and 13th February 2024. All the meetings were conducted through Physical mode and arrangement for Audio visual means was also made for those directors who could not attend the meeting physically.

10. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS /CEO/ CFO AND KEY MANAGERIAL PERSONNEL AND OTHER RELEVANT INFORMATION:

a) Appointments:

Following re-appointments have taken place during the year:

S. No	Name of the Director/KMP	Designation	Date
1.	Mr. P Srinivas Reddy	Managing Director	08.11.2021
2	Mr. B V R Subbu	Independent Director	05.12.2023
3	Mr. A Krishna Kumar	Independent Director	05.12.2023
4	Mrs. Ameeta Chatterjee	Independent Director	05.12.2023
5	Mr. U C Muktibodh	Independent Director	05.12.2023
6	Mr. V G Sekaran	Independent Director	05.12.2023

• Mr. Raja Shekar Bollampally, Chief Operating Officer (COO) of the Company has been appointed w.e.f. 03.05.2023.

• Mr. Arun Kumar Ojha, Chief Commercial Officer (CCO) of the Company has been appointed w.e.f. 27.04.2024.

• Ms. Naina Singh has been appointed as the Company Secretary, Compliance Officer and the Nodal Officer of the Company w.e.f. 01.06.2024.

b) Resignations:

Following Resignations have taken place during the year:

S. No	Name of the Director/KMP	Designation	Date
1.	Mr. Shubham Sunil Bagadia	Company Secretary, Compliance Officer and the Nodal Officer	31.05.2024

The Board places on record their appreciation for the invaluable contribution made by the above director and officer(s) during their tenure.

C) Information u/r 36(3) of SEBI (LODR), Regulations, 2015:

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointments are given as **Annexure A** to the notice of the AGM forming part of this Annual Report.

11. REVISION OF FINANCIAL STATEMENTS

There was no revision of the financial statements for the year under review.

12. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has, *inter alia*, received the following declarations from all the Independent Directors as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the SEBI (LODR), Regulations, 2015 confirming that:

a. they meet the criteria of independence as prescribed under the provisions of the Act, read with Schedule IV and Rules issued thereunder, and the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company;

b. they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and

c. they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs and have qualified the online proficiency self-assessment test or are exempted from passing the test as required in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

d. they had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

13. AUDIT COMMITTEE RECOMMENDATIONS:

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

14. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated Detailed presentations on important policies of the Company is also made to the directors.

Direct meetings with the Chairman are further facilitated to familiarize the incumbent Director about the Company/ its businesses and the group practices. The details of the familiarization programme of the Independent Directors are available on the website of the Company at the link: https://www.mtar.in/investor-relations/corporate-governance/policies-related-documents/.

15. BOARD EVALUATION

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, diversity, experience, corporate governance competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual Directors was evaluated on parameters such as meeting attendance, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement. All the Directors were subjected to peer-evaluation.

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held on 13th February 2024. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors, and Independent External Persons. The Board upon discussion noted the suggestions / inputs of the Directors. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

The detailed procedure followed for the performance evaluation of the Board, Committees and Individual Directors is enumerated in the Corporate Governance Report.

16. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The assessment and appointment of Members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board Member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015.

In accordance with Section 178(3) of the Companies Act, 2013 and Regulation 19(4) of SEBI (LODR) Regulations, 2015, on the recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management. The Policy is attached a part of Corporate Governance Report.

We affirm that the remuneration paid to the Directors is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Companies Act, 2013 and on the basis of explanation given by the executives of the Company and subject to disclosures in the Annual Accounts of the Company from time to time, we state as under:

a. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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

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

d. That the Directors have prepared the annual accounts on a going concern basis:

e. That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

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

18. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government.

During the year, no amount of dividend was unpaid or unclaimed for a period of seven years and therefore no amount is required to be transferred to Investor Education and Provident Fund under the Section 125(1) and Section 125(2) of the Act.

19.INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES

Magnatar Aero Systems Private Limited is the wholly owned subsidiary Company of Company incorporated on 04.11.2019 and is non-operational.

Gee Pee Aerospace and Defence Private Limited, a wholly owned subsidiary of the Company incorporated on 20.06.1988 made a revenue of Rs. 51.4 Mn as on 31.03.2024 and net loss after tax of Rs. 0.2 Mn.

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary companies is prepared in Form AOC-1 and is attached as **Annexure VIII** and forms part of this report.

20. ANNUAL RETURN:

As per the requirement under Section 92(3) of the Companies Act, 2013, the draft Annual Return for Financial Year 2023-24 is available on the website of the Company at the link: https://www.mtar.in/investor-relations/annual-return/. The Annual General Meeting is proposed to be held on 6th September 2024. The Company shall upload a copy of Annual Return for Financial Year 2023-24 as soon it has filed the said Annual Return with Registrar of Companies.

21.BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

As stipulated under Regulation 34 of the Listing Regulations, the Business Responsibility & Sustainability Report describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Annual Report and is annexed as **Annexure I.**

22. AUDITORS

a. Statutory Auditors

The members of the Company in accordance with Section 139 of the Companies Act, 2013 have passed a resolution for appointment of M/s. S.R. Batliboi & Associates., (Firm Registration No. 101049W/E300004) as Statutory Auditors of the Company for a period of 5 years in the AGM held on 30.09.2020 to hold office up to the conclusion of 26th Annual General Meeting of the Company to be held in the year FY 2025-26.

Statutory Auditors Report

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended 31st March 2024 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the coming years.

b. Secretarial Auditor

Pursuant to the provisions of Section 134(3)(f) & Section 204 of the Companies Act, 2013, the Board has appointed M/s. S.S Reddy & Associates, Practicing Company Secretaries has undertaken Secretarial Audit of the Company for financial year ending 31st March 2024.

The report of the Secretarial Auditor is enclosed herewith vide **Annexure II** of this Report.

Secretarial Audit Report

The Board has duly reviewed the Secretarial Audit Report for the year ended 31st March 2024 on the Compliances according to the provisions of Section 204 of the Companies Act, 2013 and has noted that during the year, the Company does not have any reservation, qualification or adverse remarks.

Annual Secretarial Compliance Report

The Company has filed the Annual Secretarial Compliance Report for the Financial year 2023-24 with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, the report was received from a Practicing Company Secretary and filed within the stipulated time as specified under Regulation 24A of the SEBI (LODR) Regulations.

c. Cost Auditor

Your Company maintained the required cost records as specified by the Central Government under sub-section (1) of section 148 of the Act.

On the recommendation of the Audit Committee, the Board of directors appointed M/s Sagar & Associates., Cost Accountants (Registration No. 000118) as Cost Auditors of the Company for financial year ending 31st March 2024. The relevant cost audit reports for FY 2022-23 were filed within the stipulated time and the cost audit report for FY 2023-24 will also be filed within the timeline.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee and in terms of the Companies Act, 2013 and Rules thereunder, and the requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in the Notice of the 25th Annual General Meeting of your Company.

d. Internal Auditor

The Company had appointed M/s. Seshachalam & Co., Chartered Accountants as Internal Auditors of the Company for the Financial Year 2023-24.

23. FRAUDS REPORTED BY STATUTORY AUDITORS

During the Financial Year 2023-24, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

24. INTERNAL AUDIT AND FINANCIAL CONTROLS

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statues, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis.

The Company has appointed M/s. Pundarikashyam and Associates, Chartered Accountants to review the effectiveness of the Internal Financial Controls over Financial Reporting (ICoFR) of the Company for FY 2023-24 and there are no major observations reported in their report.

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given loans or made any investments (except for parking excess funds in FDs with Scheduled banks, as and when required and provided guarantee to its Wholly Owned Subsidiary Company) during the year under review attracting the provisions under section 186 of the Companies Act, 2013.

26.PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Our Company has formulated a policy on related party transactions which is also available on Company's website at https://www.mtar.in/investor-relations/corporate-governance/policies-related-documents/. This policy deals with the review and approval of related party transactions.

All related party transactions that were entered into during the financial year 2023-24 were on arm's length basis and were in the ordinary course of business. There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as **Annexure III** which forms part of this Report.

All related party transactions were placed before the Audit Committee/Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature. Members may refer to note no. 36 to the financial statement which sets out related party disclosures pursuant to IND AS-24.

27. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of your Company for the year ended 31st March 2024 have been prepared in accordance with the provisions of Section 129(3) of the Companies Act and applicable Accounting Standards and form part of this report.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with first proviso of

Section 129(3) of the Companies Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a separate statement containing salient features of the Financial Statements of Subsidiary Companies in Form AOC-1 as **Annexure VIII** is appended to this report, which forms part of the Financial Statements. The separate Audited Financial Statements in respect of the Subsidiaries are also available on the website of the Company at https://www.mtar.in/.

28. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year under review no Company has become or ceased to become its subsidiaries, joint ventures or associate Company.

29. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013, is provided hereunder:

A. Conservation of Energy:
During the Financial Year 2023-24, your Company strived to imbibe energy conservation principles and initiatives across all its facilities. The Company has produced in aggregate 13,63,648 units with the help of solar panels.

The other key initiatives across multiple areas are highlighted below –

HVAC – Your Company has undertaken initiatives such as Installation of VFD with solenoid valves for Compressor cooling water system, AC optimum utilization through installation of timer control units, etc.

Lighting – Similar to last year, your Company has continued the initiative to replace old lighting fittings with new-age energy efficient LED fittings within and outside some of our facilities. The installation of motion sensors at various locations has helped us to reduce the energy consumption at various sites.

Awareness Generation – This included improving awareness amongst employees to switch off major energy consuming equipment or units when idle as well as employing an energy review tool and energy balance tool to identify projects.

Apart from the above initiates, the Company also has a specific conservation of energy policy with SOPs to be followed. It is assured that the same are in place and adequate measures are taken to follow the SOPs.

B. Research & Development and Technology Absorption:

1. **Research and Development (R&D)**: During the year the Company developed Bellows which is part of SOFC power unit manufactured by the Company instead of procurement from overseas.
2. **Technology absorption, adoption and innovation**: NIL

C. Foreign Exchange Earnings and Out Go:
Foreign Exchange Earnings: INR 5,140 Mn
Foreign Exchange Outgo: INR 2,915.7 Mn

30. COMMITTEES

(I). AUDIT COMMITTEE

The Company has constituted an Audit Committee which is in line with the provisions of Regulation 18(1) of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013 and the composition of the Committee is included in the Corporate Governance report, which forms part of this report.

(II). NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted Nomination and Remuneration Committee in line with the provisions of Regulation 19(1) of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013 and the composition of the Committee is included in the Corporate Governance report, which forms part of this report.

(III). STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has constituted Stakeholders Relationship Committee of the Company in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013 and the composition of the Committee is included in the Corporate Governance report, which forms part of this report.

(IV). RISK MANAGEMENT COMMITTEE

The Company had been undertaking the activity of identifying key business and sustainability risks and taking actions to mitigate such risks from time to time. The matters related to risks and their management has been shared with the Board of Directors from time to time. The Company has put in place a Risk Management Policy under which various risks associated with the business operations is identified and risk mitigation plans have been put in place and has constituted a Risk Management Committee of the Board. The details of constitution of the Committee and its terms of reference are set out in the Report on Corporate Governance Policy.

(V) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee of the Company in line with the provisions of Section 135 of the Companies Act, 2013 and the composition of the Committee is included in the Corporate Governance report, which forms part of this report.

(VI) COTHER COMMITTEE

Other than the above committees, the Company has two other internal non-statutory committees namely management and technology committee.

31. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has formulated a Vigil Mechanism / Whistle Blower Policy pursuant to Regulation 22 of the Listing Regulations and Section 177(10) of the Act, enabling stakeholders to report any concern of unethical behavior, suspected fraud or violation.

The said policy inter-alia provides safeguard against victimization of the Whistle Blower. Stakeholders including directors and employees have access to the Managing Director and Chairperson of the Audit Committee.

During the year under review, no stakeholder was denied access to the Chairperson of the Audit Committee.

The policy is available on the website of the Company at https://www.mtar.in/investor-relations/corporate-governance/policies-related-documents/.

32.CORPORATE SOCIAL RESPONSIBILITY POLICY AND ITS REPORT

The Company has attracted the provisions of Corporate Social Responsibility u/s 135 of Companies Act, 2013 and accordingly has formed the CSR committee to foresee the CSR activities, adopted the CSR policy and also created a separate bank account exclusively for CSR. The Corporate Social Responsibility Report is enclosed as **Annexure IV**. Details of the CSR policy of the Company are available on our website https://www.mtar.in/investor-relations/corporate-governance/policies-related-documents/.

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended ("CSR Rules") and in accordance with the CSR Policy, during the financial year 2023-24, your Company has spent Rs. 2,06,55,280/- while the total obligation is Rs. 1,82,41,297/- (representing 2 % of the average net profit for the past the three financial years, being FY 2020-21, FY 2021-22 and FY 2022-23). The Company has spent an amount of Rs. 24,13,983/- in excess of the obligation of Rs. 1,82,41,297/- for the year 2023-24 which would be available to be set off in the subsequent three Financial Years.

Corporate Social Responsibility continues to be the core value of your Company embedded in the core value of caring, which focuses on 'serving and improving the communities in which we live.' The major areas of activities undertaken by the Company are Education, employment enhancing vocational skills, Art & Culture, Health Care Centers and and voluntary support.

33. PUBLIC DEPOSITS:

Your Company has not accepted any deposits under Chapter V of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review.

DETAILS OF DEPOSITS NOT IN COMPLIANCE WITH THE REQUIREMENTS OF THE ACT:

Since the Company has not accepted any deposits during the Financial Year ended 31st March 2024, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company has filed with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

34. SIGNIFICANT & MATERIAL ORDERS PASSED BY COURTS / REGULATORS / TRIBUNALS:

There are no significant and material orders passed by the regulators /courts that would impact the going concern status of the Company and its future operations.

35. DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

During the period under review, there is no material observations have been noticed for inefficiency or inadequacy of such controls by the internal control auditor M/s. Pundarikashyam and Associates.

Further, details of internal financial control and its adequacy are included in the Management Discussion and Analysis Report which is appended as **Annexure V** and forms part of this Report.

36. INSURANCE

The properties and assets of your Company are adequately insured.

37. CREDIT & GUARANTEE FACILITIES

The Company has availed Working Capital and Term Loan facilities from State Bank of India, HDFC Bank, ICICI Bank Limited, Union Bank of India and Export-Import Bank of India and appointed SBICAP Trustee Company Limited as custodian of all security documents under Multiple Banking arrangements.

37. RISK MANAGEMENT POLICY:

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks and also to identify business opportunities. As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the senior management periodically.

Risk Management Committee of the Board of Directors of your Company assists the Board in (a) overseeing and approving the Company's enterprise wide risk management framework; and (b) overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, other risks have been identified and assessed, and there is an adequate risk management infrastructure in place capable of addressing those risks. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this Report.

39. SHARE CAPITAL

The authorized share capital of the Company stands at Rs.66,00,00,000/- divided into 6,60,00,000 equity shares of Rs.10/- each.

The paid-up share capital of the Company stands at Rs. 30,75,95,910/- divided into 3,07,59,591 equity shares of Rs.10/- each.

40. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

The Company has implemented all of its major stipulations as applicable to the Company. As stipulated under Regulation 34 read with schedule V of SEBI (LODR) Regulations, 2015, a report on Corporate Governance duly audited is appended as **Annexure VI** for information of the Members.

A requisite certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance.

41. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

The Management Discussion and Analysis Report, pursuant to the SEBI (LODR) Regulation provides an overview of the affairs of the Company, its legal status and autonomy, business environment, mission & objectives, sectoral and segment-wise operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems is appended as **Annexure V** for information of the members.

41. POLICIES:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies.

All the policies are available on our website https://www.mtar.in/investor-relations/corporate-governance/policies-related-documents/.

43.ENVIRONMENTS AND HUMAN RESOURCE DEVELOPMENT:

Your Company always believes in keeping the environment pollution free and is fully committed to its social responsibility. The Company has been taking utmost care in complying with all pollution control measures from time to time strictly as per the directions of the Government.

44. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively. During the year under review, the Company was in compliance with the Secretarial Standards (SS) i.e., SS-1 and SS- 2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

45. STATUTORY COMPLIANCE:

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

46. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

The Board constituted its Internal Complaints committee (ICC) to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

Constitution of Committee:

Name	Designation
J. Srilekha	Presiding Officer
Pusparaj Satpathy	Member
Nidhi Priya	Member
D Nirmala Rani	External Member

All employees are covered under this policy. During the financial year 2023-24, there were no complaints received by the Committee.

47. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3)OF THE COMPANIES(APPOINTMENT & REMUNERATION) RULES, 2014:

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure VII (a)** to this Report.

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed to this Annual report as **Annexure VII (b)**.

During the year, none of the employees is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 other than those mentioned in **Annexure VII (b)**.

48. RATIO OF REMUNERATION TO EACH DIRECTOR:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of each Director to the median remuneration of the employees is as follows.

Director	Total Remuneration (Mn.)	Ratio to Median Remuneration
P. Srinivas Reddy	30.02	1:0:02
Anushman Reddy	9.94	1:0:05
Praveen Kumar Reddy	7.53	1:0:07

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

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading ("Insider Trading Code") and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("UPSI"). The Code of Practices and Procedures for fair disclosure of UPSI is available on the website of the Company at https://www.mtar.in/investor-relations/corporate-governance/policies-related-documents/.

50. DECLARATION FROM DIRECTORS

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) or are debarred or disqualified by the Securities and Exchange Board of India ("SEBI"), Ministry of Corporate Affairs ("MCA") or any other such statutory authority.

All members of the Board and Senior Management have affirmed compliance with the Code of Conduct for Board and Senior Management for the financial year 2023-24. The Company had sought the following certificates from independent and reputed Practicing Company Secretaries confirming that:

a. none of the Director on the Board of the Company has been debarred or disqualified from being appointed and/or continuing as Directors by the SEBI/MCA or any other such statutory authority.

b. independence of the Directors of the Company in terms of the provisions of the Act, read with Schedule IV and Rules issued thereunder and the Listing Regulations.

51. EVENT BASED DISCLOSURES:

During the year under review, the Company has not taken up any of the following activities except as mentioned:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option schem:NA
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA
8.Transfer of shares: Yes

52. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

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

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

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

54. MD & CFO CERTIFICATION:

As required Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the MD/CFO certification is attached as **Annexure C** to the Corporate Governance Report.

55. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors other than sitting fee, and reimbursement of expenses.

56. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE Company:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

57. FAILURE TO IMPLEMENT CORPORATE ACTIONS:

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

58. CREDIT RATING:

The Company has been awarded A (Stable) credit rating for long term rating and short term fund based for its bank credit facilities by ICRA. The rating reflects ICRA's expectations that the Company's operational and financial profile will continue to improve backed by its expanding order book position and scale, and it will maintain healthy profit margins as it is the key supplier for many of the products manufactured by it.

59.AGREEMENTS/MOU ENTERED BY THE Company:

During the period under review, the Company has not entered any agreement or MOU.

60. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company. Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company for their continued support for the growth of the Company.

By order of the Board of Directors of
MTAR Technologies Limited

Sd/-	**Sd/**
Subbu Venkata Rama Behara	**P. Srinivas Reddy**
Chairman	**Managing Director**
(DIN: 00289721)	**(DIN: 00359139)**

Place: Hyderabad
Date: 28.05.2024

ANNEXURE 1

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1	Corporate Identity Number (CIN) of the Company	L72200TG1999PLC032836
2	Name of the Company	MTAR TECHNOLOGIES LIMITED
3	Year of Incorporation	1999
4	Registered Office Address	18, Technocrats Industrial Estate, Balanagar , Hyderabad, Telangana-500037
5	Corporate Office Address	18, Technocrats Industrial Estate, Balanagar , Hyderabad, Telangana-500037
6	E-Mail	info@mtar.in
7	Telephone	040-44553333
8	Website	https://www.mtar.in/
9	Financial Year for which Reporting is being done	
	Current Financial Year	FY 2023-24
	Previous Financial Year	FY 2022-23
	Prior to Previous Financial year	FY 2021-22
10	Name of the Stock Exchange(s) where shares are listed	a. National Stock Exchange of India Limited (NSE) b. BSE Limited (BSE)
11	Paid-up Capital	Rs. 30,75,95,910
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Naina Singh Contact No: 040-44553333/23078312 email address: naina.singh@mtar.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14	Whether the Company has undertaken reasonable assurance of the BRSR Core?	No
15	Name of assurance provider	Nil
16	Type of assurance obtained	Nil

II. PRODUCTS/SERVICES

17. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and precision Engineering	The Company offers products and customized precision engineering solutions and caters to customers in strategic sectors including Civil Nuclear Power, Space & Defence and Clean energy. The Company is a one stop solution for all manufacturing processes such as advanced machining, specialized fabrication, assembly and testing, surface treatment and special processes.	100

18. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture and Machining of high precision for aerospace, aircraft, spacecraft components.	30305	28.99%
2	Manufacture of generators/generating sets for clean energy using hydrogen fuel cell technology	31101	71.01%

III. OPERATIONS

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

Location	Number of Plants	Number of offices	Total
National	8	1	9
International	0	0	0

20. Markets served by the entity:

a. Number of Locations

Locations	Number
National (No. of States)	14
International (No. of Countries)	6

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

71.01%

c. A brief on types of customers

The Company's business is manufacturing of mission critical precision components for aerospace, space, defence, clean energy and civil nuclear sectors. Some of its major clients include Indian Civilian Nuclear Power Program, Indian Space Program, Indian and Global Defence industry as well as Global Clean Energy sectors.

IV. EMPLOYEES

21. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
			EMPLOYEES			
1	Permanent (D)	613	590	96%	23	4%
2	Other than Permanent (E)	58	54	93%	4	7%
3	**Total employees (D + E)**	**671**	**644**	**95%**	**27**	**5%**
			WORKERS			
4	Permanent (F)	498	498	100%	0	0%
5	Other than Permanent (G)	622	622	100%	0	0%
6	**Total employees (F+G)**	**1120**	**1120**	**100%**	**0**	**0%**

b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
			DIFFERENTLY ABLED EMPLOYEES			
1	Permanent (D)	1	1	100%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	**Total employees (D+E)**	**0**	**1**	**100%**	**0**	**0%**
			DIFFERENTLY ABLED WORKERS			
4	Permanent (F)	0	0	0%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%
6	**Total employees (F+G)**	**0**	**0**	**0%**	**0**	**0%**

22. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	%(B/A)
Board of Directors	9	1	11%
Key Management Personnel	3	0	0%

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

	FY 2024-23 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.70%	0.90%	5.60%	8.3%	0.6%	8.9%	7%	0.2%	7.2%
Permanent Workers	0.85%	0%	0.85%	0%	0%	0%	0%	0%	0%

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

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicating whether holding/Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Gee Pee Aerospace and Defence Private Limited	Subsidiary	100%	No
2	Magnatar Aero System Private Limited	Subsidiary	100%	No

VI. CSR DETAILS

22. CSR Details

Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
Turnover (in Rs.)	5,80,03,24,678
Net worth (in Rs.)	6,77,17,24,323

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism Place (Yes/No). (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://www.mtar.in/investor-relations/corporate-governance/policies-related-documents/	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholers)		Nil	Nil	Nil	Nil	Nil	Nil
Shareholders		Nil	Nil	Nil	Nil	Nil	Nil
Employees and workers		Nil	Nil	Nil	Nil	Nil	Nil

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism Place (Yes/No). (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	https://www.mtar.in/investor-relations/corporate-governance/policies-related-documents/	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

27. Overview of the entity's material responsible business conduct issues

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy Management	Opportunity and Risk	Processes and Systems are in place to ensure maximum energy efficiency. The Company believes that the cost incurred during this process will help us in the future to reduce the day to day energy costs.	The Company has installed solar panels for power generation and extensively uses LED lighting for efficient energy management.	**Positive Implication**
2	Majority business is in Clean Energy Sector	Opportunity and Risk	With increasing focus on global climate challenges resulting in a shift towards cleaner /renewable sources of energy, this provides us an opportunity to contribute towards the global climate effort while securing an early mover advantage in the domain. Apart from very healthy contributions to the Company's revenues on an increasing trend, this has established us as one of the very few players in this field. Our clean energy business also contributes towards our ESG goals in terms of positively impacting global climate change.	This being an emerging field on a global scale, no risk to the business is anticipated. Further, the Company continues to be a strategic partner to its other existing as well as new customers in the fields of aerospace, civil nuclear power and heavy fabrication.	**Positive Implication**
3	Workplace health and Safety	Opportunity and Risk	Prevention of work-related Injuries, Health of the employees has a great deal of importance. Employee safety helps in improving performance of employees Providing a safe environment to minimize any accidents and compensation pays.	Provision of safety shoes, goggles and PPE kits to applicable employees. Availability of medical assistance at all times.	**Positive Implication**

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures,policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and make efforts to protect and restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner

<table>
<tr><th></th><th>Disclosure Questions</th><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th></tr>
<tr><td colspan="11">Policy and management processes</td></tr>
<tr><td>1</td><td>a. Whether your entity’s policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)</td><td>Yes, it is covered under The code of conduct</td><td>EOHS policy addresses product life cycle sustainability</td><td>EOHS, Code of Conduct, Human Rights Policies address Employee wellbeing</td><td>EOHS, Community Grievance, and Code of Conduct address stakeholder engagement</td><td>Yes</td><td>Yes</td><td>NA</td><td>Yes</td><td>EOHS, Code of Conduct, Quality, and Energy Conservation</td></tr>
<tr><td></td><td>b. Has the policy been approved by the Board? (Yes/No)</td><td colspan="9">Yes</td></tr>
<tr><td></td><td>c. Web Link of the Policies, if available</td><td colspan="9">https://www.mtar.in/investor-relations/corporate-governance/policies-related-documents/</td></tr>
<tr><td>2</td><td>Whether the entity has translated the policy into procedures. (Yes / No)</td><td colspan="9">Yes</td></tr>
<tr><td>3</td><td>Do the enlisted policies extend to your value chain partners? (Yes/No)</td><td colspan="9">Yes</td></tr>
<tr><td>4</td><td>Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</td><td colspan="9">The Company has qualified for various management and quality standards such as
•AS9100D
•ISO 9001:2015
•ISO 45001:2018
•ISO/IEC 27001 : 2022
•ISO 14001:2015
•NADCAP</td></tr>
</table>

	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5	**Specific commitments, goals and targets set by the entity with defined timelines, if any**	The Company has taken up targets internally across all the cross-functional teams to reduce energy consumption, use of raw materials, have zero accidents, increase diversity and inclusion, taking up more community development activities and embedding ESG values into all the business segments.								
6	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	The Company has installed solar power capacity for reducing energy consumption. As an ongoing practice there is constant endeavour to reduce the consumption of raw materials which is advantageous economically and sometimes a technical requirement as well. The Company is an equal opportunity employer and does not discriminate based on gender, religion, region, caste or sexual orientation in its recruitment or internal evaluations. We seek to enhance diversity by encouraging a cosmopolitan all-inclusive workforce and have increased the number of female employees. The Company constantly monitors the performance towards ESG commitments.								
Governance, leadership and oversight										
7	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements** Please refer "Message from Managing Director"									
8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Mr. Pusparaj Satpathy / pusparaj.satpathy@mtar.in/040-44553333/23078312								
9	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	Yes. The Company's BR policies are implemented by the Managing Director of the Company. The CSR Committee and the Risk Management Committee evaluate sustainability related issues, from time to time.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	All the policies of the Company are approved and reviewed periodically by the Committee of the Board on need basis. During the review process effectiveness is evaluated and the new trends in markets are considered based on which amendments are made as may be necessary.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with the extant regulations and principles as are applicable from time to time.																	

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No. In the coming quarters the Company will approach for the independent assessment by external agency. However, for FY 2022-23, the Company was assessed by Dun & Bradstreet.																	

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)					NA				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)					NA				
The entity does not have the financial or/human and technical resources available for the task (Yes/No)					NA				
It is planned to be done in the next financial year (Yes/No)					NA				
Any other reason (please specify)					NA				

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators maybe voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

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

ESSENTIAL INDICATORS

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

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	% age of persons in respective category covered by the awareness
Board of Directors	1	Code of Conduct, Whistle-blower Policy of the Company, Human Rights Policies of the Company, Safety and sustainability training	100 %
Key Managerial Personnel	2	Code of Conduct, Whistle-blower Policy of the Company, Human Rights Policies of the Company, Safety and sustainability training	100 %
Employees other than BoD and KMPs	4	Code of Conduct, Whistle-blower Policy of the Company, Human Rights Policies of the Company, Safety and sustainability training	75%
Workers	4	Code of Conduct, Whistle-blower Policy of the Company, Human Rights Policies of the Company, Safety and sustainability training	75 %

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

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement	Nil				
Compounding Fee	Nil				

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

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	Nil

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

No. Although MTAR does not have a detailed anti-corruption or anti-bribery policy, the code of conduct and ethics policy compels the employees to be ethical transparent and accountable, the whistle-blower policy enables the employees and external Stakeholders to eliminate malpractices such as bribery and Corruption these policies are applicable to all Directors, KMPs, employees, workers.

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

	FY 2023- 24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

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

Not Applicable

8. Number of days of accounts payables

	FY 2023- 24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
i) Accounts payable x 365 days	2,56,07,67,00,000.00	7,95,95,18,50,000.00
ii) Cost of goods/services procured	2,61,86,20,000.00	4,84,69,00,000.00
iii) Number of days of accounts payables	98	164

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

Parameter	Metrics	FY 2023- 24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. i) Purchases from trading houses	2,61,86,20,000.00	4,84,69,00,000.00
	ii) Total purchases	2,61,86,20,000.00	4,84,69,00,000.00
	iii) Purchases from trading houses as % of total purchases	100.00%	100.00%
	b. Number of trading houses where purchases are made	0	0
	c. i) Purchases from top 10 trading houses	0.00	0.00
	ii) Total purchases from trading houses	0.00	0.00
	iii) Purchases from top 10 trading houses as % of total purchases from trading houses	0.00%	0.00%

Parameter	Metrics	FY 2023- 24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Sales	a. i) Sales to dealer / distributors	0.00	0.00
	ii) Total Sales	0.00	0.00
	iii) Sales to dealer / distributors as % of total sales	0.00%	0.00%
	b. Number of dealers / distributors to whom sales are made	0	0
	c. i) Sales to top 10 dealers / distributors	0.00	0.00
	ii) Total Sales to dealer / distributors	0.00	0.00
	iii) Sales to top 10 dealers / distributors as % of total sales to dealer / distributors	0.00%	0.00%
Share of RPTs in	a. i) Purchases (Purchases with related parties)	0.00	0.00
	ii) Total Purchases	2,61,86,20,000.00	4,84,69,00,000.00
	iii) Purchases (Purchases with related parties as % of Total Purchases)	0.00%	0.00%
	b. i) . Sales (Sales to related parties)	0.00	0.00
	ii) Total Sales	5,80,03,24,678.00	5,73,34,76,095.00
	iii) Sales (Sales to related parties as % of Total Sales)	0.00%	0.00%
	c. i) Loans & advances given to related parties	1,95,00,000.00	4,16,70,000.00
	ii) Total loans & advances	8,92,10,000.00	8,51,40,000.00
	iii) Loans & advances given to related parties as % of Total loans & advances	21.86%	48.94%
	d. i) Investments in related parties	0.00	0.00
	ii) Total Investments made	0.00	27,47,35,405.00
	iii) Investments in related parties as % of Total Investments made	0.00%	0.00%

LEADERSHIP INDICATORS

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

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
3	1.Compliance & Ethics 2.Human rights 3.Safety & Sustainability	70%

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

Yes, the Company's Code of Conduct requires the members of board, and employees to avoid circumstances where their personal interests could conflict with the interests of the Company. The Directors of the Company are required to disclose to the Board, on an annual basis, whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company.

PRINCIPLE 2

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

ESSENTIAL INDICATORS

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

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	NIL	NIL	-
Capex	NIL	1.40%	The investment has been towards various sustainability projects such as installation of solar plant , occupational health & safety improvement programmes, in-house machine manufacturing to reduce import of machinery, in-house development of erstwhile imported components for import substitution etc

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

Yes

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

The Company has consistently focussed on feasible sustainable sourcing and ensured that more than 95% of the raw materials, unrefined components and finished goods are shipped through sea, limiting air shipments to reduce emissions. Our supply chain team practices volume consolidation by assessinglead times, minimum order quantities and import multiple raw material in a solitary shipment ideally by sea. We attempt to reuse transportation containers for up to 5 to 10 shipments to limit the consumption of resources.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

We dispose most of our waste which comes in the form of metal shavings and machining scrap to vendors who then re-melt the same for re-use, thereby leading to conservation of natural resources. Also, our products are transported in biodegradable plywood containers that are re-usable.

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

EPR isn't applicable to the Company as we do not manufacture any consumer products, there is no specific plastic, electrical and electronic item produced where EPR is pertinent under e-waste Management.

LEADERSHIP INDICATORS

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

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No). If yes, provide the web-link.
No. The Company has not led any sort of Life Cycle Assessments for products.					

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

Name of Product / Service	Description of the risk /Concern	Action taken
Not Applicable		

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Company's manufacturing processes generates some amount of metal scrap for which engineering measures are taken on a continual basis to minimize waste generation. The scrap is disposed to agencies who subsequently recycle the same for further use as may be applicable.		

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

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable as the organization's business is B2B in nature and the products fall under capital goods category with long lifecycle, the Company has no specific consumer product aside from aerospace and defence products, there is no product reclamation at the end of the product life. However, shipping containers are reused and waste material generated at the plant and project sites are reused, recycled and disposed as per the applicable regulatory requirements.					
E waste						
Hazardous waste						
Other waste						

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

PRINCIPLE 3

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

ESSENTIAL INDICATORS

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

% of employees covered by											
Category	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternal benefits		Day Care Facilities	
		Number (B)	% B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	590	-	-	-	-	-	-	-	-	-	-
Female	23	-	-	-	-	23	-	-	-	-	-
Total	**613**	-	-	-	-	**23**	-	-	-	-	-

% of employees covered by											
Category	**Total (A)**	**Health Insurance**		**Accident Insurance**		**Maternity benefits**		**Paternal benefits**		**Day Care Facilities**	
		Number (B)	**% B/A)**	**Number (C)**	**% (C/A)**	**Number (D)**	**% (D/A)**	**Number (E)**	**% (E/A)**	**Number (F)**	**% (F/A)**
Other than Permanent employees											
Male	54	-	-	-	-	-	-	-	-	-	-
Female	4	-	-	-	-	-	-	-	-	-	-
Total	**58**	-	-	-	-	-	-	-	-	-	-

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

% of employees covered by											
Category	**Total (A)**	**Health Insurance**		**Accident Insurance**		**Maternity benefits**		**Paternal benefits**		**Day Care Facilities**	
		Number (B)	**% B/A)**	**Number (C)**	**% (C/A)**	**Number (D)**	**% (D/A)**	**Number (E)**	**% (E/A)**	**Number (F)**	**% (F/A)**
Permanent workers											
Male	498	515	100%	498	100%	-	-	-	-	-	-
Female	0	0	0	0	0	-	-	-	-	-	-
Total	**498**	**515**	**100%**	**498**	**100%**	-	-	-	-	-	-
Other than Permanent workers											
Male	622	-	-	-	-	-	-	-	-	-	-
Female	0	-	-	-	-	-	-	-	-	-	-
Total	**622**	-	-	-	-	-	-	-	-	-	-

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

	FY 2023- 24 (Current Financial Year)	**FY 2022-23 (Previous Financial Year)**
i) Cost incurred on wellbeing measures (well-being measures means well-being of employees and workers (including male, female, permanent and other than permanent employees and workers)	26858347.00	21128956
ii) Total revenue of the Company	5800324678.00	5733476095
iii) Cost incurred on wellbeing measures as a % of total revenue of the Company	0.46%	0.37%

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

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	100.00%	100.00%	Y	100.00%	100.00%	Y
Gratuity	100.00%	100.00%	Y	84.00%	46.00%	Y
ESI	21.00%	33.00%	Y	32.00%	38.00%	Y
Others please specify	-	-	-	-	-	-

3. Accessibility of workplaces

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

Yes, most of the Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers. Such arrangements include easily accessible offices, entrances, doors and availability of ramps and elevators etc.

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

The code of conduct provides guidelines for ensuring fairness and acting against discrimination on the basis of disability, race, gender, religion, region, age, or any other factors. The same can be accessed at https://www.mtar.in/investor-relations/corporate-governance/policies-related-documents/

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

	Permanent employees		Non-Permanent employees	
Gender	**Return to work rate**	**Retention Rate**	**Return to work rate**	**Retention Rate**
Male	100%	100%	100%	100%
Female	None availed during the period.	None availed during the period.	NA	NA
Total	**100%**	**100%**	**100%**	**100%**

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Grievance redressal mechanism is available to all employees as well as stakeholders with procedure for raising of grievances /complaints as well as their escalation and redressal. The same is detailed in the Code of Conduct of the Company.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B /A)	Total employees / workers in respective category (C)	No. of employees /workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	**613**	**0**	**0%**	**555**	0	**0%**
Male	590	0	0%	532	0	0%
Female	23	0	0%	23	0	0%
Total Permanent Workers	**498**	**498**	**100%**	**515**	**515**	**100%**
Male	498	498	100%	515	515	100%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	644	509	80%	475	74%	532	404	76 %	345	65%
Female	27	23	85%	21	78%	23	23	100 %	15	65%
Total	**671**	**532**	**79%**	**496**	**74%**	**555**	**427**	**77 %**	**360**	**65%**
Workers										
Male	1120	982	88%	735	66%	947	852	90%	492	52%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	**1120**	**982**	**88%**	**735**	**66%**	**947**	**852**	**90%**	**492**	**52%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B /A)	Total (D)	No. (E)	% (E/D)
Employees						
Male	644	481	75%	532	384	72%
Female	27	14	52%	23	12	52%
Total	**671**	**495**	**74%**	**555**	**396**	**71%**
Workers						
Male	1120	1120	100%	947	831	100%
Female	0	0	0	0	0	0
Total	**1120**	**1120**	**100%**	**831**	**831**	**100%**

10. Health and safety management system:

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

Yes, occupational health and safety management system has been implemented and the Company is certified for ISO 45001:2018

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

The Company has risk management process in place which has five steps-Identification, Assessment, Mitigation, Monitoring and Reporting All the stakeholders involved participate in the risk assessment, after the analysis plans are drawn, documented and implemented along the timelines.

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

Yes, the Company has processes for workers to report work related hazards for mitigating such risks

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

Yes, The Workers of the Company have access to non-occupational medical and healthcare services and are also covered under Group Medical as well as Accident Insurance Policies by the Company.

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

Safety Incident/Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.37	3.28
Total recordable work related injuries	Employees	0	0
	Workers	1	11
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

The Management is strongly committed towards EHS by having risk management process in place to identify hazards and act towards minimising risk. The risk management process has five steps-Identification, Assessment, Mitigation, Monitoring and Reporting. All the stakeholders involved participate in the risk assessment as well as implementation of mitigation measures.

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

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil					
Health & Safety	Nil					

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

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

All the safety related incidents are investigated properly as per the defined process. Appropriate corrective as well as preventive actions in line with our EHS standards are designed and implemented after Root Cause analysis is done.

LEADERSHIP INDICATORS

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

Employees	Decided on case to case basis
Workers	Yes

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

The Company ensures that all relevant clauses relating to statutory compliance are met. These are a standard feature in our contracts / orders and bills are processed subject to compliance requirements being met.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

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

The Company provides transition assistance programmes to facilitate continued employability and the management of careers till retirement.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	Assessment of value chain partners on the aspects of health and safety and workplace conditions is currently not in practice.
Working Conditions	

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

All the safety related incidents are investigated properly as per the defined process. Appropriate corrective and preventive action plans are designed and implemented.

Health & Safety

- Adequate provision of First aid boxes, fire prevention & control equipment and engineering control are put in place to maintain a safe working atmosphere.
- Providing appropriate PPE to all the employees and ensuring proper usage along with requisite training and awareness campaigns.

Working Conditions

- Employees getting paid with legal minimum wages
- Providing benefits like PF, ESI, Gratuity and Bonus etc to eligible employees

PRINCIPLE 4

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

ESSENTIAL INDICATORS

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

Any individual or group of individuals that enhance the value of the Company, influence operations and activities in the Company, regulate the market, directly or indirectly while being committed to ESG regulations and aiding in local area advancements are considered as stakeholders. To accomplish compelling stakeholder engagement, we conduct tenacious evaluations and connect with them on calls one on one to gauge their perspectives and limit risks, develop validity and gain their trust.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	N	Email, Notice boards, Intranet	Regularly	MD/CEO communications, Communication and Training Sessions with Unit Heads Training Programs, employee centric initiatives.
Community	N	Interviews, Answering queries. E-Mails Website	Need based	We contribute on an on-going basis to community initiatives like childcare, health and education through our partners like St Jude India Child care centres, Sri Satya Sai Annapoorna Trust, Parampara Foundation, Learning space foundation, Grace Foundation, Abhayajyothi Society for Empowerment of People, distributing sanitary napkins for under privileged women. In addition, we recruit apprentices from college and train them on various manufacturing technologies and we carry out relationship building programs through colleges.
Suppliers	N	Email	Regularly	Queries and grievance redressal and supply chain management meetings with Head SCM.
Investors or external channels	N	Email, Website, Newspaper	Regularly	Monthly board MIS prior to listing, E-mail Communications, Annual reports, Analyst meets post listing, official news releases and presentations.
Shareholders	N	Email, Website, Newspaper	Quarterly	Statutory Updates and performance progress of the entity

LEADERSHIP INDICATORS

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

Quarterly performance updates and reviews are conducted by the respective committees on these topics and consolidated performance report and outcome are presented in the board meeting on quarterly basis. The Company is conducts regular stakeholder engagement exercises from time to time. As per the respective concern, the various committees of the Board meet periodically to review the progress of the Company in respective areas.

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

Yes. Materiality assessment and stakeholder inputs are taken forward to identify material topics of concern on ESG topics. Based on the significance of these concerns, strategy development, policy formulation and monitoring mechanisms are developed and implemented.

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

We contribute on an on-going basis to community initiatives like childcare, health and education through our partners like St Jude India Child care centres, Sri Satya Sai Annapoorna Trust, Parampara Foundation, Learning space foundation, Grace Foundation, Abhayajyothi Society for Empowerment of People, distributing satinary napkins for under privileged women. In addition, we recruit apprentices from college and train them on various manufacturing technologies and we carry out relationship building programs through colleges.

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees /workers covered (B)	% (B /A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
Employees						
Permanent	613	495	81%	555	416	75%
Other than permanent	58	49	84%	51	36	71%
Total Employees	**671**	**544**	**81%**	**606**	**452**	**75%**
Workers						
Permanent	498	425	85%	515	443	86%
Other than permanent	622	501	81%	432	341	79%
Total Workers	**1120**	**926**	**83%**	**947**	**784**	**83%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**613**	**613**	**100%**	**613**	**100%**	**555**	**555**	**100%**	**555**	**100%**
Male	590	590	100%	590	100%	532	532	100%	532	100%
Female	23	23	100%	23	100%	23	23	100%	23	100%
Other than Permanent	**58**	**58**	**100%**	**58**	**100%**	**52**	**52**	**100%**	**52**	**100%**
Male	54	54	100%	54	100%	51	51	100%	51	100%
Female	4	4	100%	4	100%	1	1	100%	1	100%
Workers										
Permanent	**498**	**498**	**100%**	**498**	**100%**	**515**	**515**	**100%**	**515**	**100%**
Male	498	498	100%	498	100%	515	515	100%	515	100%
Female	0	0	-	0	-	0	0	-	0	-
Other than Permanent	**622**	**622**	**100%**	**622**	**100%**	**432**	**432**	**100%**	**432**	**100%**
Male	622	622	100%	622	100%	432	432	100%	432	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8#	22,35,000	1*	22,10,000
Key Managerial Personnel	2##	70,11,161	0	0
Employees other than BoD and KMP	665	3,88,964	28	2,62,023
Permanent Workers	512	5,61,643	0	0

Includes Managing Director, Executive directors and Independent directors

Includes Chief Financial Officer and Company Secretary

* Only one Female Director- Total remuneration paid is considered

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

The Managing Director of the Company addresses all human rights impacts of the business.

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

All grievances received are recorded, duly analysed, investigated and suitable actions as appropriate are taken to resolve them.

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

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	**Pending resolution at the end of the year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of the year**	**Remarks**
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/ Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

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

	FY 2023- 24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
i) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
ii) Female employees / workers	Nil	Nil
iii) Complaints on POSH as a % of female employees / workers	Nil	Nil
iv) Complaints on POSH upheld	Nil	Nil

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

The Company has policies in place such as Prevention of Sexual Harassment Policy, Code of Conduct which require employees to behave responsibly in their action and conduct. The Whistle Blower policy allows the employees to report incidents which are unethical or discriminatory. The Company also has an Internal Complaints Committee for the protection of women at workplace.

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

Adherence to required compliance including child labour, forced labour and human rights form a part of the Company's business agreements and contracts.

10. Assessments of the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100 %. The Company has Policies in place to address these issues and their implementation is directed towards adherence to applicable laws and upholding the spirit of a fair, safe and equitable workplace.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risks / concerns.

LEADERSHIP INDICATORS

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

No complaints have been received for human rights violation.

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

The organization adheres to the standards and approaches laid out for the employees, workers and associates, which are extended across the value chain partners representatives. All the concerned entities adhere to the ethical conduct of business.

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

Most of the Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers. Such arrangements include easily accessible offices, entrances, doors and availability of ramps and elevators etc.

4. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual harassment	Currently this is not under assessment.
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

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

Not Applicable

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Whether total energy consumption and energy intensity is applicable to the Company?
Yes

Revenue from operations (in Rs.)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
	5,80,03,24,678.00	5,73,34,76,095.00

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	46,914.38	42,696.24
Total fuel consumption (E)	4,569.26	897.17
Energy consumption through other sources (F)	4,909.13	3,529.99
Total energy consumed from non-renewable sources (D+E+F)	56,392.77	47,123.40
Total energy consumed (A+B+C+D+E+F)	56,392.77	47,123.40
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0000097223	0.000008219
"Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)"	0.00001	0.00001
Energy intensity in terms of physical Output	0.00001	0.00001
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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

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

No. The Company is not identified as designated consumer under the Performance Achieve and Trade (PAT) Scheme of the Government of India.

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(I) Surface water	13,852	13,160
(ii) Groundwater	47,906	45,510
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**61,758.00**	**58670.00**
Total volume of water consumption (in kilolitres)	**61,758.00**	**58670.00**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0	0
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0	0
Water intensity in terms of physical output	0	0
Water intensity (optional) – the relevant metric may be selected by the entity	0	0

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

4. Provide the following details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	**1205**	**620**
No treatment	1205	620
With treatment – please specify level of treatment	0	0
(v) Others	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**1205**	**620**

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

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

Yes, the Company implements water conservation through reduce, reuse, recharge and recycle approach, enabling the Company to implement ZLD at its locations.

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

Whether air emissions (other than GHG emissions) by the entity is applicable to the Company?

Yes

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	ug/m3	40.00	56.03
SOx	ug/m3	36.00	48.01
Particulate matter (PM)	ug/m3	22.00	35.02
Persistent organic pollutants (POP)	ug/m3	0.00	0.00
Volatile organic compounds (VOC)	ug/m3	0.00	0.00
Hazardous air pollutants (HAP)	ug/m3	0.00	0.00
Others-Please specify	ug/m3	-	-

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

Yes. Assessed by Telangana State Pollution Control Board.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Whether greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity is applicable to the Company?

Yes

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	304.63	454.00
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	10686.05	5656.00
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO2e / Rs.	0.0000018948	0.0000010657

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO2e / Rs.	0.000001895	0.000001094
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO2e	10990.70	6110.50
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

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

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

Some of our products and their development are our major contribution towards clean technology thereby contributing to reduction in global carbon footprint and greenhouse emissions. As part of our green initiative as well as thrust towards renewable energy, we have set up solar rooftop panels across the units for captive power generation and switched over to LED lights.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.00	0.00
E-waste (B)	0.00	0.00
Bio-medical waste (C)	0.00	0.00
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	0.00	0.00
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	428.00	638.00
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. By materials relevant to the sector)	861.00	833.00
Total (A+B + C + D + E + F + G+H)	**1289.00**	**1471.00**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000002222	0.0000002566
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0000002222	0.0000002566
Waste intensity in terms of physical output	11.97	13.66
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	861 Tonnes	833 Tonnes
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**861 Tonnes**	**833 Tonnes**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	**-**	**-**

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

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

We dispose most of our waste which comes in the form of metal shavings and machining scrap to vendors who then re-melt the same for re-use, thereby leading to conservation of natural resources. Also, our products are transported in biodegradable plywood cartons that are re-usable.

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

S. No.	Location of Operations/ Offices	Type of Operations	Whether the conditions of environmental approval/ clearance are being complied with? If no, the reasons thereofnd coreective action taken, if any.
Not Applicable			

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
No environmental impact assessments were required based on applicable law.					

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

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	All the units under the entity are in compliance with the applicable environmental laws/regulations and guidelines as per the national and state level mandates.			

LEADERSHIP INDICATORS

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

For each facility / plant located in areas of water stress, provide the following information : **NA**
(i) Name of the area
(ii) Nature of operations
(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
(ii) Into Groundwater	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
(iii) Into Seawater	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
(v) Others	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
Total water discharged (in kilolitres)	NA	NA

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

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	MtCO2e	956.14	1614.39
Total Scope 3 emissions per rupee of turnover	MtCO2e / Rs.	0.00000017	0.0000028
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

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

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

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

Sr. No.	Initiative Undertaken	Details of the initiative (Web link, if any, may be provided along-with summary)	Outcome of the initiative
Please refer to Question 6 of Essentail Indicators under Principle 6			

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has emergency preparedness plans in place to deal with any sort of emergency situations, hazards & risks, including the provision for first aid. Relevant information and Basic training related to emergency preparedness and response is provided to the employees where the duties and responsibilities of various entities are communicated. In case of occurrence of any unfortunate incident in the plant, proper analysis is carried out and appropriate preventive measures are initiated to avoid recurrence in future.

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

No significant adverse impact reported from any value chain partners.

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

As of now, the Company does not have any formal assessment mechanism to monitor the environmental impact of value chain partners' activities. However The code of conduct and ethics policy is applicable to all the business partners which urges one to align their goals with that of the socio-environment regulations.

PRINCIPLE 7

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

ESSENTIAL INDICATORS

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

3

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

S .No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	National
2	Society of Indian Defence Manufacturer	National
3	The Federation of Telangana Chambers of Commerce and Industry	State
4	Export Promotion Council	National

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

Name of the authority	Brief of the case	Corrective action taken
The Company has not engaged in any anti-competitive conduct		

LEADERSHIP INDICATORS

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

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/Others– please specify)	Web Link, if available
1	Nil	Nil	Nil	Nil	Nil

PRINCIPLE 8

BUSINESS SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

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

Name and brief details of project	S/A Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No)	Relevant web link
None of the projects undertaken by the Company in FY 2023-24 required Social Impact Assessments (SIA).					

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

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

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

A Grievance redressal policy for the community is in place, including mechanisms and procedure for raising of grievances /complaints as well as their escalation and redressal in line with the Code of Conduct of the Company.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producer	Nil	Nil
Sourced directly from within the district and neighbouring districts	Nil	Nil

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
1. Rural		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii) Total Wage Cost	0.00	0.00
iii) % of Job creation in Rural areas	0.00	0.00
2. Semi-urban		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii) Total Wage Cost	0.00	0.00
iii) % of Job creation in Semi-Urban areas	0.00	0.00
3. Urban		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	95,15,20,000.00	92,36,30,000.00
ii) Total Wage Cost	95,1520,000.00	92,36,30,000.00
iii) % of Job creation in Urban areas	100.00%	100.00%
4. Metropolitan		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii) Total Wage Cost	0.00	0.00
iii) % of of Job creation in Metropolitan area	0.00	0.00

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Date of negative social impact identified	Corrective action taken
Not Applicable	

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

S. No.	State	Aspirational District	Amount spent (In INR)
1	Telangana	Hyderabad	20655280.00

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

No. Ours being a highly technical domain dealing with a niche clientele, the suppliers are often limited to those who are qualified by the customer.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

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

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	The Company does not derive any benefits from intellectual properties owned or acquired based on traditional knowledge			

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

S. No.	Name of authority	Brief of the Case	Corrective action taken
1	Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Donation to Local Orphanages/NGO's	7000	100 % of the projects undertaken serve beneficiaries who are from the under privileged, backward, vulnerable and marginalised sections of society.

PRINCIPLE 9

BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

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

Consumers/Public are furnished with various choices to interface with the Organization through email, phone, and site. The Company has a committed personnel to respond to their queries and receive feedback in order to improve its services.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable as the Company has a wide range of product across different segments
Safe and responsible usage	
Recycling and/or safe disposal	

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

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential	Nil	Nil	Nil	Nil	Nil	Nil
services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

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

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

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

Yes, the Company is certified for ISO/IEC 27001 : 2022 for Information Security and has a policy in place to provide the framework for cyber security. https://mtar.in/investor-relations/corporate-governance/policies-related-documents/

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

None

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact	0
b. Percentage of data breaches involving personally identifiable information of customers	0%
c. Impact, if any, of the data breaches	Nil

LEADERSHIP INDICATORS

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

The Company's business offerings can be found on the website- https://www.mtar.in/business-segments/

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

All Business segments of the Company comply with the regulations and relevant voluntary codes concerning the communications and pitch designed for the consumers. The Company's communications are aimed to enable the customers to make informed purchase decisions.

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

The Company works on make to order system, however the Company has necessary mechanisms in place to inform consumers if any major discontinuation happens.

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

Not applicable, as the Company operates in B2B model.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?

No

ANNEXURE II

FORM MR-3

Secretarial Audit Report

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

To,
The Members
MTAR Technologies Limited

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Financial Year commencing from 1st April, 2023 and ended 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2024 according to the provisions of:

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

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

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

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

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2023-24:-

i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
Complied with yearly and event-based disclosures, wherever applicable.

ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018;
The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., https://www.mtar.in/

iii.The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
Not Applicable as the Company has not issued any Capital during the year under review.

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

v. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
Not Applicable as the Company has not issued any non-convertible securities during the year under review.

vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the Company has KFin Technologies Limited as its Share Transfer Agent.

vii. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
Not Applicable as the Company has not delisted/ proposed to delist its equity shares during the year under review.

viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.

ix. **Other applicable laws include the following**
1. Factories Act, 1948
2. Industrial Disputes Act, 1947
3. The Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. Employees' State Insurance Act, 1948
6. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
7. The Payment of Bonus Act, 1965
8. The Payment of Gratuity Act, 1972
9. The Contract Labour (Regulation & Abolition) Act, 1970
10. The Maternity Benefit Act, 1961
11. The Child Labour (Prohibition & Regulation) Act, 1986
12. The Industrial Employment (Standing Order) Act, 1946
13. The Employees' Compensation Act, 1923
14. The Apprentices Act, 1961
15. Equal Remuneration Act, 1976
16. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959

Environmental Laws

1.Water (Prevention and Control of Pollution) Cess Act, 1977;
2.Air (Prevention and Control of Pollution) Act, 1981;
3.Environment (Protection) Act, 1986;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

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

a) During the year the Company has conducted 4 meetings of the Board of Directors, 4 Meetings of Audit Committee meeting 2 Meetings Nomination and Remuneration Committee, 4 Meetings of Risk Management Committee, 1 Meetings of Stakeholder Relationship Committee, 1 Meeting of Corporate Social Responsibility Committee and 1 Meeting of Independent Directors.

b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that:

(i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
• External Commercial Borrowings were not attracted to the Company under the financial year under report;

• Foreign Direct Investment (FDI) was not attracted to the Company under the financial year under report;

• Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the Company under the financial year under report.

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

We further report that:

• Mr. Gunneswara Rao Pusarla is the Chief Financial Officer of the Company Further, Mr. Shubham Bagadia is the Company Secretary and Compliance Officer of the Company.

• The Company has Internal Auditors Namely M/s. Seshachalam & Co., Chartered Accountants, Hyderabad and Cost Auditors Namely M/s Sagar& Associates.

• The website of the Company contains policies as specified by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013.

• The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

• Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

• As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

• We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. other than those already disclosed to Stock Exchanges i.e., BSE and NSE.

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

• The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

For S.S. Reddy & Associates

Sd/-
S. Sarveswar Reddy
Practicing Company Secretary
M. No. F12619, C.P. No: 7478
UDIN: F012619F000437441
Peer Review Cer. No.: 1450/2021

Place: Hyderabad
Date: 24.05.2024

Annexure A

Annexure to the Secretarial Audit Report

To
The Members of
MTAR Technologies Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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

3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

6. The secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S.S. Reddy & Associates

Sd/-
S. Sarveswar Reddy
Practicing Company Secretary
M. No. F12611, C.P. No: 7478
UDIN: F012619F000437441
Peer Review Cer. No.: 1450/2021

Place: Hyderabad
Date: 24.05.2024

ANNEXURE III

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis : **Not Applicable as all the Related Party Transactions have been entered into at an arm's length basis.**

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

2. Details of material contracts or arrangement or transactions at arms length basis:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any: Approved by Audit Committee and Board Meeting in last Financial Year
1	Magnatar Aero Systems Private Limited- WOS	Reimbursable Expenditure incurred on behalf of Magnatar	FY 2023-24	As per Contracts and agreements	09.02.2023
2	Gee Pee Aerospace & Defence Private Limited- WOS	Purchase transaction- Job Work	FY 2023-24	As per Contracts and agreements	09.02.2023
3	Gee Pee Aerospace & Defence Private Limited- WOS	Interest Income	FY 2023-24	As per Contracts and agreements	09.02.2023
4	Gee Pee Aerospace & Defence Private Limited- WOS	Commision Income	FY 2023-24	As per Contracts and agreements	09.02.2023
5	Gee Pee Aerospace & Defence Private Limited- WOS	Loan given during the year	FY 2023-24	As per Contracts and agreements	09.02.2023
6	K. Shalini- Promoter	Rent Expense	FY 2023-24	As per Contracts and agreements	09.02.2023

During the financial year 2023-24, all related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis and were approved by the Audit Committee of the Company.

For and on behalf of the Board of
MTAR Technologies Limited

Subbu Venkata Rama Behara
Chairman
(DIN: 00289721)

P. Srinivas Reddy
Managing Director
(DIN: 00359139)

Place: Hyderabad
Date: 28.05.2024

ANNEXURE IV

Report on CSR Activities

[Pursuant to section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief Outline of Company's CSR Policy, including overview of projects or programmes undertaken/ proposed to be undertaken:

As an integral part of our commitment to good corporate citizenship, the Company believes in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around our business operations. Our Company clearly recognizes the long-term benefits of such an association over tangible results in the short-term, and strongly believes that the spend of contribution in all CSR activities would always depend on identifying the right projects. Towards achieving long-term stakeholder value creation, we shall always continue to respect the interests of and be responsive to our key stakeholders - the communities, especially those from socially and economically disadvantaged groups. CSR at the Company shall be underpinned by 'More from Less for More People' philosophy which implies striving to achieve greater impacts, outcomes and outputs of our CSR projects and programmes by judicious investment and utilization of financial and human resources, engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives. Corporate citizenship is a natural extension of the Company's values and personality. For a brand that is all about dependability, your Company recognizes the symbiotic relationship between the various stakeholders to strengthen communities.

Discovering once again the social responsibility of developing economic, social and environmental capital towards sustainability, MTAR Technologies Limited crafted CSR projects in achieving the mission. MTAR Technologies Limited believes and strives hard in sustainable development of society in which the enterprise draws economic and natural resources by enriching its capacity in contributing to the significant positive change in the economy.

Corporate Social Responsibility (CSR) is fundamentally a philosophy or a vision about the relationship of business and Society. The emerging concept of CSR goes beyond charity and requires the Company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into Company's business process.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013 ('the Act'). Our Company is focused on working on projects that have a high impact on the communities in which we live and operate. The major areas of activities undertaken by the Company are towards the Education, employment enhancing vocational skills, Art & Culture, Health Care Centers, voluntary support, across all your Company's locations.

Additionally, your Company is committed to the active involvement and participation of its employees in its corporate social responsibility initiatives through the MTAR Voluntary week initiative.

2. Composition of CSR Committee:

The details of the composition of the committee are given below

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. G.V. Satish Kumar Reddy	Chairman, Non-Executive Director	1	1
2.	Mr. U.C. Muktibodh	Member, Independent Director	1	1
3.	Mr. V.G. Sekaran	Member, Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: The Committee has formulated a CSR Policy inter-alia indicating the CSR activities to be undertaken by your Company as per the Companies Act, 2013. The Committee reviews and recommends the amount of expenditure and CSR activities to be undertaken by your Company. The Committee also monitors the implementation of the CSR Policy of your Company from time to time. Details of the Policy of your Company are available at https://www.mtar.in/investor-relations/corporate-governance/policies-related-documents/. Details of various CSR initiatives undertaken by your Company are provided in this report and in the Business Responsibility and Sustainability Report of the Company for FY 2023-24 and are also available at https://www.mtar.in/business-responsibility-sustainability-reports/.

4. Provide the executive summary along with the web-link of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable since the Company's average CSR obligation is less than Rupees Ten Crores in the three immediately preceding financial years.

5.

Sl. No.	Particulars	Amount in Mn.
(a)	Average Net Profit of the Company as per sub-section (5) of section 135	963.71
(b)	Two percent of average net profit of the Company as per sub-section (5) of section 135	19.27
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	0
(d)	Amount required to be set off for the financial year, if any	2.41
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	16.86

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):
b) Amount spent in Administrative overheads:
c) Amount spent on Impact Assessment, if applicable:
d) Total amount spent for the Financial Year [(a)+(b)+(c)].
e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer.
2,06,55,280	NIL	NA	NA	NA	NA

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

Sl. No.	Particular	Amount (in Rs)
(i)	Two percent of average net profit of the Company as per sub-section (5) of secion135)	1,82,41,297
(ii)	Total amount spent for the Financial Year	2,06,55,280
(iii)	Excess amount spent for the financial year	24,13,983
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	**Amount available for set off in succeeding financial years**	**24,13,983**

g) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs.)	Date of Transfer		
NA									

7. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

8. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable as the Company has spent the entire CSR obligation.

For and on behalf of the Board of
MTAR Technologies Limited

	Venkata Satish Kumar Reddy	**P. Srinivas Reddy**
Place: Hyderabad	**Chairman CSR Committee**	**Managing Director**
Date: 28.05.2024	**(DIN: 06535717)**	**(DIN: 00359139)**

ANNEXURE V

Management Discussion and Analysis

The Management Discussion and Analysis Report, pursuant to the SEBI (LODR) Regulation that provides an overview of the affairs of the Company, its legal status and autonomy, business environment, mission & objectives, sectoral and segment-wise operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems is covered in corporate overview section (Refer page no 42 to 61)

ANNEXURE VI

Corporate Governance

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

1. Company'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Code of Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

(a) BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Policy on Board Diversity which sets out the approach to diversity of the Board of Directors. The Policy on Board Diversity is available on our website, https://mtar.in/.

(b) DATE OF REPORT:

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2024. The Report is updated as on the date of the report wherever applicable.

2. BOARD OF DIRECTORS:

(a) COMPOSITION AND CATEGORY OF DIRECTORS

The composition of the Board of Directors of the Company is an appropriate combination of executive and non-executive Directors with right element of independence. As on date, the Company's Board comprised of 9 (nine) Directors, including one Managing Director (promoter category), two executive Whole Time Directors (one promoter and one promoter group category).

In addition, there are 5 (Five) Independent Directors including one-woman director on the Board of the Company. In terms of clause 17(1) (b) of SEBI (LODR) Regulations, 2015, the Company is required to have one third of total Directors as Independent Directors. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the Directors other than Independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

(b) ATTENDANCE AND DIRECTORSHIPS HELD:

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

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown in **Table 1.**

(c) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS HELD AND DATES ON WHICH HELD:

Date of the Board Meetings: The Board of Directors duly met Four (4) times during the financial year 2023-24. The dates on which the meetings were held are 17th May 2023, 10th August 2023, 8th November 2023 and 13th February 2024. All the meetings were conducted through Physical mode and arrangement for Audio visual means was also made for those directors who didn't attend the meeting by physical mode during the FY 2023-24.

Table 1

Name of Director	Relationship with another Director	Category	No of Meetings Held	No of Meetings Attended	Whether Attended Last AGM (11.08.2023)	#No. of Director ships held in Public Companies	*No. of Committee Membership in Companies	No. of other Committee Chairman-ships
Mr. B.V.R Subbu	NIL	NED & ID	04	04	Yes	03	04	02
Mr. A. Krishna Kumar	NIL	NED & ID	04	04	Yes	04	04	01
Mr. V.G. Sekaran	NIL	NED & ID	04	04	Yes	01	01	Nil
Mrs. Ameeta Chatterjee	NIL	NED & ID	04	04	Yes	07	08	04
Mr. U.C Muktibodh	NIL	NED & ID	04	04	Yes	01	Nil	Nil
Mr. P. Srinivas Reddy	NIL	ED & Promoter	04	04	Yes	02	01	Nil
Mr. G.V Satish Kumar Reddy	NIL	NED & Non –ID	04	04	Yes	01	01	01
Mr. A. Praveen Kumar Reddy	Related to Mr. Anushman Reddy	WTD & Promoter group	04	04	Yes	01	Nil	Nil
Mr. Anushman Reddy	Related to Mr. A Praveen Reddy	WTD & Promoter	04	04	Yes	01	Nil	Nil

including directorship in MTAR Technologies Limited
*includes only Audit Committee & Stakeholders Relationships Committee in all public limited companies including MTAR Technologies Limited.

NED – Non-Executive Director
ED- Executive Director
ID –Independent Non-Executive Director
WTD – Whole-Time Director

(d) THE NAME OF OTHER LISTED ENTITIES WHERE DIRECTORS OF THE COMPANY ARE DIRECTORS AND THE CATEGORY OF DIRECTORSHIP ARE SHOWN IN TABLE 2.

Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. B.V.R Subbu	KPIT Technologies Limited	Independent Director
	Sona BLW Precision Forgings Limited	Independent Director
Mr. A. Krishna Kumar	Zaggle Prepaid Ocean Services Limited	Independent Director
	UCO Bank	Independent Director
Mr. V.G. Sekaran	-	-
Mr. P. Srinivas Reddy	Ravileela Granites Limited	Non-Executive & Non- Independent Director

Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mrs. Ameeta Chatterjee	JSW Infrastructure Limited	Independent Director
	Nippon Life India Asset Management Limited	Independent Director
	Jubilant Ingrevia Limited	Independent Director
Mr. G.V Satish Kumar Reddy	-	-
Mr. U.C Muktibodh	-	-
Mr. A.Praveen Kumar Reddy	-	-
Mr. Anushman Reddy	-	-

(e) NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS:

None of the non- executive directors of the Company are holding any shares in the Company.

(f) FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. During the financial year 2023-24, there has been no change in the Independent directors of the Company. The details of familiarisation programmes imparted to independent directors is available on our Company website at https://www.mtar.in/.

(g) DETAILS OF SKILLS/EXPERTISE/COMPETENCE MATRIX OF THE BOARD OF DIRECTORS:

S. No	Name of the Director	Skills/Expertise/Competence in specific functional areas
1	Mr. B V R Subbu	Specialisation in Economics, International Trade, Automobile Technology
2	Mr. A. Krishna Kumar	Specialisation in Economics, Banking and Finance
3	Mr. V.G. Sekaran	Mechanical Engineering, Specialisation in Aeronautical Engineering, Design and Technology Development of Indigenous long range Strategic Missile System.
4	Ms. Ameeta Chatterjee	Commerce, Investments and Acquisitions, Finance and Accounting and Finance
5	Mr. U.C Muktibodh	Specialisation in Mechanical Engineering, Nuclear Scientist, Design, Development and Engineering of various Nuclear and Conventional Systems
6	Mr. P. Srinivas Reddy	Engineering, Specialisation in Industrial Production and Engineering, General Management, Operations and Corporate Strategy
7	Mr. G.V Satish Kumar Reddy	Specialisation in Mechanical and Industrial Engineering, Management, Technology, Operations
8	Mr. A. Praveen Kumar Reddy	Engineering, Specialisation in Electronics and Communication, Operations, Strategies and management
9	Mr. Anushman Reddy	Export Operations, supply chain management, cost reduction measures and setting up green field projects with lean manufacturing

(h) INFORMATION SUPPLIED TO THE BOARD:

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

(i) DECLARATION BY INDEPENDENT DIRECTORS:

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Section 149(6) of the Companies Act, 2013.

(j) CONFIRMATION BY THE BOARD:

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

(k) RESIGNATION OF INDEPENDENT DIRECTOR

During the financial year 2023-24, there has been no resignation of the Independent directors of the Company.

(l) PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2023-24 on 13th February 2024, involving the following:

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

ii. Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman. An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on 13th February 2024, mainly to review the performance of Independent Directors and the Chairman & Managing Director as also the Board as a whole.

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

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

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

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

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

Disclosures as prescribed under SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/79 dated 10th May 2018 are given below:

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

3. COMMITTEES OF THE BOARD:

The Company has the following Committees:

- Audit Committee
- Nomination& Remuneration Committee
- Stakeholder Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee.
- Management Committee
- Technology Committee
- POSH Committee

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

The Board Committees have been constituted to deal with specific areas/activities as mandated by applicable rules and regulations or as delegated by the Board, which need a closer review.

The terms of reference of the Committees define its scope, powers and responsibilities. The Chairperson of the respective Committees briefs the Board about the summary of the discussions held at the Committee meetings and the recommendations of the Committee members.

The minutes of the meetings of all Committees are placed before the Board for their perusal. Further, there is an effective cross-committee discussion and coordination, in instances where there is any overlap with activities of such Committees, to ensure effective exercising of their roles and responsibilities as per the framework laid down by the Board of Directors and bring uniformity.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

The terms of reference of the Committees are in line with the applicable provisions of the Listing Regulations, the Companies Act, 2013 ("the Act") and the Rules issued thereunder. The detailed terms of reference of the Committees can be accessed on the Company's website at https://www.mtar.in/investor-relations/corporate-governance/policies-related-documents/

4. AUDIT COMMITTEE:

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

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and as per Regulation 18 of SEBI (LODR) Regulations, 2015 and, inter alia, includes:

i. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

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

b. Changes, if any, in accounting policies and practices and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions;

g. Modified opinion(s) in the draft audit report;

v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

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

vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions of the listed entity with related parties;

ix. Scrutiny of inter-corporate loans and investments;

x. Valuation of undertakings or assets of the listed entity, wherever it is necessary;

xi. Evaluation of internal financial controls and risk management systems;

xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. Discussion with internal auditors of any significant findings and follow up there on;

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

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

xviii. To review the functioning of the whistle blower mechanism;

xix. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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

xxii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

xxiii. Carrying out any other function as may be referred to the Committee by the Board.

xxiv. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

B. THE AUDIT COMMITTEE SHALL MANDATORILY REVIEW THE FOLLOWING INFORMATION:

i. Management discussion and analysis of financial condition and results of operations;

ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;

iii. Internal audit reports relating to internal control weaknesses; and

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

v. Statement of deviations:

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

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

C. COMPOSITION, MEETINGS & ATTENDANCE:

There were Four (4) Audit Committee Meetings held during the year on 17th May 2023, 10th August 2023, 8th November 2023 and 13th February 2024.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. A. Krishna Kumar	Chairperson	Non-Executive Independent Director	4	4
Mrs. Ameeta Chatterjee	Member	Non-Executive Independent Director	4	4
Mr. B.V.R Subbu	Member	Non-Executive Independent Director	4	4

5. NOMINATION AND REMUNERATION COMMITTEE:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

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

ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of an external agencies, if required;
b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
c. consider the time commitments of the candidates.

iii. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

iv. Devising a policy on diversity of board of directors;

v. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

vi. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

There were two (2) Nomination and Remuneration Committee Meetings held during the year on 17th May 2023 and 8th November 2023.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mrs. Ameeta Chatterjee	Chairperson	Non-Executive Independent Director	04	03
Mr. B.V.R Subbu	Member	Non-Executive Independent Director	04	03
Mr. Krishna Kumar Aravamudan	Member	Non-Executive Independent Director	04	04

C. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

In terms of the requirements of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and its Committees.

The Company has a structured assessment process, wherein the NRC of the Company has laid down the process for the effective manner of performance evaluation of the Board, its Committees and the Directors, including the Chairperson.

The evaluations are carried out in a confidential manner and the Directors provide their feedback by rating based on various metrics.

The Independent Directors at their separate meeting reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company after considering the views of other Directors, succession planning, the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The process of evaluations involved a questionnaire-based approach with all Board and committee members.

The Board evaluation process was completed for financial year 2023-24 to the satisfaction of the Board. The Board of Directors deliberated on the outcome and agreed to take necessary steps going forward.

D. POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Scope:

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

2. Terms and References:

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

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

2.3 “Independent Director” means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Qualifications and criteria

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

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

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

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the Code of Conduct established by the Company for Directors and senior Management personnel;
- shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as any prescribed, from time to time, under the Companies Act, 2013, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

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

3.2 Criteria of Independence

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

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

An independent Director in relation to a Company, means a director other than a Managing Director or a Whole-Time Director or a Nominee Director

i. who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;

ii. who is or was not a promoter of the listed entity or its holding, subsidiary or associate Company [or member of the promoter group of the listed entity];

iii. who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate Company;

iv. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate Company, or their promoters, or directors, during the 68[three] immediately preceding financial years or during the current financial year;

v. none of whose relatives—
a. is holding securities of or interest in the listed entity, its holding, subsidiary or associate Company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate Company, respectively, or such higher sum as may be specified;

b. is indebted to the listed entity, its holding, subsidiary or associate Company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;
c. has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate Company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or
d. has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate Company amounting to two percent or more of its gross turnover or total income: Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate Company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.

vi. who, neither himself [“/herself], nor whose relative(s) —
a. holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate Company [or any Company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed:
[Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment.]

b.is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
(i) a firm of auditors or Company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate Company; or
(ii) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;

c. holds together with his relatives two per cent or more of the total voting power of the listed entity; or

d. is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the listed entity;

e.is a material supplier, service provider or customer or a lessor or lessee of the listed entity;

vii. who is not less than 21 years of age.

viii. who is not a non-independent director of another Company on the board of which any non-independent director of the listed entity is an independent director:

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

3.3 Other Directorships/ Committee Memberships

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

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

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

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

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

E. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

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

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

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

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

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

2.1 “Director” means a Director appointed to the Board of the Company.

2.2 “key managerial personnel” means
(i) The Chief Executive Officer or the managing Director or the manager;
(ii) The Company Secretary;
(iii) The Whole-time Director;
(iv) The Chief Financial Officer; and
(v) Such other office as may be prescribed under the companies Act, 2013

2.3 “Nomination and Remuneration committee” means the committee constituted by Board in accordance with the provisions of Section 178 of the companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR)

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

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

(i) Basic pay
(ii) Perquisites and Allowances
(iii) Stock Options
(iv) Commission (Applicable in case of Executive Directors)
(v) Retrial benefits
(vi) Annual performance Bonus

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

3.2 Remuneration to Non – Executive Directors

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

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

3.3. Remuneration to other employees

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

F. OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIPS

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

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

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

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

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

6. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The Committee's role includes:

i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

ii. Review of measures taken for effective exercise of voting rights by shareholders;

iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

v. Such other matter as may be specified by the Board from time to time.

vi. Authority to review / investigate into any matter covered by Section 178 of the Companies Act, 2013 and matters specified in Part D of Schedule II of the Listing Regulations.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

One (1) Meeting of Stakeholders Relationship Committee held during the year on 13th February 2024.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. G.V Satish Kumar Reddy	Chairperson	Non-Executive Director	01	01
Mrs. K. Krishna Aravamudan	Member	Non-Executive Independent Director	01	01
Mr. V. G. Sekaran	Member	Non-Executive Independent Director	01	01

C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2023-24:

Opening balance	Received during the year	Resolved during the year	Closing balance
0	1	1	0

D. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Mr. Shubham Sunil Bagadia was appointed as the Company Secretary and Compliance Officer under the SEBI Regulations and the Nodal Officer to ensure compliance with the IEPF rules who resigned w.e.f 31st May 2024.

Further, Ms. Naina Singh has been appointed as the the Company Secretary and Compliance Officer under the SEBI Regulations and the Nodal Officer to ensure compliance with the IEPF rules w.e.f 1st June 2024.

7. RISK MANAGEMENT COMMITTEE:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The Committee’s role includes:

The role of the committee shall, inter alia, include the following:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

There were four (4) Risk Management Committee Meetings held during the year on 10th August 2023, 1st February 2024, 27th March 2024 and 30th March 2024.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. B.V. R Subbu	Chairman	Independent	04	04
Dr. V.G. Sekaran	Member	Independent	04	04
Mr. U.C. Muktibodh	Member	Independent	04	04
Mr. A. Krishna Kumar	Member	Independent	04	04
Ms. Ameeta Chatterjee	Member	Independent	04	04

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Committee comprising of Non-Executive Directors including two Independent Directors is constituted by the Board in accordance with the Act to:

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

b. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

c. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Policy is uploaded on the Company's website as required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

One Corporate Social Responsibility Committee Meetings held during the year on 17th May 2023.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. G.V Satish Kumar Reddy	Chairperson	Non-Executive Non-Independent Director	01	01
Mr. U C Muktibodh	Member	Non-Executive Independent Director	01	01
Mr. V G Sekaran	Member	Non-Executive Independent Director	01	01

9. SENIOR MANAGEMENT:

Particulars of senior management including the changes therein since the close of the previous financial year:

The Nomination and Remuneration Policy of the Company defines Senior Management of the Company. Below is the list of Senior Management Personnel of the Company as on 31st March 2024:

Sr. No.	Name	Designation
1	Gunneswara Rao Pusarla	Chief Financial Officer
2	Shubham Sunil Bagadia	Company Secretary and Compliance Officer
3	N Vedachalam	Executive Project Director
4	Rohit Khera	Resident Director
5	Raja Sheker Bollampally	Chief Operating Officer
6	Pusparaj Satpathy	Vice President
7	Doggala Siddareddy	Vice President
8	Alavalapati Veera Sudhakara Reddy	Vice President
9	Charabuddi Ramesh Reddy	Vice President
10	Bhogadi Lakshmana Babu	General Manager
11	Ayyalasomayajula Vara Prasad	Vice President

Sr. No.	Name	Designation
12	Srikanta Bag	Assistant Vice President
13	Saravanaraj Gurusamy	General Manager
14	Niladri Sekhar Banerjee	Head QA
15	R Laxmi Sundari	General Manager

Since the close of the previous financial year only the Company Secretary of the Company has changed and no other change has been in the list of senior management except due to change in the definition of Senior Management in the Nomination and Remuneration Policy of the Company pursuant to amendment to the Listing Regulations.

10. REMUNERATION OF DIRECTORS

A. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED Company:

None of the Non-Executive Directors except Mr. G.V Satish Kumar Reddy had any pecuniary relationship or transaction with the Company other than the Directors sitting fees and commission.

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

Policy:

1. Remuneration to Executive Director and key managerial personnel

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

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

1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components

(i) Basic pay
(ii) Perquisites and Allowances
(iii) Stock Options
(iv) Commission (Applicable in case of Executive Directors)
(v) Retrial benefits

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

2. Remuneration to Non – Executive Directors

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

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

3. Remuneration to other employees

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

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

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

c) REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2023-24 AND OTHER DISCLOSURES:

(Rs. in millions)

Name of the Director	Salary	Sitting Fees	Commission	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive	Number of Equity shares held
Mr. B.V.R Subbu	-	0.81	1.4	-	-	-	-	-
Mr. A. Krishna Kumar	-	0.86	1.4	-	-	-	-	-
Mr. V.G. Sekaran	-	0.61	1.4	-	-	-	-	-
Mrs. Ameeta Chatterjee	-	0.81	1.4	-	-	-	-	-
Mr. U.C Muktibodh	-	0.56	1.4	-	-	-	-	-
Mr. P. Srinivas Reddy	30.02	-	-	-	-	-	-	1392903
Mr. G.V Satish Kumar Reddy	-	0.46	-	-	-	-	-	-
Mr. A. Praveen Kumar Reddy	7.53	-	-	-	-	-	-	-
Mr. Anushman Reddy	9.94	-	-	-	-	-	-	268128

11. INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 18th March 2024, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

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

12. DIRECTORS AND OFFICERS INSURANCE:

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy.

13. ANNUAL GENERAL MEETINGS:

A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL/ORDINARY RESOLUTIONS THERE AT AS UNDER:

Financial Year	Date	Time	Location	Special Resolution Passed
2022-23	11.08.2023	03:00 PM	Video Conferencing and Audio-Visual Means	Yes
2021-22	23.09.2022	03:00 PM	Video Conferencing and Audio-Visual Means	No
2020-21	30.07.2021	03:00 PM	Video Conferencing and Audio-Visual Means	Yes

B. PASSING OF RESOLUTIONS BY POSTAL BALLOT

There were no resolutions passed by the Company through Postal Ballot during the financial year 2023-24.

C. SUSPENSION FROM TRADING

There was no suspension from trading in equity shares of the Company during the financial year 2023-24.

14. MEANS OF COMMUNICATION

The Company promptly discloses information on material corporate developments and other events as required under the Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purpose, it provides multiple channels of communications through dissemination of information on the online portal of the Stock Exchanges, Press Releases, Annual Reports and by placing relevant information on its website.

i. Publication of financial results: Quarterly, half-yearly and annual financial results of the Company are published in leading English and Telugu language newspaper, viz., all India editions of Financial Express and Surya in Telugu language, Hyderabad edition.

ii. Website and News Releases: In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' i.e. 'Disclosure under Regulation 46 of SEBI (LODR) Regulations' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Reports, financial results along with the applicable policies of the Company.

The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website at https://www.mtar.in/.

Quarterly Compliance Reports on Corporate Governance and other relevant information of interest to the Investors are also placed under the Investors section on the Company's website.

iii. Analysts presentations: In compliance with Regulation 46 of the Listing Regulations, the presentations, audio recordings, video recordings and transcripts of investors conference call on business and financial performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders. The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director, CFO & Head of Strategy and Investor Relations. The Company also uploaded transcript and audio recordings of the said meet on its website.

iv. Stock Exchange: The Company has a Policy for determination of Materiality of Events/Information for the purpose of making disclosure to the Stock Exchanges. The Managing Director and CFO are severally authorised to decide on the materiality of information for the purpose of making disclosures to the Stock Exchanges. The Company makes timely disclosures of necessary information to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where shares of the Company are listed, in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI. The Policy for determination of Materiality of Events/Information is available on the Company's website at www.mtar.in

v. Exclusive email ID for investors: The Company has a designated email id i.e. naina.singh@mtar.in exclusively for investor services, and the same is prominently displayed on the Company's website.

vi. NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre: NEAPS and BSE Listing are web-based application designed by NSE and BSE, respectively, for corporates to make submissions. All periodical compliance filings, inter alia, shareholding pattern, compliance report on corporate governance, corporate announcements, amongst others, are filed electronically in accordance with the Listing Regulations. Further, in compliance with the provisions of the Listing Regulations, all the disclosures made to the Stock Exchanges are in a format that allows users to find relevant information easily through a searching tool.

15. GENERAL SHAREHOLDER INFORMATION:

A. ANNUAL GENERAL MEETING:

The 25th Annual General Meeting of the Company will be held as per the following schedule:

Day	Friday
Date	6 September 2024
Time	03.00 P.M
Venue	Through Video Conferencing / other audio video means

B. FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2024-25 (TENTATIVE SCHEDULE)

The financial calendar (tentative) shall be as under:

Financial Year	2024-25
First Quarterly Results	On or before 14.08.2024
Second Quarterly Results	On or before 14.11.2024
Third Quarterly Results	On or before 14.02.2025
Fourth Quarterly Results	On or before 30.05.2025
Annual General Meeting for year ending 31 March 2025	On or before 30.09.2025

C. DIVIDEND PAYMENT DATE:

The Company has not paid any dividend during the year.

D. NAME AND ADDRESS OF STOCK EXCHANGE WHERE THE COMPANIES SECURITIES ARE LISTED:

BSE Limited, P. J. Towers, Dalal Street, Mumbai-400001. (BSE Scrip Code: 543270)	National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051. (NSE Symbol: MTARTECH)

E. ANNUAL LISTING FEE TO STOCK EXCHANGES:

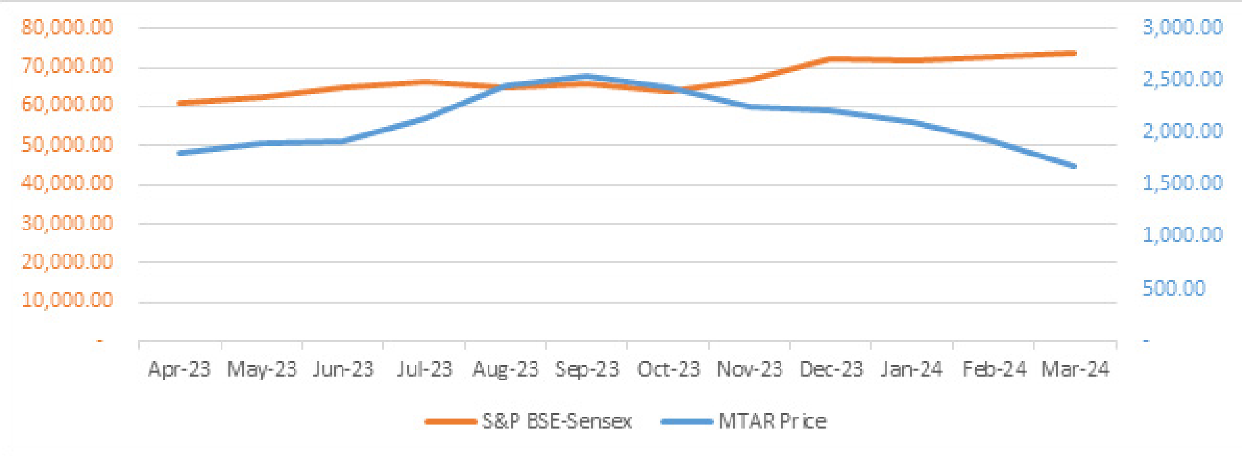
The Company has paid the listing fees for the financial year 2024-25 to BSE Limited and National Stock Exchange of India Limited.

F. STOCK MARKET PRICE DATA:

BSE Limited(Scrip code: 543270)

Month	Open Price(in Rs.)	High Price (in Rs.)	Low Price (in Rs.)	Close Price(in Rs.)	No. of Shares Traded
Apr-23	1,598.95	1,823.50	1,580.00	1,814.80	24,462
May-23	1,834.80	2,015.00	1,705.30	1,899.95	45,061
Jun-23	1,890.05	2,039.00	1,862.00	1,918.50	52,597
Jul-23	1,925.05	2,187.90	1,885.05	2,130.20	47,179
Aug-23	2,174.95	2,495.00	2,085.95	2,455.50	78,587
Sep-23	2,487.05	2,920.00	2,384.65	2,537.15	90,449
Oct-23	2,547.90	2,780.00	2,412.00	2,437.60	40,610
Nov-23	2,440.90	2,583.85	2,191.00	2,241.30	63,825
Dec-23	2,261.00	2,353.15	2,132.20	2,207.45	53,168
Jan-24	2,231.95	2,248.95	2,069.00	2,100.85	52,478
Feb-24	2,080.00	2,086.35	1,683.00	1,915.65	59,997
Mar-24	1,971.25	1,971.25	1,660.00	1,683.65	50,809

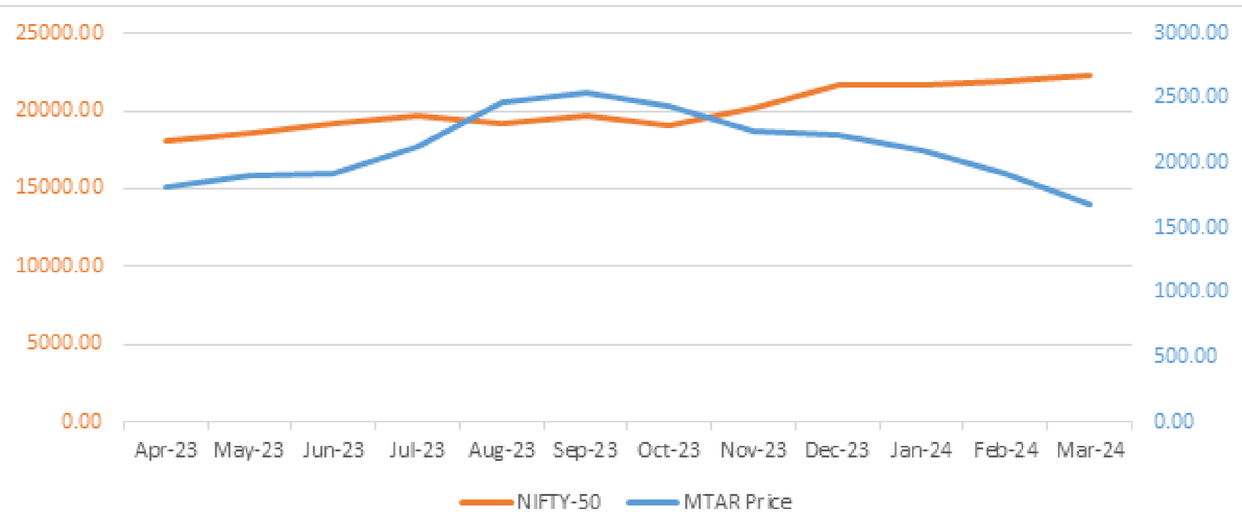
Performance compared to BSE Sensex



National Stock Exchange of India Limited (Symbol: MTARTECH)

Month	Open Price(in Rs.)	High Price (in Rs.)	Low Price (in Rs.)	Close Price(in Rs.)	No. of Shares Traded
Apr-23	1,754.90	1,822.90	1,717.00	1,812.80	15,713
May-23	1,913.00	1,922.95	1,890.00	1,899.35	6,283
Jun-23	1,934.00	1,952.00	1,910.00	1,917.75	13,147
Jul-23	2,139.95	2,148.90	2,119.15	2,133.00	10,859
Aug-23	2,338.00	2,495.65	2,336.15	2,462.50	87,301
Sep-23	2,575.65	2,587.00	2,525.25	2,537.60	15,167
Oct-23	2,525.00	2,525.00	2,430.00	2,438.85	25,792
Nov-23	2,235.00	2,259.80	2,230.55	2,240.60	14,708
Dec-23	2,205.00	2,215.00	2,171.55	2,208.30	18,200
Jan-24	2,098.00	2,115.45	2,066.60	2,100.55	20,478
Feb-24	1,929.70	1,939.70	1,907.00	1,916.10	14,444
Mar-24	1,690.00	1,714.20	1,665.10	1,683.75	26,699

Performance compared to NIFTY 50



G. REGISTRAR AND SHARE TRANSFER AGENTS:

Kfintech Technologies Limited,
Slenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500032, Telangana
Email: einward.ris@kfintech.com
Website: https://www.kfintech.com/ or https://ris.kfintech.com/

H. SHARE TRANSFER SYSTEM:

In terms of Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities can be transferred only in dematerialized form with effect from April 01, 2019. Accordingly, 100 percent of the shares of the Company are held in Demat Form.

I. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2024:

Category	Number of shareholders	%	Number of shares	Amount	% of amount
1 - 5000	317835	99.44	8364430	83644300	27.19
5001 - 10000	1091	0.34	814490	8144900	2.65
10001 - 20000	430	0.13	624393	6243930	2.03
20001 - 30000	83	0.03	205395	2053950	0.67
30001 - 40000	47	0.01	1654130	1654130	0.54
40001 - 50000	23	0.01	105209	1052090	0.34
50001 - 100000	47	0.01	314618	3146180	1.02
100001 & Above	79	0.02	20165643	201656430	65.56
Total:	**319635**	**100.00**	**30759591**	**307595910**	**100.00**

J. DEMATERIALISATION & LIQUIDITY OF SHARES:

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE864I01014. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares held in demat mode as on 31st March 2024 is as follows:

Particulars	No. of Shares	% Share Capital
NSDL	24488496	79.61
CDSL	6271095	20.39
Total	**30759591**	**100.00**

K. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March 2024.

L. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company faces foreign exchange fluctuation risk as majority of the turnover is derived from export. To mitigate the foreign exchange fluctuation risk, the Company has hedged though forward contracts.

M. PLANT LOCATIONS:

S. No	Name of the Unit	Address
1	Unit- 1	18, Technocrats Industrial Estate, Balanagar, Hyderabad- 500037 Telangana, India.
2	Unit- 2	Survey No. 149/P, IDA, Jagadgirigutta Road,Gandhinagar, Hyderabad–500037, Telangana, India.
3	Unit – 3	Plot No. 97 & 100A, Co-operative Industrial Estate, (E.P), Gandhinagar, Hyderabad – 500037, Telangana, India.
4	Unit- 4	B-34, EEIE, Balanagar Township, Hyderabad – 500037, Telangana, India.
5	Unit- 5	58/C, PHASE-1, IDA JEEDMETLA, Hyderabad – 500055, Telangana, India.
6	EOU	Jagadgiri Gutta Road, Gandhinagar, Balanagar, Hyderabad 500 037, Telangana, India.
7	Unit- 6	Plot No.1B in Sy No. 656/A, situated at Adibatla (Aditya Nagar) Village, Gram Panchayat Adibatla, Ibrahimpatnam Mandal, Ranga Reddy District, T.S.- 501510, India.
8	Unit- 7	17/A Phase-III, IDA, Pashamailaram, Phase-III, IDA Pashamailaram, Isnapur, Sangareddy, Telangana, 502307, India.

N. REGISTERED OFFICE AND ADDRESS FOR CORRESPONDANCE:

Ms. Naina Singh
(Company Secretary and Compliance Officer)

Address:
18, Technocrats Industrial
Estate, Balanagar,
Hyderabad – 500037
Telangana

O. LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD:

The Company has not issued any debt instruments and did not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March 2024. The ratings given by ICRA for short-term borrowings and long-term borrowings of the Company are A (Stable) and A (Stable), respectively. There was no revision in the said ratings during the year under review.

P. BOOK CLOSURE DATE:

The date of Book Closure for the purpose of Annual General Meeting shall be from 31st August 2024 to 6th September 2024 (both days inclusive).

Q. ELECTRONIC CONNECTIVITY: Demat ISIN Number: INE864I01014

R. NATIONAL SECURITIES DEPOSITORY LIMITED

Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013.

S. CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

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

T. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2024:

S. No	Category	No. Shares held	% of shareholding
A	**Shareholding of Promoter and Promoter group**		
1	Indian		
	Individual	11449474	37.22
	Body Corporate	12500	0.04
2	Foreign	-	-
	Individual	-	-
	Sub-Total A	**11461974**	**37.26**
B.	**Public Shareholding**		
1.	Institutions	3250545	10.57
2.	Non-Institutions		
	a. Bodies Corporate	295586	0.96
	b. Indian Public and Others	10190004	33.13
	Sub Total B	**19297617**	**62.74**
	Grand Total (A+B)	**30759591**	**100.00**

16. OTHER DISCLOSURES:

A. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF LISTED ENTITY AT LARGE:

There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

B. DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES, STRICTURES IMPOSED ON THE LISTED ENTITY BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS:

There was no penalty imposed on Company by stock exchange during the previous three financial years except for delay in intimation for declaration of dividend in the FY 2021-22.

C. WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined in Regulation 22 of SEBI (LODR) Regulations 2015 and in terms of Section 177 of the Companies Act, 2013.

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person has been denied access to the Audit Committee.

D. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and implemented non–mandatory requirements to better suit the governance practices of the Company.

E. WEB LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED:

The Company does not have any material subsidiary as defined under Listing Regulations, however, the policy for determining its 'Material' Subsidiaries was formulated and the same is available on the website of the Company https://www.mtar.in/.

F. WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's Website www.mtar.in. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by the statutory auditor to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Listing Regulations.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-1 annexed as **Annexure IX**.

G. DISCLOSURE OF COMMODITY HEDGING ACTIVITIES:

The Company is not materially exposed to commodity price risks nor does the Company do any commodity hedging.

H. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A):

The Company has not raised any fund through preferential allotment or Qualified Institutional Placement during the financial year 2023-24.

I. CERTIFICATE FROM PRACTICING Company SECRETARY:

The Company has obtained certificate from Practicing Company Secretary that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such authority and the Certificate to this effect, duly signed by the Practicing Company Secretary is annexed as **Annexure A** to this Report.

J. RECOMMENDATIONS OF COMMITTEES:

The Board has accepted and acted upon all the recommendations by the Audit & Nomination and Remuneration Committees.

K. TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR:

The Total Audit Fee for all services paid by the Company and its subsidiaries on a consolidated basis to the statutory auditor (s) is Rs. 5.99 Mn.

L. DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Sr. No.	Particulars	Number
a.	No. of Complaints filed during the financial year	Nil
b.	No. of Complaints disposed of during the financial year	Nil
c.	No. of Complaints pending as on end of the financial year	Nil

M. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT:

Neither the listed Company nor the subsidiary Company has advanced any loan to firm/ companies in which directors are interested except loans and advances between MTAR and its subsidiaries where there are common directors.

N. DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY; INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES: NIL

17. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT:

The Company has complied with the requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015.

18. ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II of SEBI (LODR) REGULATIONS, 2015:

The Company has adopted discretionary requirements to the extent of Internal Auditors reporting to the Audit Committee.

19. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46 ARE AS FOLLOWS:

Regulation	Particulars	Compliance Status u/r 46
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of Listed Company	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46 (2) (b) to (i)	Website	Yes

20. DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2023-24:

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended on 31st March, 2024 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015. The Certificate on Code of Conduct has been provided as **Annexure B** in this Report.

21. MD/ CFO CERTIFICATION:

The Managing Director and CFO certification of the financial statements as specified in Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the Financial Year 2023-24 is provided as **Annexure C** in this Report.

22. CORPORATE GOVERNANCE CERTIFICATE:

The Certificate on Corporate Governance from Practicing Company Secretary, stating compliance with conditions of corporate governance of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the Financial Year 2023-24 is provided as **Annexure D** in this Report.

23. RECONCILIATION OF SHARE CAPITAL:

A qualified Practicing Company Secretary carries out audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital of the Company. Reconciliation of Share Capital Audit Report issued by the Practicing Company Secretary confirms that the total paid up capital was in agreement with the total number of shares in physical firm and the total number of dematerialized shares held with NSDL and CDSL.

24. DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE:

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years except one penalty due to the delay in intimation for declaration of dividend. The penalty was paid and the management assured the Board that due care would be taken in order to avoid any further non-compliances.

25. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

No equity shares were lying under unclaimed suspense account during the financial year 2023-24.

26. COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS UNDER LISTING REGULATIONS:

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- **Audit qualifications**: Company's financial statements have no qualifications.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2) (a) of the Listing Regulations.

27. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 133 of the Companies Act, 2013.

28. GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

As part of the green initiative process, the Company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, Audited financial Statements, Auditors Report, Dividend intimations etc., by email are sent only to those shareholders whose email addresses are not registered with the Company and for bounced mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent/ concerned depository to enable the Company to send the documents in electronic from or inform the Company, in writing, in case they wish to receive the above documents in paper mode.

For and on behalf of the Board of
MTAR Technologies Limited

	Subbu Venkata Rama Behara	**P. Srinivas Reddy**
Place: Hyderabad	**Chairman**	**Managing Director**
Date: 28.05.2024	**(DIN: 00289721)**	**(DIN: 00359139)**

ANNEXURE A to Report on Corporate Governance

Certificate of Non-Disqualification of Directors

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

To,
The Members of
MTAR Technologies Limited
Hyderabad

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MTAR Technologies Limited** having CIN **L72200TG1999PLC032836** and having registered office at 18, Technocrats Industrial Estate, Balanagar, Hyderabad 500037 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Subbu Venkata Rama Behara	00289721	05/12/2020
2.	Mr. Parvat Srinivas Reddy	00359139	11/03/2015
3.	Mr. Aravamudan Krishna Kumar	00871792	05/12/2020
4.	Mr. Gnana sekaran venkatasamy	02012032	05/12/2020
5.	Mrs. Ameeta chatterjee	03010772	05/12/2020
6.	Mr. Venkata satish kumar reddy gangapatnam	06535717	21/09/2017
7.	Mr. Udaymitra Chandrakant Muktibodh	06558392	05/12/2020
8.	Mr. Anushman Reddy	08104131	09/08/2022
9.	Mr. Praveen Kumar Reddy Akepati	08987107	14/12/2020

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

For S.S. Reddy& Associates
Practicing Company Secretaries

Sd/-
S. Sarveswar Reddy
M. No.: F12611; CP No. 7478
UDIN: F012619F000437868
Peer Review Cer. No.: 1450/2021

Place: Hyderabad
Date: 24.05.2024

ANNEXURE B to Report on Corporate Governance

Declaration of compliance with the Code of Conduct

I, P. Srinivas Reddy, Managing Director of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2023-24.

For MTAR Technologies Limited

Sd/-
P. Srinivas Reddy
Managing Director
(DIN: 00359139)

Place: Hyderabad
Date: 28.05.2024

ANNEXURE C to Report on Corporate Governance

MD AND CFO Certification in respect of Financial Statements and Cash Flow Statement

(Pursuant to Regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 For the Financial Year ended March 31, 2024)

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March 2024 and we hereby certify and confirm to the best of our knowledge and belief the following:

a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.

c. There are no transactions entered in to by the Company during the year ended 31st March 2024 which are fraudulent, illegal or violative of Company's Code of Conduct.

d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.

e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.

f. That there have been no significant changes in the accounting policies during the relevant period.

g. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

	Sd/-	**Sd/-**
Place: Hyderabad	**P Srinivas Reddy**	**Gunneswara Rao Pusarla**
Date: 28.05.2024	**Managing Director**	**Chief Financial Officer (CFO)**
	(DIN: 00359139)	

ANNEXURE D to Report on Corporate Governance

Certificate on Corporate Governance

To
The Members Of
MTAR Technologies Limited

We have examined the compliance of the conditions of Corporate Governance by **MTAR Technologies Limited** ('the Company') for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para-C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31st March 2024.

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

For S.S. Reddy& Associates
Practicing Company Secretaries

Sd/-
S. Sarveswar Reddy
M. No.: F12611; CP No. 7478
UDIN: F012619F000437934
Peer Review Cer. No.: 1450/2021

Place: Hyderabad
Date: 24.05.2024

ANNEXURE VII(a)

STATEMENT SHOWING THE NAMES OF TOP TEN EMPLOYEES PURSUANT TO SEC. 197 READ WITH RULE 5 (1) (2) and (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of remuneration to each director to the median remuneration of the employees of the Company for the financial year.

Director	Total Remuneration (Rs. Mn)	Ratio to Median Remuneration
Parvat Srinivas Reddy	30.02	1:0.02
Praveen Kumar Reddy	7.53	1:0.07
Anushman Reddy	9.94	1:0.05

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Name	Designation	Remuneration (Rs. Mn)		Increase/ (Decrease) %
		FY 2023-24	FY 2022-23	
Parvat Srinivas Reddy	Managing Director	30.02	33.60	(10.6%)*
Praveen Kumar Reddy	Executive Director	7.53	3.51	114.5%
Anushman Reddy	Executive Director	9.94	5.57	78.5%
Gunneswara Rao Pusarla	Chief Financial Officer	13.18	16.80	(22%)*
Shubham Sunil Bagadia	Company Secretary & Compliance Officer	0.92	1.16	(21%)*

**In FY 2023-24 there was no change in the fixed portion of the remuneration however, the variation is due to non-payment of the variable component.*

3. The percentage increase in the median remuneration of employees in the financial year (Amount in INR)

Particulars	Remuneration (Rs.)		Increase/(Decrease) %
	FY 2023-24	FY 2022-23	
Median Remuneration of all the employees per annum	5,25,502	5,22,504	0.6%

4. No. of Employees on the Roll of Company as on 31st March 2024

Particulars	Number
Staff	613
Other than permanent employee	58
Permanent workers	498
Other than permanent workers	622
Total	1791

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration.

Particulars	Increase/(Decrease) %
Average Percentage increase in the Remuneration of all Employees* (Other than Key Managerial Personnel)	1%
Average Percentage increase in the Remuneration of Key Managerial Personnel	2%

**Employees who have served for whole of the respective financial years have been considered.*

6. Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company is in compliance with its remuneration policy.

ANNEXURE VII(b)

Statement showing the names of the Top ten Employees in terms of Remuneration drawn as per Rule 5 (3) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

No	Name	Designation	Remuneration received (Rs.)	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014.	Whether any such employee is a relative of any director or manager of the Company and if so, name of such Director or manager
1	Srinivas Reddy P	Managing Director	30023400	Permanent	Ms- Industrial Engineering	01-03-2020	53	-	0.00	NA
2	Gunneswara Rao Pusarla	Chief Financial Officer	13176920	Permanent	CA	08-11-2021	56	Tata Sikrosky	0.00	NA
3	M Anushman Reddy	Executive Director	9938520	Permanent	MS+MBA	04-12-2016	42	Aerovironment	0.00	Yes, Relative of Akepati Praveen Kumar Reddy
4	N Vedachalam	Executive Project Director	8400000	Permanent	Doctor of Science (HC)	10-02-2023	69	GOI	0.00	NA
5	Rohit Khera	Resident Director	8376600	Permanent	Economics Honours	15-09-2021	48	GOI	0.00	NA
6	Raja Sheker Bollampally	Chief Operating Officer	7658518	Permanent	MS- Material Science	03-05-2023	61	OHMIUM	0.00	NA
7	Akepati Praveen Kumar Reddy	Executive Director	7530960	Permanent	B.Tech (ECE)	01-10-2022	31	-	0.00	Yes, Relative of Anushman Reddy
8	Pusparaj Satpathy	Vice President- HR	5421168	Permanent	MA & MBA	11-12-2019	60	Century Enka Ltd	0.00	NA
9	Doggala Siddareddy	Vice President	4400004	Permanent	M.Tech & EPBM-IIM	25-07-2010	61	ITC	0.00	NA
10	Alavalapati Veera Sudhakara Reddy	Vice President	4200000	Permanent	B.Tech	18-01-1987	55	-	0.00	NA

ANNEXURE VIII

Form AOC - 1

Statement containing salient features of the financial statements of Subsidiaries
(Pursuant to proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

1. Name of the Subsidiaries: i. Magnatar Aero Systems Private Limited
ii. Gee Pee Aerospace & Defence Private Limited

2. Reporting Period: 01.04.2023 to 31.03.2024

3. Reporting Currency: Indian Rupee

(Amount in Rs.)

S. No.	Particulars	Magnatar Aero System Private Limited	Gee Pee Aerospace & Defence Private Limited
1.	Share Capital	1,00,000	30,83,500
2.	Reserves and surplus	(3,84,579)	49,16,669
3.	Total Assets	1,28,827	10,07,70,265
4.	Total Liabilities	1,28,827	10,07,70,265
5.	Investments	0	0
6.	Turnover	0	5,13,91,069
7.	Profit / loss before Taxation	(67,659)	(5,17,991)
8.	Provision for Taxation	0	(2,88,595)
9.	Profit / loss after Taxation	(67,659)	(2,29,396)
10.	Proposed Dividend	0	0
11.	% of Shareholding	100%	100%

1. Names of Subsidiaries which are yet to commence operation: **Magnatar Aero System Private Limited**

2. Names of subsidiaries which have been liquidated or sold during the year: **None**

For and on behalf of the Board of
MTAR Technologies Limited

Subbu Venkata Rama Behara
Chairman
(DIN: 00289721)

P. Srinivas Reddy
Managing Director
(DIN: 00359139)

Place: Hyderabad
Date: 28.05.2024

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of MTAR Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the acCompanying standalone financial statements of MTAR Technologies Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the acCompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Revenue recognition (as described in Note 2.2f and 20 of the standalone financial statements)	
Revenue from contracts with customer is recognised when control of the goods 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. During the year ended March 31, 2024, the Company has recognised revenue amounting to Rs. 1,606.29 million and Rs. 4,118.90 million from domestic and export sales respectively.	Our audit procedures, among others included the following: • Assessed the Company's revenue recognition policy in terms of Ind AS 115 ("Revenue from Contracts with Customers"). • Obtained an understanding, assessed the design and tested the operating effectiveness of internal controls related to revenue recognition.

Key audit matters	How our audit addressed the key audit matter
(a) Revenue recognition (as described in Note 2.2f and 20 of the standalone financial statements)	
The point at which control passes is determined based on the terms and conditions by each customer arrangement i.e., delivery specifications including incoterms in case of exports. The risk is, therefore, that revenue may not get recognised in the correct period. Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the standalone financial statements.	• Performed the following tests for a sample of transactions o tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts / sales orders, shipping documents and other related documents. o verified whether the recognition of revenue is in accordance with the incoterms / when the conditions for revenue recognitions are satisfied. • Tested the supporting documentation for sample of sales transactions recorded during the period closer to the year end to agree the period of revenue recognition to underlying documents as referred above. • Assessed the relevant disclosures made in the standalone financial statements.

We have determined that there are no other key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate a ccounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for en-suring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

• Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2 (i) (vi) below on reporting under Rule 11(g);

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards 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 March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act; Chartered Accountants.

(f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2 (b) above on reporting under Section 143(3)(b) and paragraph 2 (i) (vi) below on reporting under Rule 11(g);

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32 to the standalone financial statements;

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

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

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

b) The management has represented that, to the best of its knowledge and belief, 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to database when using certain access rights, as described in note 41 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of accounting software where the audit trail has been enabled.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 24504777BKDHLR4213

Place of Signature: Hyderabad
Date: May 28, 2024

Annexure 1 referred to in paragraph under the heading "Report on Other legal and Regulatory Requirements" of our report of even date

Re: MTAR Technologies Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

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

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

(b) All Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

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

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate.

(b) As disclosed in Note 17 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Com-pany. Based on the records examined by us in the normal course of audit of the standalone financial state ments, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has provided loans as follows

(Amount in Rs. million)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted / provided during the year - Subsidiary	19.50	Nil	19.50	Nil
Balance outstanding as at balance sheet date in respect of above cases - Subsidiary	19.50	Nil	61.17	Nil

During the year the Company has not provided advances in the nature of loans and provided security to firms, Limited Liability Partnerships or any other parties.

(b) During the year the investments made and the terms and conditions of the grant of a loan, investments and guarantees to a Company are not prejudicial to the Com-pany's interest.

(c) The Company has granted loan during the year to a Company where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. However, the repayment of principal or payment of interest is not due. The Company has not granted advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partner ships or any other parties which had fallen due during the year.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of high precision machinery and are of the opinion that prima facie, the spec-ified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provision of sales-tax, service tax, duty of excise and value added tax are not applicable to the Company.

(b) There dues of goods and services tax, provident fund, employees' state insurance, income tax, duty of customs, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	**Nature of the dues**	**Amount (Rs)**	**Period to which the amount relates**	**Paid under pro-test (Rs)**	**Forum where the dispute is pending**
Greater Hyderabad Municipal Corporation Act, 1955	Property tax	25,529,461	From 2011-12 to 2020-21	25,529,461	Supreme court of India

(viii) 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. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

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

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint venture.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary Company. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company. The Company does not have any associate or joint venture.

(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, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor or secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

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

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

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

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 39 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information acCompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 31 to the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in Note 31 to the standalone financial statements.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 24504777BKDHLR4213

Place of Signature: Hyderabad
Date: May 28, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MTAR TECHNOLOGIES LIMITED

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

We have audited the internal financial controls with reference to standalone financial statements of MTAR Technologies Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone 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 these standalone financial statements and their operating effectiveness. Our audit of i nternal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 24504777BKDHLR4213

Place of Signature: Hyderabad
Date: May 28, 2024

Standalone Balance Sheet as at March 31, 2024

(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	3,312.10	2,815.16
Capital work in progress	3.1	677.50	631.61
Intangible assets	3 (b)	7.30	7.94
Financial assets			
Investments	4 (a)	67.04	67.04
Loans	5 (a)	61.17	41.67
Other financial assets	5 (b)	25.69	21.33
Non-current tax assets (net)	6	51.49	5.00
Other non-current assets	7	213.30	81.84
		4,415.59	**3,671.59**
Current Assets			
Inventories	9	3,468.39	3,859.67
Financial assets			
Investment in mutual funds	4 (b)	-	274.74
Trade receivables	10	1,462.72	2,081.16
Cash and cash equivalents	11	392.22	122.29
Bank balances other than cash and cash equivalents	12	114.42	187.52
Other financial assets	5 (b)	92.57	50.13
Other current assets	8	114.16	382.35
		5,644.48	**6,957.86**
Total assets		**10,060.07**	**10,629.45**
Equity and liabilities			
Equity			
Equity share capital	13	307.59	307.59
Other equity	14	6,464.06	5,900.53
		6,771.65	**6,208.12**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	17	969.89	777.23
Provisions	15	26.27	56.25
Deferred tax liabilities (net)	16	206.56	180.10
Non current liabilities	19	30.43	-
		1,233.15	**1,013.58**
Current liabilities			
Financial liabilities			
Borrowings	17	932.39	650.70
Trade payables	18		
- total outstanding dues of micro, small and medium enterprises		3.03	119.13
- total outstanding dues of creditors other than micro, small and medium enterprises		698.55	2,061.56
Other financial liabilities	17A	69.50	70.18
Provisions	15	33.17	18.54
Current tax liabilities (net)	6	-	22.06
Other current liabilities	19	318.63	465.58
		2,055.27	**3,407.75**
Total equity and liabilities		**10,060.07**	**10,629.45**
Summary of material accounting policies	2.2		

The acCompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered accountants
ICAI Firm registration number: 101049W/E300004

per Atin Bhargava
Partner
Membership no: 504777

Hyderabad
Date: May 28, 2024

For and on behalf of the Board of Directors of
MTAR Technologies Limited

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Venkatasatishkumar Reddy Gangapatnam
Director
DIN: 06535717

Gunneswara Rao Pusarla
Chief Financial Officer

Shubham Sunil Bagadia
Company Secretary
Membership no: ACS-55748

Hyderabad
Date: May 28, 2024

Standalone statement of profit and loss for the year ended March 31, 2024

(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	20	5,800.33	5,733.47
Other income	21	63.63	197.02
Total income		**5,863.96**	**5,930.49**
Expenses			
Cost of materials consumed	22	3,173.66	3,147.23
Changes in inventories of work-in-progress	23	(163.76)	(456.84)
Employee benefits expense	24	951.52	923.63
Finance costs	25	221.71	145.02
Depreciation and amortisation expense	26	226.42	182.71
Other expenses	27	722.19	579.83
Total expense		**5,131.74**	**4,521.58**
Profit before tax		**732.22**	**1,408.91**
Tax expense	28		
Current tax		157.66	340.71
Adjustment of tax relating to earlier periods		(14.29)	-
Deferred tax		26.17	27.45
Total tax expense		**169.54**	368.16
Profit for the year		**562.68**	1,040.75
Other comprehensive income (OCI)			
OCI not to be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		1.14	(40.45)
Income tax on above		(0.29)	10.18
OCI for the period, net of tax		**0.85**	**(30.27)**
Total comprehensive income for the year		**563.53**	1,010.48
Earnings per equity share of Rs. 10 each fully paid	29		
Basic and diluted, computed on the basis of profit attributable to equity holders in Rs		18.29	33.83
Summary of material accounting policies	2.2		

The acCompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered accountants
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per Atin Bhargava
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Chief Financial Officer

Shubham Sunil Bagadia
Company Secretary
Membership no: ACS-55748

Place: Hyderabad
Date: May 28, 2024

Standalone statement of cash flows for the year ended March 31, 2024

(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A Cash flow from operating activities		
Profit before tax	**732.22**	**1,408.91**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	226.42	182.71
Finance costs	221.71	145.02
Gain on sale / Fair Valuation of mututal fund	(23.64)	(27.94)
Unrealised exchange (gain) / loss	8.01	(6.55)
Loss/ (Profit) on sale of property, plant and equipment	(2.43)	1.81
Interest income	(14.30)	(16.49)
Operating profit before working capital changes	**1,147.99**	**1,687.47**
Movements in working capital:		
Decrease / (Increase) in trade receivables	611.63	(714.77)
Decrease / (Increase) in inventories	391.28	(2,156.51)
Decrease / (Increase) in current and non current financial assets	(43.22)	13.88
Decrease / (Increase) in other current and non current assets	269.99	(169.46)
Increase / (decrease) in trade payables	(1,479.11)	1,610.29
Increase / (decrease) in other current and Non current liabilities	(116.52)	139.44
Decrease in provisions	(15.41)	(0.27)
Cash generated from operations	**766.63**	**410.07**
Income tax paid (net of refunds)	(211.92)	(321.34)
Net cash flows from operating activities (A)	**554.71**	**88.73**
B Cash flow used in investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress, capital creditors and capital advances	(903.57)	(1,065.09)
Proceeds from Sale of Property Plant and Equipment	3.45	6.10
Investment in units of mutual fund	(751.76)	(323.50)
Receipt from redemption in units of mutual fund	1050.14	700.00
Investment in Subsidiary	-	(66.84)
Loans to Subsidiary	(19.50)	(41.67)
Investment in bank deposits	(259.49)	(108.75)
Redemption from bank deposits	332.59	
Interest received	10.72	15.10
Net cash flows used in investing activities (B)	**(537.42)**	**(884.65)**
C Cash flow from financing activities		
Proceeds from long term borrowings	676.53	738.46
Repayment of long term borrowings	(302.65)	(174.89)
Proceeds from / (repayment of) short term borrowings (net)	100.47	(94.58)
Finance costs paid	(221.71)	(146.25)
Net cash flows from financing activities (C)	**252.64**	**322.74**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**269.93**	**(473.18)**
Cash and cash equivalents at the beginning of the year	122.29	595.47
Cash and cash equivalents at the end of the year	**392.22**	**122.29**

Standalone statement of cash flows for the year ended March 31, 2024

(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Components of cash and cash equivalents		
Cash on hand	0.25	0.18
Balance with banks:		
Current accounts	391.97	122.11
Total cash and cash equivalents	**392.22**	**122.29**

The reconciliation between the opening and the closing balances for liabilities arising from financing activities (long-term borrowings, including current maturities and short-term borrowings) is as follows:

Particulars	Long-term including current maturities	Short-term
Opening as on March 31, 2022	487.25	471.68
Proceeds for Long-term including current maturities	738.46	-
Repayment for Long-term including current maturities	(174.89)	-
Proceeds / (repayment) for Short-term (net)	-	(94.57)
Closing as on March 31, 2023	1050.82	377.11
Proceeds for Long-term including current maturities	676.53	-
Repayment for Long-term including current maturities	(302.65)	-
Proceeds / (repayment) Short-term (net)	-	100.47
Closing as on March 31, 2024	**1424.70**	**477.58**
Summary of material accounting policies 2.2		

The acCompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered accountants
ICAI Firm registration number: 101049W/E300004

per Atin Bhargava
Partner
Membership no: 504777

Place: Hyderabad
Date: May 28, 2024

For and on behalf of the Board of Directors of
MTAR Technologies Limited

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Venkatasatishkumar Reddy Gangapatnam
Director
DIN: 06535717

Gunneswara Rao Pusarla
Chief Financial Officer

Shubham Sunil Bagadia
Company Secretary
Membership no: ACS-55748

Place: Hyderabad
Date: May 28, 2024

Standalone statement of changes in equity for the year ended March 31, 2024

(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

a) Equity share capital

Equity shares of Rs. 10 each, issued, subscribed and fully paid up	No. of shares	Amount
For the year ended March 31, 2024		
As at April 01, 2023	**30,759,591**	**307.59**
Add: Issued during the year	-	-
As at March 31, 2024	**30,759,591**	**307.59**
For the year ended March 31, 2023		
As at April 01, 2022	**30,759,591**	**307.59**
Add: Issued during the year	-	-
As at March 31, 2023	**30,759,591**	**307.59**

b) Other Equity

Particulars	Securities premium	Capital redemption reserve	Retained Earnings	Total
As at April 01, 2022	**3,199.56**	**14.55**	**1,675.94**	**4,890.05**
Profit for the year	-	-	1,040.75	1,040.75
Other comprehensive income for the year	-	-	(30.27)	(30.27)
As at March 31, 2023	**3,199.56**	**14.55**	**2,686.42**	**5,900.53**
Profit for the year	-	-	562.68	562.68
Other comprehensive income for the year	-	-	0.85	0.85
As at March 31, 2024	**3,199.56**	**14.55**	**3,249.95**	**6,464.06**

The acCompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered accountants
ICAI Firm registration number: 101049W/E300004

per Atin Bhargava
Partner
Membership no: 504777

Place: Hyderabad
Date: May 28, 2024

For and on behalf of the Board of Directors of
MTAR Technologies Limited

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

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Gunneswara Rao Pusarla
Chief Financial Officer

Shubham Sunil Bagadia
Company Secretary
Membership no: ACS-55748

Place: Hyderabad
Date: May 28, 2024

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

1 Corporate Information

MTAR Technologies Limited ("MTAR" or "the Company") was a private limited Company domiciled in India, and incorporated on November 11, 1999 under the provisions of the erstwhile Companies Act, 1956 replaced with Companies Act 2013 ("Act") w.e.f. April 1, 2014 with its registered office at 18, Technocrats Industrial Estate, Balanagar, Hyderabad, Telangana, India 500037. The Company is engaged in the business of manufacturing high precision and heavy equipment, components, machines for sectors including nuclear, aerospace, defence, etc. The Company became a Public Limited Company w.e.f. November 2, 2020 and consequently the name of the Company has changed from MTAR Technologies Private Limited to MTAR Technologies Limited. The Company listed its shares in both BSE and NSE on March 15, 2021.

2 Material accounting policies

These notes provide a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The standalone financial statements for the year ended March 31, 2024 comprising of standalone balance sheet as at March 31, 2024, standalone statement of profit and loss, including the standalone statement of other comprehensive income, standalone cash flow statement and standalone statement of changes in equity for the year ended, and a summary of explanatory notes (together hereinafter referred to as "financial statements") have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable to the standalone financial statements (to the extent notified) and other accounting principles generally accepted in India.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Defined benefits plan- plan assets measured at fair value

The financial statements are presented in Indian Rupees "INR" or "Rs." and all values are stated as Indian Rupees in millions, except when otherwise indicated.

2.2 Summary of material accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

Notes to the standalone financial statements for the year ended March 31, 20234
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

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

b) Property, plant and equipment

Freehold land is carried at cost, net of tax / duty credit availed, net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located. 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 the statement of profit and loss as incurred.

“Capital work-in-progress (CWIP) includes cost of property, plant and equipment under installation / under development, net of accumulated impairment loss, if any, as at the balance sheet date.

Directly attributable expenditure incurred on project under implementation are shown under CWIP. At the point when an asset is capable of operating in the manner intended by management, the capital work in progress is transferred to the appropriate category of property, plant and equipment.

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance. “

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which is equal to the life prescribed under the Schedule II to the Companies Act, 2013.

The useful lives estimated by the management are given below:

Category of Asset	Estimated useful life (years)
Property, plant and equipment	
Buildings	30
Plant and machinery	15
Electrical equipment	5
Furniture and fixtures	10
Office equipment	5
Computers	3/ 6 years
Vehicles	8

The residual value, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within “other (income)/expense, net” in the statement of profit and loss.

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

C) Intangible assets

"Costs relating to computer software, which is acquired, are capitalised and amortised on a straight-line basis over their estimated useful lives of three years.

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

d) Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
Costs incurred in bringing each product to its present location and condition are accounted for as follows:

i. Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

ii. 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 is determined on weighted average basis.

e. Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

"The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase."

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

f) Revenue

(i) Revenue from contract with customers

"Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates. Amounts collected on behalf of third parties such as Goods and Service Tax (GST) are excluded from revenue."

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

Sale of goods

Revenue is recognized at the point in time when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on delivery to the customer. The contracts that Company enters into relate to sales order containing single performance obligations for the delivery of goods as per Ind AS 115. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price. 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.

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.

Trade receivable

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). Refer to accounting policies of financial assets in section (i) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

(ii) Export benefits

Export benefits are recognised where there is reasonable assurance that the benefit will be received and all attached conditions will be complied with. Export benefits on account of export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

(iii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(iv) Dividend income

Dividend income from investments is recognised in the year in which the right to receive the payment is established.

g) Borrowing costs

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. 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.

h) Foreign currency transactions

Items included in the financial statements of Company are measured using currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian rupees (INR), which is the functional currency of the Company. Net gain relating to translation or settlement of borrowings denominated in foreign currency are reported within Other income.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in INR at spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at INR spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.Net loss relating to translation orsettlement of borrowings denominated in foreign currency are reported within finance costs.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a nonmonetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

i) Financial instruments

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

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised cost
Debt instruments at fair value through other comprehensive income (FVTOCI)
Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debts Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL.However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Equity instruments designated at fair value through OCI

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.
Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Investment in Subsidiary:

The Company has elected to recognize its investments in subsidiary at cost less accumulated impairment loss, if any in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost represents amount paid for acquisition of the said investments.
On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss. The details of such investment are given in Note 4. Refer to the accounting policies in (g) Impairment of non-financial assets.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised 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 of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. 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.

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition.

ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. 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.

Subsequent measurement

The measurement of financial liabilities is as described below:

Loans and borrowings

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

De-recognition

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.

Reclassification of financial instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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.

j) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating officer/ chief executive officer. The chief operating officer/ chief executive officer is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

k) Fair value measurement

The Company measures financial instruments, such as, derivatives 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:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (notes 32)
- Investment in unquoted equity shares (note 4)
- Financial instruments (including those carried at amortised cost) (notes 5, 9, 10, 11, 16, 17, 17A, 33, 36)

l) Taxes

Tax expense comprises current tax expense and deferred tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation 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 provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

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

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

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.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

m) Retirement and other employee benefits

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

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

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

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

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

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

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

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n) Provisions, contingent liabilities and contingent assets

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.

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise the contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, 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 are considered an integral part of the Company's cash management.

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

q) Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. A corresponding amount is recognised directly in equity.

r) New and amended standards

Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023, MCA to amend the following Ind AS which are effective for annual periods beginning on or after 01 April 2023. The Company applied for the first time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's standalone financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 12, Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

s) Standards notified but not yet effective:

There are no standards that are notified and not yet effective as on the date.

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

Note 3a : Property, plant and equipment

	Freehold land	Buildings	Plant and machinery	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total property, plant and equipment
As at April 01, 2022	**467.14**	**448.50**	**1,657.23**	**19.16**	**21.83**	**9.70**	**34.73**	**11.59**	**2,669.88**
Additions during the year	-	275.39	714.28	11.73	17.13	10.35	8.68	8.12	**1,045.68**
Disposals during the year	-	-	45.19	-	-	-	-	-	**45.19**
As at March 31, 2023	**467.14**	**723.89**	**2,326.32**	**30.89**	**38.96**	**20.05**	**43.41**	**19.71**	**3,670.37**
Additions during the year	145.86	95.40	427.79	9.15	19.33	9.94	11.59	-	**719.06**
Disposals during the year	-	-	16.71	-	-	-	-	-	**16.71**
As at March 31, 2024	**613.00**	**819.29**	**2,737.40**	**40.04**	**58.29**	**29.99**	**55.00**	**19.71**	**4372.72**
Accumulated depreciation and amortisation									
As at April 01, 2022	**-**	**75.48**	**574.48**	**16.98**	**16.58**	**6.45**	**21.45**	**4.60**	**716.02**
Charge for the year	-	22.98	141.22	1.62	1.06	1.69	6.35	1.55	**176.47**
Disposals for the year	-	-	37.28	-	-	-	-	-	**37.28**
As at March 31, 2023	-	**98.46**	**678.42**	**18.60**	**17.64**	**8.14**	**27.80**	**6.15**	**855.21**
Charge for the year	-	26.59	172.65	3.23	3.35	4.86	8.16	2.17	**221.01**
Disposals for the year	-	-	15.60	-	-	-	-	-	**15.60**
As at March 31, 2024	-	**125.05**	**835.47**	**21.83**	**20.99**	**13.00**	**35.96**	**8.32**	**1,060.62**
Net block	-								
As at March 31, 2024	**613.00**	**694.24**	**1,901.93**	**18.21**	**37.30**	**16.99**	**19.04**	**11.39**	**3,312.10**
As at March 31, 2023	**467.14**	**625.43**	**1,647.90**	**12.29**	**21.32**	**11.91**	**15.61**	**13.56**	**2,815.16**

Certain land and buildings are subject to a first charge to secure the Company's bank loans (refer note 17)

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Note 3b: Intangible assets

	Intangible assets- Software
As at April 01, 2022	**39.63**
Additions during the year	4.09
Disposals during the year	-
As at March 31, 2023	**43.72**
Additions during the year	4.79
Disposals during the year	-
As at March 31, 2024	**48.51**
Accumulated depreciation and amortisation	
As at April 01, 2022	**29.54**
Charge for the year	6.24
Disposals for the year	-
As at March 31, 2023	**35.78**
Charge for the year	5.43
Disposals for the year	-
As at March 31, 2024	**41.21**
Net Block	
As at March 31, 2024	**7.30**
As at March 31, 2023	**7.94**

Note 3.1: Capital work in progress

Particulars	**Amount**
As at April 01, 2022	**438.00**
Additions	1243.38
Capitalised during the year	(1049.77)
As at March 31, 2023	**631.61**
Additions	769.74
Capitalised during the year	(723.85)
As at March 31, 2024	**677.50**

Capital work in progress (CWIP)

(a) Ageing schedule

	March 31, 2024					**March 31, 2023**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	350.75	323.03	0.17	3.55	677.50	593.69	34.37	-	3.55	631.61
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**350.75**	**323.03**	**0.17**	**3.55**	**677.50**	**593.69**	**34.37**	**-**	**3.55**	**631.61**

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(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

For capital work-in-progress, projects whose completion is overdue as at March 31, 2024 are as under:

	To be completed in				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress					
VTL	265.68	-	-	-	265.68
Total	**265.68**	**-**	**-**	**-**	**265.68**

(b) As at March 2024, there are no projects which have exceeded its cost as compared to its original plan.
As at March 2023, there are no projects for which the completion is overdue or has exceeded its cost as compared to its original plan.

Note 4: Investments

	As at March 31, 2024	As at March, 31 2023
(a) Non-current investments		
Unquoted equity shares		
In wholly owned subsidiary (at cost)		
Magnatar Aero Systems Private Limited		
[99,800 (March 31, 2023: 99,800) equity shares of par value Rs. 1 each fully paid]	0.10	0.10
Gee Pee Aerospace and Defence Private Limited		
[30,835 (March 31, 2023: 30,835) equity shares of par value Rs. 100 each fully paid]	66.84	66.84
Others (at fair value through profit or loss)		
Samuha Engineering Industries Limited		
[10,000 (March 31, 2023: 10,000) equity shares of par value Rs. 10 each fully paid]	0.10	0.10
	67.04	**67.04**
Current investments		
Quoted		
(b) Mutual fund units (at fair value through profit or loss)		
Nil units (March 31, 2023: 5,981,637.72 units) of SBI savings fund- direct plan - growth	-	224.74
Nil units (March 31, 2023: 4,999,750.01) of SBI fixed maturity plan- regular growth	-	50.00
	-	**274.74**
Aggregate amount of unquoted investments- in wholly owned subsidiary	66.94	66.94
Aggregate amount of unquoted investments- in others	0.10	0.10

5 Financial assets

(a) Loans

	As at March 31, 2024	As at March, 31 2023
Loans to subsidiary (refer note 36)	61.17	41.67
	61.17	**41.67**

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Disclosure under section 186 (4) of the Companies Act 2013

Name of party	Purpose of loan	Rate of Interest	Secured / unsecured	Maximum amount outstanding during the year	As at March 31, 2024	As at March, 31 2023
Gee Pee Aerospace and Defence Private	Business	10% p.a	Unsecured	61.17	61.17	41.67

(b) Financial assets - others

Unsecured, considered good unless stated otherwise

	As at March 31, 2024	As at March, 31 2023
Non-current		
Security deposits	25.69	21.33
	25.69	**21.33**
Current		
Retention money	82.44	44.94
Interest accrued	8.13	4.55
Loans and advances to employees	2.00	0.64
	92.57	**50.13**

6 Non current tax assets (net) / current tax liabilities (net)

	As at March 31, 2024	As at March, 31 2023
Non-current tax asset (net)		
Advance income tax (net)	51.49	5.00
Liability for current tax		
Tax liability	-	(22.06)
	51.49	**(17.06)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and related to income tax levied by same tax authority.

7 Other non-current assets

	As at March 31, 2024	As at March, 31 2023
Non-current		
Unsecured, considered good		
Prepaid expenses	9.00	10.80
Advance for capital goods	178.77	45.51
Balances recoverable from government authorities	25.53	25.53
	213.30	**81.84**

8 Other current assets

	As at March 31, 2024	As at March, 31 2023
Current		
Unsecured, considered good		
Advance to suppliers (Refer note 36)	69.71	43.47
Prepaid expenses	33.49	22.57
Export benefits receivable	0.74	0.74
Balances recoverable from government authorities	10.22	315.57

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

9 Inventories (at lower of cost and net realisable value)

	As at March 31, 2024	As at March, 31 2023
Raw materials	1,762.50	2,345.10
[Includes in transit: Rs. 117.64 (March 31, 2023: Rs. 748.04)]		
Stores and Spares	100.52	72.96
Work-in-progress	1,605.37	1,441.61
	3,468.39	**3,859.67**

Write down of inventories to net realisable value amounted to Rs. Nil (March 31, 2023: Rs. 15.84). These were recognised as an expense during the previous year and included in 'cost of materials consumed and changes in inventories of work-in-progress'.

10 Trade receivables

	As at March 31, 2024	As at March, 31 2023
Current		
Unsecured considered good	1,463.92	2,081.16
Less: allowance for credit loses	1.20	-
	1,462.72	**2,081.16**

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.

The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Movement in expected credit loss

	As at March 31, 2024	As at March, 31 2023
Balance at the beginning of the year	-	-
Provision made during the year, net of reversals	1.20	-
Bad debts written off against opening provision during the year	-	-
Balance at the end of the year	**1.20**	**-**

Trade receivables ageing schedule
As at March 31, 2024

	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Unsecured considered good	1,155.58	243.53	52.79	9.17	2.63	0.21	1,463.92
Trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**1,155.58**	**243.53**	**52.79**	**9.17**	**2.63**	**0.21**	**1,463.92**
Less: allowance for credit loses							1.20
Total							**1,462.72**

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Trade receivables ageing schedule
As at March 31, 2023

	Outstanding for following periods from due date of payment						
	Not due	**Less than 6 months**	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Unsecured considered good	1,936.92	108.17	25.80	9.14	1.13	-	2,081.16
Trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**1,936.92**	**108.17**	**25.80**	**9.14**	**1.13**	**-**	**2,081.16**
Less: allowance for credit loses							-
Total							**2,081.16**

11 Cash and cash equivalents

	As at March 31, 2024	As at March, 31 2023
Cash on hand	0.25	0.18
Balances with banks		
On current accounts	391.97	122.11
	392.22	**122.29**

12 Balances at bank other than cash and cash equivalents

	As at March 31, 2024	As at March, 31 2023
Margin money deposits*		
Deposits with original maturity for more than three months but remaining maturity of less than twelve months	114.42	187.52
	114.42	**187.52**

* Margin money deposits represent security held by bank for the bank guarantees and letter of credits of Rs. 878.72 (March 31, 2023: Rs. 1,128.47) issued by the bankers on behalf of the Company.

Breakup of financial assets carried at fair value through profit or loss:

	As at March 31, 2024		As at March, 31 2023	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Investment in units of mutual funds (quoted)	-	-	274.74	274.74
Investments in unquoted equity shares (others)	67.04	67.04	67.04	67.04
Total financial assets carried at fair value through profit or loss	**67.04**	**67.04**	**341.78**	**341.78**

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Breakup of financial assets carried at amortised cost:

	As at March 31, 2024		As at March, 31 2023	
	Carrying value	Fair value	Carrying value	Fair value
Trade receivables	1,462.72	1,462.72	2,081.16	2,081.16
Cash and cash equivalent	392.22	392.22	122.29	122.29
Balances at bank other than cash and cash equivalents	114.42	114.42	187.52	187.52
Retention money	82.44	82.44	44.94	44.94
Loan to related parties	61.17	61.17	41.67	41.67
Security deposits	25.69	25.69	21.33	21.33
Interest accrued	8.13	8.13	4.55	4.55
Loans and advances to employees	2.00	2.00	0.64	0.64
Total financial assets carried at amortised cost	**2,148.79**	**2,148.79**	**2,504.10**	**2,504.10**

The management assessed that cash and cash equivalents and trade receivables approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets 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. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values. The fair values of the financial assets included above have been determined in accordance with generally accepted pricing models.

13. Equity share capital

	As at March 31, 2024		As at March, 31 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of Rs. 10 each	66,000,000	660.00	66,000,000	660.00
Issued, subscribed and fully paid up shares				
Equity shares of Rs. 10 each	**30,759,591**	**307.59**	**30,759,591**	**307.59**

(a) Reconciliation of equity shares outstanding at beginning and at end of the year:

	As at March 31, 2024		As at March, 31 2023	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	30,759,591	307.59	30,759,591	307.59
Issued during the year	-	-	-	-
At the end of the year	**30,759,591**	**307.59**	**30,759,591**	**307.59**

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(c) Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	As at March 31, 2024		As at March, 31 2023	
	Number of shares	%	Number of shares	%
(i) Vamshidhar Reddy Kallem	18,56,087	6.03%	20,91,559	6.80%
(ii) K. Shalini	7,55,483	2.46%	20,91,483	6.80%
(iii) Leelavathi Parvatha Reddy	7,21,712	2.35%	16,18,712	5.26%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest,the above shareholding represents both legal and beneficial ownerships of shares.

(d) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(i) There are no equity shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

(ii) During the year ended March 31, 2020, the Company has bought back 1,454,541 equity shares of Rs. 10 each.

(e) Details of shares held by promoters
As at March 31, 2024
Equity shares of Rs. 10 each fully paid

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
K Vamshidhar Reddy	20,91,559	(2,35,472)	18,56,087	6.03%	-0.77%
P Srinivas Reddy	13,92,903	-	13,92,903	4.53%	0.00%
Mitta Madhavi	7,71,321	4,34,662	12,05,983	3.92%	1.41%
A Manogna	6,43,813	5,43,076	11,86,889	3.86%	1.77%
Saranya Loka Reddy	9,24,666	65,000	9,89,666	3.22%	0.21%
P Kalpana Reddy	10,25,000	(51,000)	9,74,000	3.17%	-0.17%
D Anitha Reddy	12,80,431	(4,90,000)	7,90,431	2.57%	-1.59%
K Shalini	20,91,483	(13,36,000)	7,55,483	2.46%	-4.34%
Leelavathi Parvatha Reddy	16,18,712	(8,97,000)	7,21,712	2.35%	-2.92%
Usha Reddy Chigarapalli	12,05,445	(5,00,000)	7,05,445	2.29%	-1.63%
Kavitha Reddy Gangapatnam	9,95,446	(3,92,705)	6,02,741	1.96%	-1.28%
Anushman Reddy	2,68,128	-	2,68,128	0.87%	0.00%
Northeast Broking Services Limited	35,000	(22,500)	12,500	0.04%	-0.07%
Total	**1,43,43,907**	**(28,81,939)**	**1,14,61,968**	**37.26%**	**-9.37%**

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

As at March 31, 2023
Equity shares of Rs. 10 each fully paid

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
K Vamshidhar Reddy	20,91,559	-	20,91,559	6.80%	0.00%
K Shalini	20,91,483	-	20,91,483	6.80%	0.00%
Leelavathi Parvatha Reddy	16,18,712	-	16,18,712	5.26%	0.00%
D Anitha Reddy	13,92,903	-	13,92,903	4.53%	0.00%
Usha Reddy Chigarapalli	14,80,431	(2,00,000)	12,80,431	4.16%	-0.65%
P Srinivas Reddy	14,05,445	(2,00,000)	12,05,445	3.92%	-0.65%
Kavitha Reddy Gangapatnam	10,25,000	-	10,25,000	3.33%	0.00%
Saranya Loka Reddy	13,05,446	(3,10,000)	9,95,446	3.24%	-1.01%
P Kalpana Reddy	10,34,265	(1,09,599)	9,24,666	3.01%	-0.36%
Mitta Madhavi	7,76,321	(5,000)	7,71,321	2.51%	-0.02%
A Manogna	7,43,813	(1,00,000)	6,43,813	2.09%	-0.33%
Anushman Reddy	2,68,128	-	2,68,128	0.87%	0.00%
Northeast Broking Services Limited	2,25,000	(1,90,000)	35,000	0.11%	-0.62%
Total	**1,54,58,506**	**(11,14,599)**	**1,43,43,907**	**46.63%**	**-3.62%**

14. Other Equity

	As at March 31, 2024	As at March, 31 2023
Securities premium		
Balance at the beginning of the year	3,199.56	3,199.56
Balance at the end of the year	**3,199.56**	**3,199.56**
Capital redemption reserve		
Balance at the beginning of the year	14.55	14.55
Balance at the end of the year	**14.55**	**14.55**
Retained earnings		
Balance at the beginning of the year	2,686.42	1,675.94
Add: Other comprehensive income / (loss) for the year	0.85	(30.27)
Add: Profit for the year	562.68	1,040.75
Balance at the end of the year	**3,249.95**	**2,686.42**
	6,464.06	**5,900.53**

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Nature and purpose of reserves

Security premium represents the amount received in excess of par value of equity shares. Section 52 of Companies Act, 2013 specifies regulation around application of premiums received on issue of shares. Accordingly, the Company has applied securities premium to write off Company's share of expenses incurred on fresh issue of equity shares.

Capital redemption reserve represents the amount of profits transferred from securities premium for the buy back of equity shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Retained earnings are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders.

15. Provisions

	As at March 31, 2024	As at March, 31 2023
Non-current		
Provision for employee benefits		
- Gratuity (refer note 30)	26.27	13.95
- Compensated absences	-	11.98
Other provisions	-	30.32
	26.27	**56.25**
Current		
Provision for employee benefits		
- Gratuity (refer note 30)	17.74	14.89
- Compensated absences	15.43	3.65
	33.17	**18.54**

16. Deferred tax liabilities (net)

	As at March 31, 2024	As at March, 31 2023
Deferred tax liability arising on account of timing differences relating to:		
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	231.34	187.87
	231.34	**187.87**
Deferred tax asset arising on account of timing differences relating to:		
Expenses allowed on payment basis	24.78	7.77
	24.78	**7.77**
Deferred tax liability (net)	**206.56**	**180.10**

The Company offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Break up of deferred tax (asset) / liabilities

	Opening balance	Recognised in the statement of profit and loss	Recognised in OCI	Closing balance
For the year ended March 31, 2024:				
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	187.87	43.47	-	231.34
Expenses allowed on payment basis	(7.77)	(17.30)	0.29	(24.78)
MAT credit entitlement	-	-	-	-
	180.10	**26.17**	**0.29**	**206.56**
For the year ended March 31, 2023:				
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	176.76	11.11	-	187.87
Expenses allowed on payment basis	(13.93)	16.34	(10.18)	(7.77)
MAT credit entitlement	-	-	-	-
	162.83	**27.45**	**(10.18)**	**180.10**

17. Borrowings

	As at March 31, 2024	As at March, 31 2023
Non-current		
Secured bank borrowings		
Long-term borrowings	969.89	777.23
Current maturity of long-term borrowings	454.81	273.59
	1,424.70	**1,050.82**
Less: Amount disclosed under “short-term borrowings”	(454.81)	(273.59)
	969.89	**777.23**
Current		
Secured bank borrowings		
Cash credit	477.58	377.08
Export packing credit (USD)	-	0.03
Current maturity of long-term borrowings	454.81	273.59
	932.39	**650.70**
Aggregate secured borrowings	**1,902.28**	**1,427.93**
Aggregate unsecured borrowings	-	-

1. The long-term borrowings including current maturities of Rs. 1,424.70 (March 31, 2023: Rs. 1,050.82) from banks is secured by collateral security against inventories, trade receivables and all other charges on current assets of the present and future current assets of the Company. The Company has not fully drawn the loan facility as at March 31, 2024.

(i) State Bank of India
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(ii) HDFC Bank Limited
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

(iii) EXIM Bank
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

(iv) Union Bank
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

Particulars	Outstanding balance as at		Interest range % per annum	Balance number of installments as at		Frequency of installments	Repayments commencing from - to
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023		
State Bank of India- 1	52.58	106.75	9.40 to 9.55	8	12	Quarterly	March 31, 2021 to March 31, 2026
HDFC Bank Limited	446.82	619.78	9.25 to 9.50	30	42	Monthly	April 01, 2022 to October 31, 2026
EXIM Bank- 1	331.69	324.28	7.50 to 9.10	13	16	Quarterly	September 01, 2023 to August 31, 2027
State Bank of India- 2	373.71	-	8.90 to 8.95	20	-	Quarterly	June 30, 2024 to March 31, 2029
EXIM Bank- 2	59.90	-	9.25	16	-	Quarterly	March 01, 2025 to December 01, 2028
Union Bank	160.00	-	9.35	18	-	Quarterly	June 30, 2024 to September 30, 2028

2. Cash credit and export packing credit facility (USD) aggregating to Rs. 477.58 (March 31, 2023: Rs. 377.11) is secured against inventories, trade receivables, and all other charges on current assets of the present and future current assets of the Company. Further the borrowing is secured by collateral security on the certain land and building of the Company.

The cash credit facility is repayable on demand and carries interest @ 5.95% to 9.50% p.a. (March 31, 2023: 5.50% to 8.40% p.a.). The export packing credit in USD carries interest @ Nil (March 31, 2023: 2.53% to 5.50% p.a.).

17A Other Financial Liabilities

	As at March 31, 2024	As at March, 31 2023
Payable for capital goods	69.50	70.18
	69.50	**70.18**

18 Trade Payable

	As at March 31, 2024	As at March, 31 2023
- dues of micro and small enterprises	3.03	119.13
- dues of creditors other than micro and small enterprises (MSME)	698.55	2,061.56
	701.58	**2,180.69**

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Trade payables ageing schedule
As at March 31, 2024

	Outstanding for following periods from due date of payment					
	Unbilled	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of MSME	-	3.03	-	-	-	3.03
Total outstanding dues of creditors other than MSME	249.74	431.91	15.92	0.65	0.33	698.55
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	249.74	**434.94**	**15.92**	**0.65**	**0.33**	**701.58**

Trade payables ageing schedule
As at March 31, 2023

	Outstanding for following periods from due date of payment					
	Unbilled	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of MSME	-	119.13	-	-	-	119.13
Total outstanding dues of creditors other than MSME	913.38	1,143.40	4.43	0.35	-	2,061.56
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	913.38	**1,262.53**	**4.43**	**0.35**	**-**	**2,180.69**

Disclosure pertaining to Micro, Small And Medium Enterprises Act (as per information available with the Company)

	As at March 31, 2024	**As at March, 31 2023**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount remaining unpaid	3.03	119.13
Interest due thereon	-	-
	3.03	**119.13**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The 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 the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Breakup of financial liabilities carried at amortised cost:

	As at March 31, 2024		As at March, 31 2023	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings- long-term including current maturities	1,424.70	1,424.70	1,050.82	1,050.82
Borrowings- short-term	477.58	477.58	377.11	377.11
Payable for capital goods	69.50	69.50	70.18	70.18
Trade payables	701.58	701.58	2,180.69	2,180.69
	2,673.36	**2,673.36**	**3,678.80**	**3,678.80**

The management assessed that trade payables, short-term borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial liabilities included above is 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.

19. Other Liabilities

	As at March 31, 2024	As at March, 31 2023
Non-Current		
Statutory dues	30.43	-
	30.43	**-**
Current		
Statutory dues	13.46	17.39
Contract liability- advance from customers	305.17	446.61
Others	-	1.58
	318.63	**465.58**

20. Revenue from Operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Revenue from contracts with customers		
Sale of products	5,725.19	5,629.53
	5,725.19	**5,629.53**
(B) Other operating revenue		
- Others	75.14	103.94
	75.14	**103.94**
Total (A+B)	**5,800.33**	**5,733.47**

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(i) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	For the year ended March 31, 2024	For the year ended March 31, 2023
India	1,606.29	1,123.25
Outside India	4,118.90	4,506.28
	5,725.19	**5,629.53**
Timing of revenue recognition		
Goods transferred at a point of time	5,725.19	5,629.53
Total	**5,725.19**	**5,629.53**

(ii) Contract balances

	As at March 31, 2024	As at March, 31 2023
Trade receivable	1,462.72	2,081.16
Retention money	82.44	44.94
Contract liabilities		
Advance from customers	305.17	446.61

The performance obligation is satisfied when control of the goods are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

Trade receivables and retention money are non-interest bearing. Refer note 10 for details on expected credit loss.

Unbilled revenue are initially recognised for revenue earned from transfer of goods and services but not billed to customer because the work completed has to meet requirements of various milestones as set out in the contract with customers. Upon fulfilling the milestones and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Advance from customers pertain to balance received as advance from various parties as certain percentage of the order value. The same will be adjusted against the order on the basis of delivery and collection of receivables.

There is no difference in the contract price negotiated and the revenue recognised in the statement of profit and loss. There is no significant revenue recognised in the current year from performance obligations satisfied in previous years.

(iii) Amounts included in contract liabilities at the beginning of the period recognised as revenue in the current period of Rs. 220.03 (March 31, 2023: Rs. 185.59). Generally the advance from customers are settled over a period of 1 to 3 years.

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

21. Other Income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Foreign exchange gain (net)	20.24	144.96
Interest on bank deposits and others	14.30	16.49
Profit on sale of Assets	2.43	-
Interest on IT Refund	2.57	-
Profit from sale of mutual funds*	23.64	27.94
Miscellaneous income	0.45	7.63
	63.63	**197.02**

* Includes unrealised gain/(loss) Nil [March 31, 2023: Rs. (10.35)]

22. Cost of materials consumed

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	2,418.06	718.39
Add: Purchases	2,618.62	4,846.90
Less: Inventory at the end of the year	(1,863.02)	(2,418.06)
	3,173.66	**3,147.23**

23. Changes in inventories of work-in-progress

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	1,441.61	984.77
Less: Inventory at the end of the year	(1,605.37)	(1,441.61)
	(163.76)	**(456.84)**

24. Employee Benefits Expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	872.18	858.33
Contribution to provident and other funds [refer note 30 (II)]	36.17	31.43
Gratuity expense [refer note 30 (I)]	16.31	12.74
Staff welfare expenses	26.86	21.13
	951.52	**923.63**

25. Finance costs

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses		
- Short term borrowings	80.73	46.45
- Long term borrowings	105.19	66.78
- Others	1.11	2.04
Bank charges	34.68	29.75
	221.71	**145.02**

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

26. Depreciation and amortisation expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment	220.18	176.47
Amortisation on intangible assets	6.24	6.24
	226.42	**182.71**

27. Other Expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Sub-contractor charges	200.90	85.93
Production expenses	127.73	125.18
Power and fuel	142.12	130.25
Material testing charges	4.98	5.37
Repairs and maintenance		
- Buildings	31.12	25.55
- Plant and machinery	27.50	36.02
- Others	8.18	4.41
Insurance	14.88	8.40
Rates and taxes	12.86	14.47
Communication	2.56	2.50
Travelling and conveyance	19.21	21.52
Printing and stationary	1.75	1.77
Freight and forwarding	10.19	19.05
Provision for doubtful receivables	1.20	-
Business promotion	3.58	4.40
Legal and professional charges	37.84	36.93
Security charges	15.48	8.52
Payment to auditors (refer below)	5.69	5.08
Loss on sale of property plant and equipment	-	1.81
CSR expenses (refer note 31)	20.66	11.70
Miscellaneous expenses	33.76	30.97
	722.19	**579.83**

Payment to auditors

	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit	5.50	4.75
Other services	-	0.33
Out of pocket expenses	0.19	-
	5.69	**5.08**

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

28. Tax expense

a) Income tax expense:

The major components of income tax expense

(i) Profit or loss section

	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Current tax	157.66	340.71
B. Deferred tax		
Tax expense on origination and reversal of temporary difference	26.17	27.45
MAT credit utilisation	-	-
Actual tax expense accounted in books	183.83	368.16
C. Adjustment of tax relating to earlier periods	(14.29)	-
Income tax expense recognised in the statement of profit and loss	**169.54**	**368.16**

(ii) OCI Section

	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax expense to OCI	**0.29**	**(10.18)**

b) Reconciliation of effective tax rate:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax (A)	732.22	1,408.91
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	**184.29**	**354.59**
Tax effect of		
Adjustments for taxes with respect of earlier period	(14.29)	10.11
Expenses disallowed under Income Tax Act, 1961	5.33	3.21
Impact of change in tax rate for future period	-	-
Others	(5.79)	0.25
Total (D)	**(14.75)**	**13.57**
Expected tax expenses (C+D)	169.54	368.16
Income tax expenses	169.54	368.16
Effective tax rate	23.15%	26.13%

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

29. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to equity share holders	562.68	1,040.75
Weighted average number of equity shares in calculating basic and diluted EPS	3,07,59,591	3,07,59,591
Face value of each equity share (Rs.)	10.00	10.00
Basic and diluted earnings per share	**18.29**	**33.83**

30. Employee Benefit Obligations

I. Defined benefits plan

The Employees' Gratuity Fund Scheme managed by a trust is a defined benefit gratuity plan which is administered through gratuity scheme with Life Insurance Corporation of India. Every employee who has completed five years or more of service gets gratuity, on retirement/termination, at 15 days last drawn salary for each completed year of service subject to a maximum of Rs. 2.00. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

A) Net employee benefit expense (recognised in employee benefits expense)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	14.14	12.67
Interest cost on defined benefit obligation	14.49	10.73
Interest (income) on plan assets	(12.32)	(10.66)
Net employee benefit expenses	**16.31**	**12.74**

B) Amount recognised in the statement of other comprehensive income (OCI)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Remeasurements- due to experience adjustments	(7.02)	11.40
Return on plan assets	1.66	0.77
Remeasurements- due to financial assumptions	4.22	24.52
	(1.14)	**36.69**

C) Amount recognised in the balance sheet

	As at March 31, 2024	As at March, 31 2023
Defined benefit obligation	213.07	198.03
Fair value of plan assets	169.06	169.19
Net defined benefit liability	**44.01**	**28.84**

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

D) Changes in the present value of the defined benefit obligation

	As at March 31, 2024	As at March, 31 2023
Opening defined benefit obligation	198.03	153.30
Interest cost	14.49	10.73
Current service cost	14.14	12.67
Net actuarial (losses) / gains on obligations recognised under OCI	(2.80)	35.92
Benefit payments from plan assets	(10.79)	(14.59)
Closing defined benefit obligation	**213.07**	**198.03**

E) Changes in the fair value of plan assets

	As at March 31, 2024	As at March, 31 2023
Opening fair value of plan assets	**169.19**	**130.65**
Interest income	12.32	10.66
Remeasurements- return on assets	(1.66)	(0.77)
Contributions by employer	-	43.24
Benefit payments from plan assets	(10.79)	(14.59)
Closing fair value of plan assets	**169.06**	**169.19**

Expected contribution to the gratuity fund during the next year would be Rs. 44.01 (March 31, 2023: Rs. 28.85)

Investment details of plan assets		
Investment with insurer- Assets under Schemes of Insurance	100.00%	100.00%

(i) The principal assumptions used in determining gratuity obligation

	As at March 31, 2024	As at March, 31 2023
Discount rate	7.23%	7.52%
Rate of increase in compensation	7.00%	7.00%
Employee attrition rate	5.00%	5.00%
Mortality rate	Indian assured life mortality (2012-14)	Indian assured life mortality (2012-14)

(ii) Disclosure related to indication of effect of the defined benefit plan on the Company's future cash flow

	As at March 31, 2024	As at March, 31 2023
1 year	17.97	15.03
2-5 years	101.32	91.41
6-10 years	94.43	99.83

The weighted average duration of the defined benefit obligation is 8.00 years (March 31, 2023: 7.97 years).

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

	As at March 31, 2024	As at March, 31 2023
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(13.90)	(12.81)
- 1% decrease	15.83	14.56
(b) Effect of 1% change in rate of increase in compensation		
- 1% increase	16.78	15.47
- 1% decrease	(15.01)	(13.87)
(c) Effect of 1% change in assumed attrition rate		
- 1 % increase	0.05	0.29
- 1 % decrease	(0.07)	(0.34)

II. Defined contribution plans

The Company made provident fund and other funds contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 36.17 (March 31, 2023: Rs. 31.43) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

31. Detail of CSR expenditure

	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Gross amount required to be spent by the Company during the year	20.66	11.70
(b) Amount approved by the Board to be spent during the year	20.66	11.70
(c) Amount spent during the year (in cash)		
i) Construction /acquisition of any asset	-	-
ii) On purposes other than (i) above	20.66	11.70
	-	-

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(d) Details of ongoing project and other than ongoing project

	Opening balance		**Amount required to be spent during the year**	**Amount spent during the year**		**Closing balance**	
	With Company	**In separate CSR unspent A/c**		**With Company**	**In separate CSR unspent A/c**	**With Company**	**In separate CSR unspent A/c**
March 31, 2024							
Ongoing project	-	-	-	-	-	-	-
Other than ongoing project	-	-	20.66	20.66	-	-	-
March 31, 2023							
Ongoing project	-	-	-	-	-	-	-
Other than ongoing project	-	-	11.70	11.70	-	-	-

32. Commitments and contingencies

a. Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for: Rs. 466.62 (March 31, 2023: Rs. 549.16).

b. Contingent liabilities

Claims against the Company not acknowledged as debts (excluding interest arrears) is amounting to Rs. 22.67 for March 31, 2024 (March 31, 2023: Rs. 22.67).

Corporate guarantee of Rs. 195 (31 March 2023: Nil) has been extended during the year to wholly owned subsidiary (Gee Pee Aerospace & Defense Private Limited) for availing loan from the bank to meet the working capital requirements.

Disclosure under section 186 (4) of the Companies Act 2013

Name of party	**Purpose of loan**	**Secured / unsecured**	**Maximum** amount outstanding during the year	**As at March 31, 2024**	**As at March, 31 2023**
Gee Pee Aerospace and Defence Private Limited	Working capital	Unsecured	195.00	195.00	-

33. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the acCompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. There are no significant areas involving a high degree of judgement or complexity.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

i. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Rate of increase in compensation are based on expected future inflation. Further details about gratuity obligations are given in note 30.

ii. Depreciation of property, plant and equipment and amortization of Intangible assets

Depreciation of property, plant and equipment and amortization of intangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values as estimated by the management. The management believes that depreciation and amortization rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment and intangible assets.

34. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, other financial assets, cash and cash equivalent and balance at bank other than cash and cash equivalent. The Company is exposed to credit risk, market risk and liquidity risk. The Company has a risk management policy and its management is supported by a risk management committee that advices on risk and appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Company's management that the risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks.

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), cash and cash equivalent, balance at bank other than cash and cash equivalent and other financial assets. The Company deals with parties which has good credit rating /worthiness given by external rating agencies or based on Company's internal assessment. The major customers are usually the Government parties and export customers with high credit worthiness.

Exposure to credit risk

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was (i) Rs. 1,545.16 (March 31, 2023: Rs. 2,126.10) being the total of the carrying amount of balances with trade receivables (including retention money) (ii) cash and cash equivalent (excluding cash on hand), balance at bank other than cash and cash equivalent and interest accrued of Rs. 514.77 (March 31, 2023: Rs. 314.18) and (iii) other financial assets of Rs. 27.69 (March 31, 2023: Rs. 21.97).

The measurement of impaired credit for carrying amount of the above financial assets is ascertained using the expected credit loss model (ECL) approach. Credit risk is managed through continuously monitoring the creditworthiness of customers. The Company is considerate of the fact the majority of the collection is receivable from export customers with high credit worthiness or the government companies where there are no significant risk of bad debts. The customers of the Company have a defined period for payment of receivables, hence the Company evaluates the concentration of risk with respect to trade receivables as low. The total amount receivable from top 2 customers is Rs. 1,008.67 for March 31, 2024 (March 31, 2023: Rs. 1,829.43).

The cash and cash equivalent (excluding cash on hand), balance at bank other than cash and cash equivalent and interest accrued of Rs. 514.77 (March 31, 2023: Rs. 314.18) are held with banks having good credit rating.

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

B. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.
The table below summarises the maturity profile of the Company’s financial liabilities based on contractual undiscounted payments (including interest payments):

	Within 1 year	1 to 5 years	After 5 years	Total
March 31, 2024				
Borrowings	932.39	969.89	-	1,902.28
Trade payables	701.58	-	-	701.58
Other financial liability	69.50	-	-	69.50
	1,703.47	**969.89**	**-**	**2,673.36**
March 31, 2023				
Borrowings	650.70	777.23	-	1,427.93
Trade payables	2,180.69	-	-	2,180.69
Other financial liability	70.18	-	-	70.18
	2,901.57	**777.23**	**-**	**3,678.80**

The cash credit facility amounting to Rs. 477.58 (March 31, 2023: Rs. 377.11), repayable on demand, has been disclosed as within 1 year for the purpose of disclosure of liquidity risk of the Company.

C. 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 foreign currency risk. The sensitivity analysis has been included in the below disclosures.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss. The risks primarily relate to fluctuations in US Dollar (USD) as against the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

a. The year end unhedged foreign currency exposures is as under:

	Currency	Amount in foreign currency	Exchange rate	Amount in Rs. in millions
Trade receivables				
March 31, 2024	USD	10.88	83.37	907.29
March 31, 2023	USD	21.52	82.22	1,769.32
Cash and cash equivalents				
March 31, 2024	USD	4.53	83.37	377.30
March 31, 2023	USD	0.00	82.22	0.03
Export packing credit				
March 31, 2024	USD	-	83.37	-
March 31, 2023	USD	0.00	82.22	0.03
Trade payables				
March 31, 2024	USD	4.66	83.37	388.33
March 31, 2024	GBP	0.22	105.29	23.61
March 31, 2024	EURO	0.00	92.41	0.05
March 31, 2024	CHF	0.02	90.22	1.50
March 31, 2023	USD	20.23	82.22	1,663.27
March 31, 2023	GBP	0.06	101.87	5.92
March 31, 2023	EURO	0.19	89.61	17.21

b. Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD 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.

	Change in USD exchange rate		Effect on profit before tax	
	Increase	Decrease	Increase	Decrease
March 31, 2024	1%	1%	8.71	(8.71)
March 31, 2023	1%	1%	0.83	(0.83)

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 is exposed to interest rate risk because certain funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

If interest rates had been 100 basis points (1%) higher / lower and all other variables were held constant, the Company's profit for the year end ended March 31, 2024 would decrease / increase by Rs. 19.02 (March 31, 2023: Rs. 14.28).

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

35. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder 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 plus net debt. The Company's policy is to keep the gearing ratio to an acceptable level. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents excluding balance with monitoring agency account.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowing in the current year.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Borrowings	1,902.28	1,427.93
Less: Cash and cash equivalents	(392.22)	(122.29)
Net debt (A)	**1,510.06**	**1,305.64**
Equity (B)	**6,771.65**	**6,208.12**
Equity and net debt (C) = (A) + (B)	**8,281.71**	**7,513.76**
Gearing ratio (A) / (C)	**18.23%**	**17.38%**

36. Related party disclosures

Names of related parties and description of relationship

(a) Subsidiary Company

Magnatar Aero Systems Private Limited
Gee Pee Aerospace & Defence Private Limited (w.e.f. June 02, 2022)

(b) Key managerial personnel

Parvat Srinivas Reddy, Managing Director
Venkatasatishkumar Reddy Gangapatnam, Director
A. Praveen Kumar Reddy, Director
M. Anushman Reddy, Director (appointed w.e.f. August 9, 2022)
Gunneswara Rao Pusarla, Chief financial officer
Shubham Sunil Bagadia, Company secretary

(c) Relatives of key management personnel

- A. Pranay Kumar Reddy
- K. Shalini

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(d) Independent / Non-Executive Directors

- Padmashri Nagarajan Vedachalam (Up to February 02, 2023)
- B V R Subbu
- A. Krishna Kumar
- Ameeta Chatterjee
- U C Muktibodh
- V.G. Sekaran

Transactions and balances with related parties

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Transactions with related parties		
Remuneration*		
M. Anushman Reddy	9.94	5.57
Parvat Srinivas Reddy	30.02	33.60
A. Praveen Kumar Reddy	7.53	3.51
A. Pranay Kumar Reddy	0.86	0.60
Shubham Sunil Bagadia	0.92	1.16
Gunneshwara Rao Pusarla	13.18	16.80
Sitting fees/Commission		
Venkatasatishkumar Reddy Gangapatnam	0.46	0.52
A. Praveen Kumar Reddy	-	0.09
Mathew Cyriac	-	0.08
Padmashri Nagarajan Vedachalam	-	2.06
B V R Subbu	2.21	2.54
A. Krishna Kumar	2.26	2.67
Ameeta Chatterjee	2.21	2.47
U C Muktibodh	1.96	2.12
V.G. Sekaran	2.01	2.26
Rent expense		
K. Shalini	0.73	0.73
Reimbursable expenditure incurred		
Magnatar Aero Systems Private Limited	0.08	0.08
Purchase Transaction- Job work		
Gee Pee Aerospace and Defence Private Limited	43.69	19.98
Interest Income		
Gee Pee Aerospace and Defence Private Limited	5.54	-
Commission Income		
Gee Pee Aerospace and Defence Private Limited	0.01	-
Loan given during the year		
Gee Pee Aerospace and Defence Private Limited	19.50	41.67

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Particulars	As at March 31, 2024	As at March, 31 2023
Balances receivable		
Magnatar Aero Systems Private Limited (reimbursable advance)	0.35	0.27
Gee Pee Aerospace and Defence Private Limited (trade advance)	4.20	-
Gee Pee Aerospace and Defence Private Limited (interest accrued)	7.15	-
Long term loan		
Gee Pee Aerospace and Defence Private Limited	61.17	41.67
Balances payable		
Gee Pee Aerospace and Defence Private Limited	-	13.45

*As the future liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the individuals is not ascertainable, therefore not included above.

37. Fair values

There are no significant financial assets and liabilities measured at fair value through profit or loss except for Investment in units of mutual fund [refer note 4(c)] which has been valued using Level 1 valuation method as described in note 2.2(i).

The fair value of the financial assets and liabilities measured at amortised cost approximates their carrying amounts as at the balance sheet date. (refer breakup of financial assets carried at fair value through profit or loss and breakup of financial assets and financial liabilities carried at amortised cost).

38. Segment Reporting

The chief operating officer / chief executive officer of the Company takes decision in respect of allocation of resources and assesses the performance basis the report / information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Company's business model, manufacturing high precision and heavy equipment, components, machines have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below.

The geographic information analyses the Company's revenues and non-current assets by the country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of the assets.

(a) Revenue from contracts with customers

	For the year ended March 31, 2024	For the year ended March 31, 2023
India	1,606.29	1,123.25
Outside India	4,118.90	4,506.28
Total	**5,725.19**	**5,629.53**

(b) The Company has entire non-current assets within India. Hence, separate figures have not been furnished.

(c) Customer contributing more than 10% of revenue

	No of customers	Amount
For the year ended March 31, 2024	1	4,076.04
For the year ended March 31, 2023	1	4,387.17

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

39. Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change	Reason for variance (above 25%)
(i) Current ratio	5,644	2,055	2.75	2.04	35%	Increase is due to decrease in trade payables during the year.
(ii) Debt- equity ratio	1,902	6,772	0.28	0.23	22%	
(iii) Debt service coverage ratio	976	303	3.23	4.97	-35%	The decrease in debt service coverage ratio is due to decrease in net profit.
(iv) Return on equity ratio	563	6,490	9%	18%	-52%	The decrease in return on equity ratio is due to decrease in Net profit.
(v) Inventory turnover ratio	3,010	3,664	0.82	1.13	-27%	The decrease in ratio is due to increase in average inventory during the year.
(vi) Trade receivable turnover ratio	5,800	1,772	3.27	3.27	0%	
(vii) Trade payable turnover ratio	2,619	1,441	1.82	3.52	-48%	The decrease in ratio is due to decrease in purchase of raw materials.
(viii) Net capital turnover ratio	5,725	3,589	1.60	1.59	0%	
(ix) Net profit ratio	563	5,800	9.70%	18.49%	-48%	The decrease is due to decrease in net profit.
(x) Return on capital employed	919	8,674	10.60%	19.96%	-47%	The decrease is due to decrease in net profit.
(xi) Return on investment	24	137	17.21%	6.22%	177%	The increase is due to sale of mutual funds completely during the year, which resulted in decrease in average investment.

Basis for calculating above ratios as below:

Current ratio = Current assets/Current Liabilities

Debt equity ratio = {Total debt=Borrowings (current + Non current)} /{Shareholders funds= (Equity share capital + Other equity)}

Debt service coverage ratio = (Net profit after tax + Depreciation and amortisation + Interest expense)/(Long term loans repayment+ Short term loans repayment)

Return on equity ratio= Net profit after taxes/ Average share holders funds

Inventory turnover ratio= Cost of goods sold/ Average inventory

Trade receivable turnover ratio= Revenue from operations/ Average trade receivable

Trade payable turnover ratio= Net credit purchases/ Average trade payables

Net capital turnover ratio= Revenue from operations/(Current assets- Current liabilities)

Net profit ratio= Net profit after tax/ Revenue from operations

Return on capital employed= Earning before interest and taxes/ (Share holders funds+Borrowings (Current + Non current))

Return on investment= Gain on investment/ Average investment

40. Other statutory information

i) No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii) The title deeds of all the immovable properties disclosed in the standalone financial statements are held in the name of the Company.

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

iii) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Company does not have any transactions with the companies struck off.

v) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

vi) During the current year, the borrowed funds were utilised for the purpose which they were obtained and as per the terms specified in the sanction letter.

vii) 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)

viii) 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).

ix) The Company has borrowings from banks on the basis of security of current assets and the quarterly returns and statements of current assets filed by the Company with banks are in agreement with the books of accounts.

x) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

xi) The Company has not 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.

41 The Company has used accounting software MS Navision for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to MS Navision accounting software. Further no instance of audit trail feature being tampered with was noted in respect of accounting software where the audit trail has been enabled.

42 Subsequent event

No significant subsequent events have been observed till May 28, 2024 which may require any additional disclosure or an adjustment to the standalone financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered accountants
ICAI Firm registration number: 101049W/E300004

per Atin Bhargava
Partner
Membership no: 504777

Place: Hyderabad
Date: May 28, 2024

For and on behalf of the Board of Directors of
MTAR Technologies Limited

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Venkatasatishkumar Reddy Gangapatnam
Director
DIN: 06535717

Gunneswara Rao Pusarla
Chief Financial Officer

Shubham Sunil Bagadia
Company Secretary
Membership no: ACS-55748

Place: Hyderabad
Date: May 28, 2024

INDEPENDENT AUDITOR'S REPORT

To
The Members of
MTAR Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the acCompanying consolidated financial statements of MTAR Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the acCompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 2.2(f) and note 20 of the consolidated financial statements)	
Revenue from contracts with customer is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Holding Company expects to be entitled in exchange for those goods. During the year ended March 31, 2024, the Holding Company has recognised revenue amounting to Rs. 1,606.29 million and Rs. 4,118.90 million from domestic and export sales respectively. The point at which control passes is determined based on the terms and conditions by each customer arrangement i.e., delivery specifications including incoterms in case of exports. The risk is, therefore, that revenue may not get recognised in the correct period. Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures, among others included the following: • Assessed the Holding Company's revenue recognition policy in terms of Ind AS 115 ("Revenue from Contracts with Customers"). • Obtained an understanding, assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. • Performed the following tests for a sample of transactions o tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts / sales orders, shipping documents and other related documents. o verified whether the recognition of revenue is in accordance with the incoterms / when the conditions for revenue recognitions are satisfied. • Tested the supporting documentation for sample of sales transactions recorded during the period closer to the year end to agree the period of revenue recognition to underlying documents as referred above. • Assessed the relevant disclosures made in the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 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.

Other Matter

We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements include total assets of Rs 114.12 million as at March 31, 2024, and total revenues of Rs 51.39 million and net cash outflows of Rs 0.29 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g);

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards 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 of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2024 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 consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company and its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2 (b) above on reporting under Section 143(3)(b) and paragraph 2 (i) (vi) below on reporting under Rule 11(g);

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 32 to the consolidated financial statements;

ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2024.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) No dividend has been declared or paid during the year by the Holding Company and its subsidiaries companies, incorporated in India.

vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances discussed in note 42 to the financial statements, the Holding Company and its subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to database when using certain access rights. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with, in respect of accounting software where the audit trail has been enabled.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 24504777BKDHLT3344

Place of Signature: Hyderabad
Date: May 28, 2024

Annexure 1 referred to the Independent Auditor's Report

Re: MTAR Technologies Limited ("the Holding Company")

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 24504777BKDHLT3344

Place of Signature: Hyderabad
Date: May 28, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MTAR TECHNOLOGIES LIMTED

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

In conjunction with our audit of the consolidated financial statements of MTAR Technologies Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these two subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, incorporated in India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 24504777BKDHLT3344

Place of Signature: Hyderabad
Date: May 28, 2024

Consolidated Balance Sheet as at March 31, 2024

(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	3,398.08	2,902.06
Capital work in progress	3.1	728.82	643.77
Intangible assets	3 (b)	7.30	7.94
Financial assets			
-Investments	4 (a)	0.10	0.10
-Other financial assets	5	26.18	21.67
Non-current tax assets (net)	6	52.64	5.22
Other non-current assets	7	215.02	85.56
		4,428.14	**3,666.32**
Current assets			
Inventories	9	3,476.31	3,865.62
Financial assets			
Investment in mutual funds	4 (b)	-	274.74
Trade receivables	10	1,466.03	2,083.95
Cash and cash equivalents	11	392.36	122.40
Bank balances other than cash and cash equivalents	12	115.99	189.84
Other financial assets	5	85.63	47.98
Other current assets	8	112.13	382.25
		5,648.45	**6,966.78**
Total assets		**10,076.59**	**10,633.10**
Equity and liabilities			
Equity			
Equity share capital	13	307.59	307.59
Other equity	14	6,455.71	5,893.73
		6,763.30	**6,201.32**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	17	969.89	777.23
Provisions	15	26.27	25.93
Deferred tax liabilities (net)	16	208.53	182.37
Non current liabilities	19	30.43	30.32
		1,235.12	**1,015.85**
Current liabilities			
Financial liabilities			
Borrowings	17	939.27	656.31
Trade payables	18		
- total outstanding dues of micro, small and medium enterprises		3.03	119.13
- total outstanding dues of creditors other than micro, small and medium enterprises		711.08	2,063.36
Other financial liabilities	17A	72.75	70.18
Provisions	15	33.17	18.54
Current tax liabilities (net)	6	-	22.06
Other current liabilities	19	318.87	466.35
		2,078.17	**3,415.93**
Total equity and liabilities		**10,076.59**	**10,633.10**
Summary of material accounting policies	2.2		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered accountants
ICAI Firm registration number: 101049W/E300004

per Atin Bhargava
Partner
Membership no: 504777

Place: Hyderabad
Date: May 28, 2024

For and on behalf of the Board of Directors of
MTAR Technologies Limited

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Venkatasatishkumar Reddy Gangapatnam
Director
DIN: 06535717

Gunneswara Rao Pusarla
Chief Financial Officer

Shubham Sunil Bagadia
Company Secretary
Membership no: ACS-55748

Place: Hyderabad
Date: May 28, 2024

Consolidated statement of profit and loss for the year ended March 31, 2024

(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	20	5,807.52	5,737.51
Other income	21	58.07	194.77
Total income		**5,865.59**	**5,932.28**
Expenses			
Cost of materials consumed	22	3,184.07	3,156.19
Employee benefits expense	24	969.75	935.09
Finance costs	25	223.09	145.67
Depreciation and amortisation expense	26	231.63	186.61
Other expenses	27	686.87	567.58
Total expenses		**5,135.22**	**4,530.05**
Profit before tax		**730.37**	**1,402.23**
Tax expense	28		
Current tax		157.66	340.75
Adjustment of tax relating to earlier periods		(14.29)	-
Deferred tax	5	25.87	27.29
Total tax expense		**169.24**	**368.04**
Profit for the year		**561.13**	**1,034.19**
Other comprehensive income (OCI)			
OCI not to be reclassified to profit or loss:			
Re-measurement gains/ (losses) on defined benefit plans		1.14	(40.45)
Income tax on above		(0.29)	10.18
OCI for the period, net of tax		**0.85**	**(30.27)**
Total comprehensive income for the year		**561.98**	**1,003.92**
Earnings per equity share of Rs. 10 each fully paid	29		
Basic and diluted, computed on the basis of profit attributable to equity holders		18.24	33.62
Summary of material accounting policies	2.2		

The acCompanying notes are an integral part of the consolidated financial statements.
As per our report of even date

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Chartered accountants
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Shubham Sunil Bagadia
Company Secretary
Membership no: ACS-55748

Place: Hyderabad
Date: May 28, 2024

Consolidated statement of cash flows for the year ended March 31, 2024

(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A Cash flow from operating activities		
Profit before tax	**730.37**	**1,402.23**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	231.63	186.61
Finance costs	223.09	145.67
Gain on sale / revaluation of mutual fund	(23.64)	(27.94)
Unrealised exchange (gain) / loss	8.01	(6.55)
Loss/(Profit) on sale of property, plant and equipment	(2.43)	1.81
Interest income	(8.74)	(14.23)
Operating profit before working capital changes	**1,158.29**	**1,687.60**
Movements in working capital:		
Decrease / (Increase) in trade receivables	611.11	(711.61)
Decrease / (Increase) in inventories	389.31	(2,162.46)
Decrease / (Increase) in current and non current financial assets	(43.02)	21.10
Decrease / (Increase) in other current and non current assets	271.92	(172.60)
Increase / (decrease) in trade payables	(1,468.38)	1,603.87
Increase / (decrease) in other current and Non current liabilities	(147.37)	162.29
Increase / (decrease) in provisions	14.91	(31.56)
Cash generated (used in) / from operations	**786.77**	**396.63**
Income tax paid (net of refunds)	(212.85)	(322.56)
Net cash flows (used in) / from operating activities (A)	**573.92**	**74.07**
B Cash flow used in investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress, capital creditors and capital advances	(941.77)	(1,083.71)
Proceeds from Sale of fixed assets	3.45	6.10
Investment in units of mutual fund	(751.76)	(323.50)
Receipt from redemption in units of mutual fund	1,050.14	700.00
Payment towards acquisition of business, net of cash acquired	-	(64.50)
Investment in bank deposits	(259.49)	(116.07)
Redemption from bank deposits	333.34	-
Interest received	9.60	14.53
Net cash flows used in investing activities (B)	**(556.49)**	**(867.15)**
C Cash flow from financing activities		
Proceeds from long term borrowings	676.53	730.67
Repayment of long term borrowings	(302.65)	(174.89)
Proceeds from / (repayment of) short term borrowings (net)	101.74	(98.79)
Finance costs paid	(223.09)	(137.08)
Net cash flows from financing activities (C)	**252.53**	**319.91**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**269.96**	**(473.17)**
Cash and cash equivalents at the beginning of the year	122.40	595.57
Cash and cash equivalents at the end of the year	**392.36**	**122.40**

Consolidated statement of cash flows for the year ended March 31, 2024
(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Components of cash and cash equivalents		
Cash on hand	0.25	0.18
Balance with banks:		
Current accounts	392.11	122.22
Deposits with original maturity of less than three months	-	0.00
Total cash and cash equivalents	**392.36**	**122.40**

The reconciliation between the opening and the closing balances for liabilities arising from financing activities (long-term borrowings, including current maturities and short-term borrowings) is as follows:

Particulars	Long-term including current maturities	Short-term
Opening as on March 31, 2022	487.25	471.68
Proceeds for Long-term including current maturities	738.46	-
Repayment for Long-term including current maturities	(174.89)	-
Proceeds / (repayment) for Short-term (net)	-	(88.96)
Closing as on March 31, 2023	1,050.82	382.72
Proceeds for Long-term including current maturities	676.53	-
Repayment for Long-term including current maturities	(302.65)	-
Proceeds / (repayment) for Short-term (net)	-	101.74
Closing as on March 31, 2024	**1,424.70**	**484.46**
Summary of material accounting policies 2.2		

The acCompanying notes are an integral part of the consolidated financial statements.
As per our report of even date

Place

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered accountants
ICAI Firm registration number: 101049W/E300004

per Atin Bhargava
Partner
Membership no: 504777

Place: Hyderabad
Date: May 28, 2024

For and on behalf of the Board of Directors of
MTAR Technologies Limited

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Venkatasatishkumar Reddy Gangapatnam
Director
DIN: 06535717

Gunneswara Rao Pusarla
Chief Financial Officer

Shubham Sunil Bagadia
Company Secretary
Membership no: ACS-55748

Place: Hyderabad
Date: May 28, 2024

Consolidated statement of changes in equity for the year ended March 31, 2024
(All amounts are in Indian rupees in millions, except share data and unless otherwise stated)

a) Equity share capital

a) Equity share capital		
Equity shares of Rs. 10 each, issued, subscribed and fully paid up	**No. of shares**	**Amount**
For the year ended March 31, 2024		
As at April 01, 2023	**30,759,591**	**307.59**
Add: Issued during the year	-	-
As at March 31, 2024	**30,759,591**	**307.59**
For the year ended March 31, 2023		
As at April 01, 2022	**30,759,591**	**307.59**
Add: Issued during the year	-	-
As at March 31, 2023	**30,759,591**	**307.59**

b) Other Equity

Particulars	Securities premium	Capital redemption reserve	Retained Earnings	Total
For the year ended March 31, 2024				
As at April 01, 2023	**3,199.56**	**14.55**	**2,679.62**	**5,893.73**
Profit for the year	-	-	561.13	561.13
Other comprehensive income for the year	-	-	0.85	0.85
As at March 31, 2024	**3,199.56**	**14.55**	**3,241.60**	**6,455.71**
For the year ended March 31, 2023				
As at April 01, 2022	3,199.56	14.55	1,675.70	4,889.81
Profit for the year	-	-	1,034.19	1,034.19
Other comprehensive income for the year	-	-	(30.27)	(30.27)
As at March 31, 2023	**3,199.56**	**14.55**	**2,679.62**	**5,893.73**

The acCompanying notes are an integral part of the consolidated financial statements.
As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered accountants
ICAI Firm registration number: 101049W/E300004

per Atin Bhargava
Partner
Membership no: 504777

Place: Hyderabad
Date: May 28, 2024

For and on behalf of the Board of Directors of
MTAR Technologies Limited

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

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DIN: 06535717

Gunneswara Rao Pusarla
Chief Financial Officer

Shubham Sunil Bagadia
Company Secretary
Membership no: ACS-55748

Place: Hyderabad
Date: May 28, 2024

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

1 Corporate Information

The consolidated financial statements comprise financial statements of MTAR Technologies Limited, (“”MTAR”” or “”the Holding Company”” or “the Company” or “the parent”) and its subsidiaries (collectively, “”the Group””) for the year ended March 31, 2024. The Company was a private limited Company domiciled in India, and incorporated on November 11, 1999 under the provisions of the erstwhile Companies Act, 1956 replaced with Companies Act, 2013 (“Act”) w.e.f. April 1, 2014 with its registered office at 18, Technocrats Industrial Estate, Balanagar, Hyderabad, Telangana, India 500037. The Company became a Public Limited Company w.e.f. November 2, 2020 and consequently the name of the Company has changed from MTAR Technologies Private Limited to MTAR Technologies Limited.

The Holding Company listed its shares in both BSE and NSE on March 15, 2021.

The Group is engaged in the business of manufacturing high precision and heavy equipment, components, machines for sectors including nuclear, aerospace, defence, etc.

2 Material accounting policies

These notes provide a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1.a Basis of preparation

The Consolidated financial statements for the year ended March 31, 2024 comprising of Consolidated balance sheet as at March 31, 2024, Consolidated statement of profit and loss, including the Consolidated statement of other comprehensive income, Consolidated cash flow statement and Consolidated statement of changes in equity for the year then ended, and a summary of explanatory notes (together hereinafter referred to as “financial statements”) have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable to the consolidated financial statements (to the extent notified) and other accounting principles generally accepted in India.

The financial statements has been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Defined benefits plan- plan assets measured at fair value

The financial statements are presented in Indian Rupees "INR" or “Rs.” and all values are stated as INR Mn, except when otherwise indicated.

2.1.b Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

• Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
• Exposure, or rights, to variable returns from its involvement with the investee, and
• The ability to use its power over the investee to affect its returns

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiaries begins when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiaries. Assets, liabilities, income and expenses of a subsidiaries acquired or disposed of during the year are included in the Consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of subsidiary used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiaries, the subsidiaries prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiaries, unless it is impracticable to do so.

Consolidation procedure

1. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiary.
2. Eliminate the carrying amount of the Holding Company's investment in subsidiary and the Holding Company's portion of equity of subsidiary till date of incorporation of subsidiary.
3. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
4. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

2.2 Summary of material accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

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

b) Property, plant and equipment

Freehold land is carried at cost, net of tax / duty credit availed, net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located. 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 Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Capital work-in-progress (CWIP) includes cost of property, plant and equipment under installation/ under development, net of accumulated impairment loss, if any, as at the balance sheet date.

Directly attributable expenditure incurred on project under implementation are shown under CWIP. At the point when an asset is capable of operating in the manner intended by management, the capital work in progress is transferred to the appropriate category of property, plant and equipment.

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance. “

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance.

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which is equal to the life prescribed under the Schedule II to the Companies Act, 2013.

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

The useful lives estimated by the management are given below:

Category of Asset	Estimated useful life (years)
Property, plant and equipment	
Buildings	30
Plant and machinery	15
Electrical equipment	5
Furniture and fixtures	10
Office equipment	5
Computers	3 / 6 years
Vehicles	8

The residual value, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other (income)/expense, net" in the statement of profit and loss.

c) Intangible assets

Costs relating to computer software, which is acquired, are capitalised and amortised on a straight-line basis over their estimated useful lives of three years.

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

d) Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

i. Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

ii. 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 is determined on weighted average basis.

e. Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

f) Revenue

(i) Revenue from contract with customers

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates. Amounts collected on behalf of third parties such as Goods and Service Tax (GST) are excluded from revenue.

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

Sale of goods

Revenue is recognized at the point in time when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on delivery to the customer. The contracts that Group enters into relate to sales order containing single performance obligations for the delivery of goods as per Ind AS 115. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods to a customer. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price. The Group 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.

Contract Balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group 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.

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Trade receivable

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). Refer to accounting policies of financial assets in section (i) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(ii) Export benefits

Export benefits are recognised where there is reasonable assurance that the benefit will be received and all attached conditions will be complied with. Export benefits on account of export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

(iii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(iv) Dividend income

Dividend income from investments is recognised in the year in which the right to receive the payment is established.

g) Borrowing costs

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. 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.

h) Foreign currency transactions

Items included in the financial statements of Group are measured using currency of the primary economic environment in which the group operates (“the functional currency”). The financial statements are presented in Indian rupees (INR), which is the functional currency of the Group.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group in INR at spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at INR spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss. Net loss relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Financial instruments

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

Financial Asset

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised cost
Debt instruments at fair value through other comprehensive income (FVTOCI)
Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part

Notes to the consolidated financial statements for the year ended March 31, 2024
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This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the profit or loss.

Debt instruments at FVTOCI
A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debts Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL.However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Equity instruments designated at fair value through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Investment in Subsidiaries:

The Group has elected to recognize its investments in subsidiaries at cost less accumulated impairment loss, if any in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost represents amount paid for acquisition of the said investments.
On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss. The details of such investment are given in Note 4. Refer to the accounting policies in (g) Impairment of non-financial assets.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. In that case, the Group 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 Group has retained.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition.

ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. 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.

Subsequent measurement

The measurement of financial liabilities is as described below:

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Loans and borrowings

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

De-recognition

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.

Reclassification of financial instruments

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any recognised gains, losses (including impairment gains or losses) or interest.

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.

j) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating officer/ chief executive officer. The chief operating officer/ chief executive officer is responsible for allocating resources and assessing performance of operating segments and accordingly is identified as the chief operating decision maker

k) Fair value measurement

The Group measures financial instruments, such as, derivatives 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:

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

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

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.

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (notes 32)
- Investment in unquoted equity shares (note 4)
- Financial instruments (including those carried at amortised cost) (notes 5, 9, 10, 11, 16, 17, 17A, 33, 36)

l) Taxes

Tax expense comprises current tax expense and deferred tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation 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 provisions where appropriate.

Deferred tax

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

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(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

m) Retirement and other employee benefits

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

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

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

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

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

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

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

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n) Provisions and contingent liabilities and contingent assets

Provisions are recognised when the Group 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 Group 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.

Notes to the consolidated financial statements for the year ended March 31, 2024
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A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise the contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

o) Business combination

The Group accounts for its business combinations under acquisition method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair value of the assets transferred and liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in standalone statement of profit and loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire, if any over the net of the acquisition–date amounts of the identifiable assets acquired and the liabilities assumed. Such goodwill is tested annually for impairment.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date and is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

Business combinations arising from entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the entity are recorded in other equity.

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, 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 are considered an integral part of the Group's cash management.

r) Cash dividend to equity holders of the Group

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors. A corresponding amount is recognised directly in equity.

s) Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

r) New and amended standards

Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023, MCA to amend the following Ind AS which are effective for annual periods beginning on or after 01 April 2023. The Company applied for the first time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's standalone financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 12, Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

s) Standards notified but not yet effective:

There are no standards that are notified and not yet effective as on the date.

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Note 3(a) : Property, plant and equipment and intangible assets

	Freehold land	Buildings	Plant and machinery	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total property, plant and equipment
As at April 01, 2022	**467.14**	**448.50**	**1,657.23**	**19.16**	**21.83**	**9.70**	**34.73**	**11.59**	**2,669.88**
Additions during the year	-	275.39	715.16	12.00	17.13	10.50	10.33	8.12	**1,048.63**
Acquired on acquisition (refer note 40)	44.18	8.96	33.88	0.39	0.04	0.15	0.19	0.23	**88.02**
Disposals during the year	0.17	-	45.19	-	-	-	-	-	**45.36**
As at April 01, 2023	**511.15**	**732.85**	**2,361.08**	**31.55**	**39.00**	**20.35**	**45.25**	**19.94**	**3,761.17**
Additions during the year	145.86	95.40	431.23	9.15	19.92	9.97	11.80	-	**723.33**
Disposals during the year	-	-	16.71	-	-	-	-	-	**16.71**
As at March 31, 2024	**657.01**	**828.25**	**2,775.60**	**40.70**	**58.92**	**30.32**	**57.05**	**19.94**	**4,467.79**
Accumulated depreciation and amortisation									
As at April 01, 2022	**-**	**75.48**	**574.48**	**16.98**	**16.58**	**6.45**	**21.45**	**4.60**	**716.02**
Charge for the year	-	23.39	144.18	1.71	1.07	1.75	6.69	1.59	**180.37**
Disposals for the year	-	-	37.28	-	-	-	-	-	**37.28**
As at April 01, 2023	-	**98.87**	**681.38**	**18.69**	**17.65**	**8.20**	**28.14**	**6.19**	**859.11**
Charge for the year	-	27.03	176.54	3.33	3.39	4.96	8.75	2.20	**226.20**
Disposals for the year	-	-	15.60	-	-	-	-	-	**15.60**
As at March 31, 2024	-	**125.90**	**842.32**	**22.02**	**21.04**	**13.16**	**36.89**	**8.39**	**1,069.71**
Net block	-								
As at March 31, 2024	**657.01**	**702.35**	**1,933.28**	**18.69**	**37.87**	**17.16**	**20.17**	**11.55**	**3,398.08**
As at March 31, 2023	**511.15**	**633.98**	**1,679.70**	**12.87**	**21.34**	**12.15**	**17.12**	**13.75**	**2,902.06**

Certain land and buildings are subject to a first charge to secure the Holding Company's bank loans. (refer note 17)

Notes to the consolidated financial statements for the year ended March 31, 2024

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Note 3(b): Intangible assets

	Intangible asset- Software
As at April 01, 2022	**39.63**
Additions duting the year	4.09
Disposals during the year	-
As at April 01, 2023	**43.72**
Additions duting the year	4.79
Disposals during the year	-
As at March 31, 2024	**48.51**
Accumulated depriciation and amortisation	
As at April 01, 2022	**29.54**
Charge for the year	6.24
Disposals for the year	-
As at March 31, 2023	**35.78**
Charge for the year	5.43
Disposals for the year	-
As at March 31, 2024	**41.21**
Net Block	
As at March 31, 2024	**7.30**
As at March 31, 2023	**7.94**

Note 3.1: Capital work in progress

Particulars	Amount
As at April 01, 2022	**438.00**
Additions	1,255.54
Capitalised during the year	(1,049.77)
As at March 31, 2023	**643.77**
Additions	813.17
Capitalised during the year	(728.12)
As at March 31, 2024	**728.82**

Capital work in progress (CWIP)

(a) Ageing schedule

	March 31, 2024					March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	402.07	323.03	0.17	3.55	728.82	605.85	34.37	-	3.55	643.77
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**402.07**	**323.03**	**0.17**	**3.55**	**728.82**	**605.85**	**34.37**	**-**	**3.55**	**643.77**

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

For capital work-in-progress, projects whose completion is overdue as at March 31, 2024 are as under:

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
VTL Machine	265.68	-	-	-	265.68
Total	**265.68**	**-**	**-**	**-**	**265.68**

(b) As at March 2024, there are no projects which have exceeded its cost as compared to its original plan. As at March 2023, there are no projects for which the completion is overdue or has exceeded its cost as compared to its original plan.

Note 4: Investments

	As at March 31, 2024	As at March, 31 2023
(a) Non-current investments		
Unquoted equity shares		
Others (at fair value through profit or loss)		
Samuha Engineering Industries Limited		
[10,000 (March 31, 2022: 10,000) equity shares of par value Rs. 10 each fully paid]	0.10	0.10
	0.10	**0.10**
Current investments		
Quoted		
(b) Mutual fund units (at fair value through profit or loss)		
Nil units (March 31, 2023: 5,981,637.72 units) of SBI savings fund- direct plan- growth	-	224.74
Nil units (March 31, 2023: 4,999,750.01) of SBI fixed maturity plan- regular growth	-	50.00
	-	**274.74**
Aggregate amount of unquoted investments- in others	0.10	0.10

5 Financial assets

Unsecured, considered good unless stated otherwise

	As at March 31, 2024	As at March, 31 2023
Non-current		
Security deposits	26.18	21.67
	26.18	**21.67**
Current		
Retention money	82.44	44.94
Interest accrued on bank deposits	1.54	2.40
Loans and advances to employees	1.65	0.64
	85.63	**47.98**

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

6 Non current tax assets (net) / current tax liabilities (net)

	As at March 31, 2024	As at March, 31 2023
Non-current tax asset (net)		
Advance income tax (net)	52.64	5.22
Liability for current tax		
Tax liability	-	(22.06)
	52.64	**(16.84)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and related to income tax levied by same tax authority.

7 Other non-current assets

	As at March 31, 2024	As at March, 31 2023
Non-current		
Unsecured, considered good		
Prepaid expenses	9.00	10.80
Advance for capital goods	180.49	49.23
Balances recoverable from government authorities	25.53	25.53
	215.02	**85.56**

8 Other current assets

	As at March 31, 2024	As at March, 31 2023
Current		
Unsecured, considered good		
Advance to suppliers	65.32	43.33
Prepaid expenses	33.49	22.57
Export benefits receivable	0.74	0.74
Balances recoverable from government authorities	12.58	315.61
	112.13	**382.25**

9 Inventories (at lower of cost and net realisable value)

	As at March 31, 2024	As at March, 31 2023
Raw materials	1,769.74	2,346.80
[Includes in transit: Rs. 117.64 (March 31, 2023: Rs. 748.04)]		
Stores and Spares	100.52	72.96
Work-in-progress	1,606.05	1,445.86
	3,476.31	**3,865.62**

Write down of inventories to net realisable value amounted to Rs. Nil (March 31, 2023: Rs. 15.84). These were recognised as an expense during the year and included in 'cost of materials consumed and changes in inventories of work-in-progress'.

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

10 Trade receivables

	As at March 31, 2024	As at March, 31 2023
Current		
Unsecured considered good	1,467.23	2,083.95
Less: allowance for credit loses	1.20	-
	1,466.03	**2,083.95**

No trade or other receivable are due from directors or other officers of the Group 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.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Movement in expected credit loss

	For the year Ended March 31, 2024	For the year Ended March 31, 2023
Balance at the beginning of the year	-	-
Provision made during the year, net of reversals	1.20	-
Bad debts written off against opening provision during the year	-	-
Balance at the end of the year	**1.20**	**-**

Trade receivables ageing schedule
As at March 31, 2024

	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Unsecured considered good	1,158.89	243.53	52.79	9.17	2.63	0.21	1,467.23
Trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**1,158.89**	**243.53**	**52.79**	**9.17**	**2.63**	**0.21**	**1,467.23**
Less: allowance for credit loses							1.20
Total							**1,466.03**

As at March 31, 2023

	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Unsecured considered good	1,939.71	108.17	25.80	9.14	1.13	-	2,083.95
Trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**1,939.71**	**108.17**	**25.80**	**9.14**	**1.13**	**-**	**2,083.95**
Less: allowance for credit loses							-
Total							**2,083.95**

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

11 Cash and cash equivalents

	As at March 31, 2024	As at March, 31 2023
Cash on hand	0.25	0.18
Balances with banks		
On current accounts	392.11	122.22
Deposits with original maturity less than 3 months	-	0.00
	392.36	**122.40**

12 Balances at bank other than cash and cash equivalents

	As at March 31, 2024	As at March, 31 2023
Margin money deposits*		
Deposits with original maturity for more than three months but remaining maturity of less than twelve months	115.99	189.84
	115.99	**189.84**

* Margin money deposits represent security held by bank for the bank guarantees and letter of credits of Rs. 878.72 (March 31, 2023: Rs. 1,128.47) issued by the bankers on behalf of the Company.

Breakup of financial assets carried at fair value through profit or loss:

	As at March 31, 2024		As at March, 31 2023	
	Carrying value	Fair value	Carrying value	Fair value
Investment in units of mutual funds (quoted)	-	-	274.74	274.74
Investments in unquoted equity shares (others)	0.10	0.10	0.10	0.10
Total financial assets carried at fair value through profit or loss	**0.10**	**0.10**	**274.84**	**274.84**

Breakup of financial assets carried at amortised cost:

	As at March 31, 2024		As at March, 31 2023	
	Carrying value	Fair value	Carrying value	Fair value
Trade receivables	1,466.03	1,466.03	2,083.95	2,083.95
Cash and cash equivalent	392.36	392.36	122.40	122.40
Balances at bank other than cash and cash equivalents	115.99	115.99	189.84	189.84
Retention money	82.44	82.44	44.94	44.94
Security deposits	26.18	26.18	21.67	21.67
Interest accrued	1.54	1.54	2.40	2.40
Loans and advances to employees	1.65	1.65	0.64	0.64
Total financial assets carried at amortised cost	**2,086.19**	**2,086.19**	**2,465.84**	**2,465.84**

The management assessed that cash and cash equivalents and trade receivables approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets 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.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values. The fair values of the financial assets included above have been determined in accordance with generally accepted pricing models.

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

13. Equity share capital

	As at March 31, 2024		As at March, 31 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of Rs. 10 each	66,000,000	660.00	66,000,000	660.00
Issued, subscribed and fully paid up shares				
Equity shares of Rs. 10 each	**30,759,591**	**307.59**	**30,759,591**	**307.59**

(a) Reconciliation of equity shares outstanding at beginning and at end of the year:

	As at March 31, 2024		As at March, 31 2023	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	30,759,591	307.59	30,759,591	307.59
Issued during the year	-	-	-	-
At the end of the year	**30,759,591**	**307.59**	**30,759,591**	**307.59**

(b) Rights, preferences and restrictions attached to shares

The Holding has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shareholders holding more than 5% equity shares in the Holding Company

Name of the shareholder	As at March 31, 2024		As at March, 31 2023	
	Number of shares	%	Number of shares	%
(ii) Vamshidhar Reddy Kallem	18,56,087	6.03%	20,91,559	6.80%
(iii) K. Shalini	7,55,483	2.46%	20,91,483	6.80%
(iv) Leelavathi Parvatha Reddy	7,21,712	2.35%	16,18,712	5.26%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest,the above shareholding represents both legal and beneficial ownerships of shares.

(d) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(i) There are no equity shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

(ii) During the year ended March 31, 2020, the Holding has bought back 1,454,541 equity shares of Rs. 10 each.

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(e) Details of shares held by promoters

As at March 31, 2024

Equity shares of Rs. 10 each fully paid

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
K Vamshidhar Reddy	20,91,559	(2,35,472)	18,56,087	6.03%	-0.77%
P Srinivas Reddy	13,92,903	-	13,92,903	4.53%	0.00%
Mitta Madhavi	7,71,321	4,34,662	12,05,983	3.92%	1.41%
A Manogna	6,43,813	5,43,076	11,86,889	3.86%	1.77%
Saranya Loka Reddy	9,24,666	65,000	9,89,666	3.22%	0.21%
P Kalpana Reddy	10,25,000	(51,000)	9,74,000	3.17%	-0.17%
D Anitha Reddy	12,80,431	(4,90,000)	7,90,431	2.57%	-1.59%
K Shalini	20,91,483	(13,36,000)	7,55,483	2.46%	-4.34%
Leelavathi Parvatha Reddy	16,18,712	(8,97,000)	7,21,712	2.35%	-2.92%
Usha Reddy Chigarapalli	12,05,445	(5,00,000)	7,05,445	2.29%	-1.63%
Kavitha Reddy Gangapatnam	9,95,446	(3,92,705)	6,02,741	1.96%	-1.28%
Anushman Reddy	2,68,128	-	2,68,128	0.87%	0.00%
Northeast Broking Services Limited	35,000	(22,500)	12,500	0.04%	-0.07%
Total	**1,43,43,907**	**(28,81,939)**	**1,14,61,968**	**37.26%**	**-9.37%**

As at March 31, 2023

Equity shares of Rs. 10 each fully paid

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
K Vamshidhar Reddy	20,91,559	-	20,91,559	6.80%	0.00%
K Shalini	20,91,483	-	20,91,483	6.80%	0.00%
Leelavathi Parvatha Reddy	16,18,712	-	16,18,712	5.26%	0.00%
D Anitha Reddy	13,92,903	-	13,92,903	4.53%	0.00%
Usha Reddy Chigarapalli	14,80,431	(2,00,000)	12,80,431	4.16%	-0.65%
P Srinivas Reddy	14,05,445	(2,00,000)	12,05,445	3.92%	-0.65%
Kavitha Reddy Gangapatnam	10,25,000	-	10,25,000	3.33%	0.00%
Saranya Loka Reddy	13,05,446	(3,10,000)	9,95,446	3.24%	-1.01%
P Kalpana Reddy	10,34,265	(1,09,599)	9,24,666	3.01%	-0.36%
Mitta Madhavi	7,76,321	(5,000)	7,71,321	2.51%	-0.02%
A Manogna	7,43,813	(1,00,000)	6,43,813	2.09%	-0.33%
Anushman Reddy	2,68,128	-	2,68,128	0.87%	0.00%
Northeast Broking Services Limited	2,25,000	(1,90,000)	35,000	0.11%	-0.62%
Total	**1,54,58,506**	**(11,14,599)**	**1,43,43,907**	**46.63%**	**-3.62%**

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

14. Other Equity

	As at March 31, 2024	As at March, 31 2023
Securities premium		
Balance at the beginning of the year	3,199.56	3,199.56
Balance at the end of the year	**3,199.56**	**3,199.56**
Capital redemption reserve		
Balance at the beginning of the year	14.55	14.55
Balance at the end of the year	**14.55**	**14.55**
Retained earnings		
Balance at the beginning of the year	2,679.62	1,675.70
Add: Other comprehensive income / (loss) for the year	0.85	(30.27)
Add: Profit for the year	561.13	1,034.19
Balance at the end of the year	**3,241.60**	**2,679.62**
	6,455.71	**5,893.73**

Nature and purpose of reserves

Security premium represents the amount received in excess of par value of equity shares. Section 52 of Companies Act, 2013 specifies regulation around application of premiums received on issue of shares. Accordingly, the Group has applied securities premium to write off Group share of expenses incurred on fresh issue of equity shares.

Capital redemption reserve represents the amount of profits transferred from securities premium for the buy back of equity shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Retained earnings are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the Group and eligible for distribution to shareholders.

15. Provisions

	As at March 31, 2024	As at March, 31 2023
Non-current		
Provision for employee benefits		
- Gratuity (refer note 30)	26.27	13.95
- Compensated absences	-	11.98
	26.27	**25.93**
Current		
Provision for employee benefits		
- Gratuity (refer note 30)	17.74	14.89
- Compensated absences	15.43	3.65
	33.17	**18.54**

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

16. Deferred tax liabilities (net)

	As at March 31, 2024	As at March, 31 2023
Deferred tax liability arising on account of timing differences relating to:		
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	233.31	190.14
	233.31	**190.14**
Deferred tax asset arising on account of timing differences relating to:		
Expenses allowed on payment basis	24.78	7.77
	24.78	**7.77**
Deferred tax liability (net)	**208.53**	**182.37**

The Group offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Break up of deferred tax (asset) / liabilities

	Opening balance	Recognised in the statement of profit and loss	On account of acquisition	Recognised in OCI	Closing balance
For the year ended March 31, 2024:					
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	190.14	43.17		-	233.31
Expenses allowed on payment basis	(7.77)	(17.30)	-	0.29	(24.78)
MAT credit entitlement				-	-
	182.37	**25.87**	-	**0.29**	**208.53**
For the year ended March 31, 2023:					
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	176.76	13.38		-	190.14
Expenses allowed on payment basis	(13.93)	16.34	2.43	(10.18)	(7.77)
MAT credit entitlement	-	-		-	-
	162.83	**29.72**		**(10.18)**	**182.37**

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

17. Borrowings

	As at March 31, 2024	As at March, 31 2023
Non-current		
Secured bank borrowings		
Long-term borrowings	969.89	777.23
Current maturity of long-term borrowings	454.81	273.59
	1,424.70	**1,050.82**
Less: Amount disclosed under "short-term borrowings"	(454.81)	(273.59)
	969.89	**777.23**
Current		
Secured bank borrowings		
Cash credit	484.46	382.69
Export packing credit (USD)	-	0.03
Current maturity of long-term borrowings	454.81	273.59
	939.27	**656.31**
Aggregate secured borrowings	**1,909.16**	**1,433.54**
Aggregate unsecured borrowings	-	-

1. The long-term borrowings including current maturities of Rs. 1,424.70 (March 31, 2023: Rs. 1,050.82) from banks is secured by collateral security against inventories, trade receivables and all other charges on current assets of the present and future current assets of the Holding Company. The Company has not fully drawn the loan facility as at March 31, 2024.

(i) State Bank of India
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

(ii) HDFC Bank Limited
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

(iii) EXIM Bank
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

(iv) Union Bank
- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

Particulars	Outstanding balance as at (` in mn)		Interest range % per annum	Balance number of installments as at		Frequency of installments	Repayments commencing from - to
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023		
State Bank of India- 1	52.58	106.75	9.40 to 9.55	8	12	Quarterly	March 31, 2021 to March 31, 2026
HDFC Bank Limited	446.82	619.78	9.25 to 9.50	30	42	Monthly	April 01, 2022 to October 31, 2026
EXIM Bank- 1	331.69	324.28	7.50 to 9.10	13	16	Quarterly	September 01, 2023 to August 31, 2027
State Bank of India- 2	373.71	-	8.90 to 8.95	20	-	Quarterly	June 30, 2024 to March 31, 2029
EXIM Bank- 2	59.90	-	9.25	16	-	Quarterly	March 01, 2025 to December 01, 2028
Union Bank	160.00	-	9.35	18	-	Quarterly	June 30, 2024 to September 30, 2028

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

2. Cash credit and export packing credit facility (USD) aggregating to Rs. 484.46 (March 31, 2023: Rs. 377.11) is secured against inventories, trade receivables, and all other charges on current assets of the present and future current assets of the Company. Further the borrowing is secured by collateral security on the certain land and building of the Company.

The cash credit facility is repayable on demand and carries interest @ 5.95% to 9.50% p.a. (March 31, 2023: 5.50% to 8.40% p.a.). The export packing credit in USD carries interest @ Nil (March 31, 2023: 2.53% to 5.50% p.a.).

17A Other Financial Liabilities

	As at March 31, 2024	As at March, 31 2023
Payable for capital goods	72.75	70.18
	72.75	**70.18**

18 Trade Payable

	As at March 31, 2024	As at March, 31 2023
- dues of micro and small enterprises	3.03	119.13
- dues of creditors other than micro and small enterprises	711.08	2,063.36
	714.11	**2,182.49**

Trade payables ageing schedule
As at March 31, 2024

		Outstanding for following periods from due date of payment				
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of MSME	-	3.03	-	-	-	3.03
Total outstanding dues of creditors other than MSME	249.74	444.77	15.92	0.65	0.33	711.41
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	249.74	**447.80**	**15.92**	**0.65**	**0.33**	**714.44**

As at March 31, 2023

		Outstanding for following periods from due date of payment				
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of MSME	-	119.13	-	-	-	119.13
Total outstanding dues of creditors other than MSME	913.38	1,143.40	4.43	0.35	-	2,061.56
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	913.38	**1,262.53**	**4.43**	**0.35**	**-**	**2,180.69**

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Disclosure pertaining to Micro, Small And Medium Enterprises Act (as per information available with the Group)

	As at March 31, 2024	As at March, 31 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount remaining unpaid	3.03	119.13
Interest due thereon	-	-
	3.03	**119.13**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The 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 the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Breakup of financial liabilities carried at amortised cost:

	As at March 31, 2024		As at March, 31 2023	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings- long-term including current maturities	1,424.70	1,424.70	1,050.82	1,050.82
Borrowings- short-term	484.46	484.46	382.72	382.72
Payable for capital goods	72.75	72.75	70.18	70.18
Trade payables	714.11	714.11	2,182.49	2,182.49
	2,696.02	**2,696.02**	**3,686.21**	**3,686.21**

The management assessed that trade payables, short-term borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial liabilities included above is 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.

19. Other Liabilities

	As at March 31, 2024	As at March, 31 2023
Non-Current		
Statutory dues	30.43	30.32
	30.43	**30.32**
Current		
Statutory dues	13.99	17.91
Contract liability- advance from customers	304.88	446.61
Others	-	1.83
	318.87	**466.35**

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

20. Revenue from Operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Revenue from contracts with customers		
Sale of products	5,725.98	5,630.24
	5,725.98	**5,630.24**
(B) Other operating revenue		
- Others	81.54	107.27
	81.54	**107.27**
Total (A+B)	**5,807.52**	**5,737.51**

(i) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the year ended March 31, 2024	For the year ended March 31, 2023
India	1,607.08	1,123.96
Outside India	4,118.90	4,506.28
	5,725.98	**5,630.24**
Timing of revenue recognition		
Goods transferred at a point of time	5,725.98	5,630.24
Total	**5,725.98**	**5,630.24**

(ii) Contract balances

	As at March 31, 2024	As at March, 31 2023
Trade receivable	1,466.03	2,083.95
Retention money	82.44	44.94
Unbilled revenue	-	-
Contract liabilities		
Advance from customer	304.88	446.61

The performance obligation is satisfied when control of the goods are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

Trade receivables and retention money are non-interest bearing. Refer note 10 for details on expected credit loss.

Unbilled revenue are initially recognised for revenue earned from transfer of goods and services but not billed to customer because the work completed has to meet requirements of various milestones as set out in the contract with customers. Upon fulfilling the milestones and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Advance from customers pertain to balance received as advance from various parties as certain percentage of the order value. The same will be adjusted against the order on the basis of delivery and collection of receivables.

There is no difference in the contract price negotiated and the revenue recognised in the statement of profit and loss. There is no significant revenue recognised in the current year from performance obligations satisfied in previous years.

(iii) Amounts included in contract liabilities at the beginning of the period recognised as revenue in the current period of Rs. 220.03 (March 31, 2023: Rs. 185.59). Generally the advance from customers are settled over a period of 1 to 3 years.

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

21. Other Income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Foreign exchange gain (net)	20.24	144.96
Interest on bank deposits and others	8.74	14.23
Interest on IT Refund	2.58	0.01
Profit on sale of Assets	2.43	-
Profit from sale of mutual funds*	23.64	27.94
Miscellaneous income	0.44	7.63
	58.07	**194.77**

* Includes unrealised gain/(loss) Nil [March 31, 2023: Rs. (10.35)]

22. Cost of materials consumed

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	2,419.76	718.39
Add: Purchases	2,634.57	4,857.56
Less: Inventory at the end of the year	(1,870.26)	(2,419.76)
	3,184.07	**3,156.19**

23. Changes in inventories of work-in-progress

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	1,445.86	984.77
Less: Inventory at the end of the year	(1,606.05)	(1,445.86)
	(160.19)	**(461.09)**

24. Employee Benefit Expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	888.88	868.69
Contribution to provident and other funds [refer note 30 (II)]	37.49	32.22
Gratuity expense [refer note 30 (I)]	16.31	12.74
Staff welfare expenses	27.07	21.44
	969.75	**935.09**

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

25. Finance costs

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses		
- Short term borrowings	81.36	46.75
- Long term borrowings	105.19	66.81
- Others	1.57	2.04
Bank charges	34.97	30.07
	223.09	**145.67**

26. Depreciation and amortisation expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment	226.20	180.37
Amortisation on intangible assets	5.43	6.24
	231.63	**186.61**

27. Other Expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Sub-contractor charges	157.08	66.68
Production expenses	128.21	125.18
Power and fuel	145.07	132.96
Material testing charges	4.99	5.38
Repairs and maintenance		
- Buildings	31.55	26.21
- Plant and machinery	29.27	36.78
- Others	8.26	4.44
Insurance	14.98	8.44
Rates and taxes	13.43	14.70
Communication	2.65	2.54
Travelling and conveyance	19.30	21.67
Printing and stationary	1.77	1.84
Freight and forwarding	10.42	19.05
Provision for doubtful receivables	1.20	-
Business promotion	3.58	4.40
Legal and professional charges	38.13	37.25
Security charges	16.35	9.00
Payment to auditors (refer below)	5.99	5.33
Loss on sale of property, plant and equipment	-	1.81
CSR expenses (refer note 31)	20.66	11.70
Miscellaneous expenses	33.98	31.22
	686.87	**567.58**

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Payment to auditors

	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit	5.50	5.00
Other services	-	0.33
Out of pocket expenses	0.49	-
	5.99	**5.33**

28. Tax expense

a) Income tax expense:

The major components of income tax expense

(i) Profit or loss section

	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Current tax	157.66	340.75
B. Deferred tax		
Tax expense on origination and reversal of temporary difference	25.87	25.87
MAT credit utilisation	-	-
Actual tax expense accounted in books	183.53	366.62
C. Adjustment of tax relating to earlier periods		
Income tax expense recognised in the statement of profit and loss	(14.29)	
	169.24	**-**

(ii) OCI Section

	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax expense to OCI	**0.29**	**(10.18)**

b) Reconciliation of effective tax rate:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax (A)	730.37	1,402.23
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	**183.82**	**352.91**
Tax effect of		
Adjustments for taxes with respect of earlier period	(14.29)	10.11
Expenses disallowed under Income Tax Act, 1961	5.33	3.21
Impact of change in tax rate for future period	-	-
Others	(5.62)	1.81
Total (D)	**(14.58)**	**15.13**
Expected tax expenses (C+D)	169.24	368.04
Income tax expenses	169.24	366.62
Effective tax rate	23.17%	26.15%

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

29. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to equity share holders	561.13	1,034.19
Weighted average number of equity shares in calculating basic and diluted EPS	3,07,59,591	3,07,59,591
Face value of each equity share (Rs.)	10.00	10.00
Basic and diluted earnings per share	**18.24**	**33.62**

30. Employment benefit Obligations

I. Defined benefits plan

The Employees' Gratuity Fund Scheme managed by a trust is a defined benefit gratuity plan which is administered through gratuity scheme with Life Insurance Corporation of India. Every employee who has completed five years or more of service gets gratuity, on retirement/termination, at 15 days last drawn salary for each completed year of service subject to a maximum of Rs. 2.00. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

A) Net employee benefit expense (recognised in employee benefits expense)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	14.14	12.67
Interest cost on defined benefit obligation	14.49	10.73
Interest (income) on plan assets	(12.32)	(10.66)
Net employee benefit expenses	**16.31**	**12.75**

B) Amount recognised in the statement of other comprehensive income (OCI)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Remeasurements- due to experience adjustments	(7.02)	11.40
Return on plan assets	1.66	0.77
Remeasurements- due to financial assumptions	4.22	24.52
	(1.14)	**36.68**

C) Amount recognised in the balance sheet

	As at March 31, 2024	As at March, 31 2023
Defined benefit obligation	213.07	198.03
Fair value of plan assets	169.06	169.19
Net defined benefit liability	**44.01**	**28.84**

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

D) Changes in the present value of the defined benefit obligation

	As at March 31, 2024	As at March, 31 2023
Opening defined benefit obligation	198.03	153.30
Interest cost	14.49	10.73
Current service cost	14.14	12.67
Net actuarial (losses) / gains on obligations recognised under OCI	(2.80)	35.92
Benefit payments from plan assets	(10.79)	(14.59)
Closing defined benefit obligation	**213.07**	**198.03**

E) Changes in the fair value of plan assets

	As at March 31, 2024	As at March, 31 2023
Opening fair value of plan assets	169.19	130.65
Interest income	12.32	10.66
Remeasurements- return on assets	(1.66)	(0.77)
Contributions by employer	-	43.24
Benefit payments from plan assets	(10.79)	(14.59)
Closing fair value of plan assets	**169.06**	**169.19**

Expected contribution to the gratuity fund during the next year would be Rs. 44.01 (March 31, 2023: Rs. 28.85)

Investment details of plan assets		
Investment with insurer- Assets under Schemes of Insurance	100.00%	100.00%

(i) The principal assumptions used in determining gratuity obligation

	As at March 31, 2024	As at March, 31 2023
Discount rate	7.23%	7.52%
Rate of increase in compensation	7.00%	7.00%
Employee attrition rate	5.00%	5.00%
Mortality rate	Indian assured life mortality (2012-14)	Indian assured life mortality (2012-14)

(ii) Disclosure related to indication of effect of the defined benefit plan on the Group's future cash flow

	As at March 31, 2024	As at March, 31 2023
1 year	17.97	15.03
2-5 years	101.32	91.41
6-10 years	94.43	99.83

The weighted average duration of the defined benefit obligation is 8.00 years (March 31, 2023: 7.97 years).

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

	As at March 31, 2024	As at March, 31 2023
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(13.90)	(12.81)
- 1% decrease	15.83	14.56
(b) Effect of 1% change in rate of increase in compensation		
- 1% increase	16.78	15.47
- 1% decrease	(15.01)	(13.87)
(c) Effect of 1% change in assumed attrition rate		
- 1 % increase	0.05	0.29
- 1 % decrease	(0.07)	(0.34)

II. Defined contribution plans

The Group made provident fund and other funds contributions to defined contribution plans for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs. 37.49 (March 31, 2023: Rs. 32.22) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

31. Detail of CSR expenditure

	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Gross amount required to be spent by the Company during the year	20.66	11.70
(b) Amount approved by the Board to be spent during the year	20.66	11.70
(c) Amount spent during the year (in cash)		
i) Construction /acquisition of any asset	-	-
ii) On purposes other than (i) above	20.66	11.70
	-	-

(d) Details of ongoing project and other than ongoing project

	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
	With Company	In separate CSR unspent A/c		With Company	In separate CSR unspent A/c	With Company	In separate CSR unspent A/c
March 31, 2024							
Ongoing project	-	-	-	-	-	-	-
Other than ongoing project	-	-	20.66	20.66	-	-	-
March 31, 2023							
Ongoing project	-	-	-	-	-	-	-
Other than ongoing project	-	-	11.70	11.70	-	-	-

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

32. Commitments and contingencies

a. Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for: Rs. 466.62 (March 31, 2023: Rs. 549.16).

b. Contingent liabilities

Claims against the Company not acknowledged as debts (excluding interest arrears) is amounting to Rs. 22.67 for March 31, 2024 (March 31, 2023: Rs. 22.67).

33. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the acCompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. There are no significant areas involving a high degree of judgement or complexity.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Rate of increase in compensation are based on expected future inflation. Further details about gratuity obligations are given in note 30.

ii. Depreciation of property, plant and equipment and amortization of Intangible assets

Depreciation of property, plant and equipment and amortization of intangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values as estimated by the management. The management believes that depreciation and amortization rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment and intangible assets.

34. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, other financial assets, cash and cash equivalent and balance at bank other than cash and cash equivalent. The Group is exposed to credit risk, market risk and liquidity risk. The Group has a risk management policy and its management is supported by a risk management committee that advices on risk and appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Group's management that the

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks.

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), cash and cash equivalent, balance at bank other than cash and cash equivalent and other financial assets. The Group deals with parties which has good credit rating /worthiness given by external rating agencies or based on Company's internal assessment. The major customers are usually the Government parties and export customers with high credit worthiness.

Exposure to credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was (i) Rs. 1,548.47 (March 31, 2023: Rs. 2,128.89) being the total of the carrying amount of balances with trade receivables (including retention money and unbilled revenue) (ii) cash and cash equivalent (excluding cash on hand), balance at bank other than cash and cash equivalent, non-current bank balances and interest accrued of Rs. 509.64 (March 31, 2023: Rs. 314.46) and (iii) other financial assets of Rs. 27.83 (March 31, 2023: Rs. 22.31).

The measurement of impaired credit for carrying amount of the above financial assets is ascertained using the expected credit loss model (ECL) approach. Credit risk is managed through continuously monitoring the creditworthiness of customers. The Group is considerate of the fact the majority of the collection is receivable from export customers with high credit worthiness or the government companies where there are no significant risk of bad debts. The customers of the Group have a defined period for payment of receivables, hence the Group evaluates the concentration of risk with respect to trade receivables as low. The total amount receivable from top 2 customers is Rs. 1,008.67 for March 31, 2024 (March 31, 2023: Rs. 1,829.43).

The cash and cash equivalent (excluding cash on hand), balance at bank other than cash and cash equivalent, non-current bank balances and interest accrued of Rs. 509.64 (March 31, 2023: Rs. 314.46) are held with banks having good credit rating.

B. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (including interest payments):

	Within 1 year	1 to 5 years	After 5 years	Total
March 31, 2024				
Borrowings	939.27	969.89	-	1,909.16
Trade payables	714.11	-	-	714.11
Other financial liability	72.75	-	-	72.75
	1,726.13	**969.89**	**-**	**2,696.02**
March 31, 2023				
Borrowings	656.31	777.23	-	1,433.54
Trade payables	2,182.49	-	-	2,182.49
Other financial liability	70.18	-	-	70.18
	2,908.98	**777.23**	**-**	**3,686.21**

The cash credit facility amounting to Rs. 488.46 (March 31, 2023: Rs. 377.11), repayable on demand, has been disclosed as within 1 year for the purpose of disclosure of liquidity risk of the Group.

Notes to the consolidated financial statements for the year ended March 31, 2024

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C. 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 foreign currency risk. The sensitivity analysis has been included in the below disclosures.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss. The risks primarily relate to fluctuations in US Dollar (USD) as against the functional currency of the Group. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

a. The year end unhedged foreign currency exposures is as under:

	Currency	Amount in foreign currency	Exchange rate	Amount in Rs.
Trade receivables				
March 31, 2024	USD	10.88	83.37	907.29
March 31, 2023	USD	21.52	82.22	1,769.32
Cash and cash equivalents				
March 31, 2024	USD	4.53	83.37	377.30
March 31, 2023	USD	0.00	82.22	0.03
Export packing credit				
March 31, 2024	USD	-	83.37	-
March 31, 2023	USD	0.00	82.22	0.03
Trade payables				
March 31, 2024	USD	4.66	83.37	388.33
March 31, 2024	GBP	0.22	105.29	23.61
March 31, 2024	EURO	0.00	92.41	0.05
March 31, 2024	CHF	0.02	90.22	1.50
March 31, 2023	USD	20.23	82.22	1,663.27
March 31, 2023	GBP	0.06	101.87	5.92
March 31, 2023	EURO	0.19	89.61	17.21

b. Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD 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.

	Change in USD exchange rate		Effect on profit before tax	
	Increase	Decrease	Increase	Decrease
March 31, 2024	1%	1%	8.71	(8.71)
March 31, 2023	1%	1%	0.83	(0.83)

Notes to the consolidated financial statements for the year ended March 31, 2024

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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 Group is exposed to interest rate risk because certain funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

If interest rates had been 100 basis points (1%) higher / lower and all other variables were held constant, the Company's profit for the year end ended March 31, 2024 would decrease / increase by Rs. 19.09 (March 31, 2023: Rs. 14.28).

35. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Group. The primary objective of the Company's capital management is to maximise the shareholder value.

The Group 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 plus net debt. The Group's policy is to keep the gearing ratio to an acceptable level. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents excluding balance with monitoring agency account.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowing in the current year.

	As at March 31, 2024	As at March 31, 2023
Borrowings	1,909.16	1,433.54
Less: Cash and cash equivalents excluding balance with monitoring agency account	(392.36)	(122.40)
Net debt (A)	**1,516.80**	**1,311.14**
Equity (B)	**6,763.30**	**6,201.32**
Equity and net debt (C) = (A) + (B)	**8,280.10**	**7,512.46**
Gearing ratio (A) / (C)	**18.32%**	**17.45%**

36. Related party disclosures

Names of related parties and description of relationship

(a) Key managerial personnel

Parvat Srinivas Reddy, Managing Director
Venkatasatishkumar Reddy Gangapatnam, Director
A. Praveen Kumar Reddy, Director
M. Anushman Reddy, Director (appointed w.e.f. August 9, 2022)
Gunneswara Rao Pusarla, Chief financial officer
Shubham Sunil Bagadia, Company secretary

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(b) Relatives of key management personnel

- A. Pranay Kumar Reddy
- K. Shalini

(c) Independent / Non-Executive Directors

Padmashri Nagarajan Vedachalam (Up to February 02, 2023)
B V R Subbu
A. Krishna Kumar
Ameeta Chatterjee
U C Muktibodh
V.G. Sekaran

Transactions and balances with related parties

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Transactions with related parties		
Remuneration*		
M. Anushman Reddy	9.94	5.57
Parvat Srinivas Reddy	30.02	33.60
A. Praveen Kumar Reddy	7.53	3.51
A. Pranay Kumar Reddy	0.86	0.60
Shubham Sunil Bagadia	0.92	1.16
Gunneshwara Rao Pusarla	13.18	16.80
Sitting fees/Commission		
Venkatasatishkumar Reddy Gangapatnam	0.46	0.52
A. Praveen Kumar Reddy	-	0.09
Mathew Cyriac	-	0.08
Padmashri Nagarajan Vedachalam	-	2.06
B V R Subbu	2.21	2.54
A. Krishna Kumar	2.26	2.67
Ameeta Chatterjee	2.21	2.47
U C Muktibodh	1.96	2.12
V.G. Sekaran	2.01	2.26
Rent expense		
K. Shalini	0.73	0.73

*As the future liability for gratuity and leave encashment is provided on actuarial basis for the Group as a whole, the amount pertaining to the individuals is not ascertainable, therefore not included above.

37. Fair values

There are no significant financial assets and liabilities measured at fair value through profit or loss except for Investment in units of mutual fund [refer note 4(b)] which has been valued using Level 1 valuation method as described in note 2.2(i).

The fair value of the financial assets and liabilities measured at amortised cost approximates their carrying amounts as at the balance sheet date. (refer breakup of financial assets carried at fair value through profit or loss and breakup of financial assets and financial liabilities carried at amortised cost).

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38. Segment Reporting

The chief operating officer / chief executive officer of the Company takes decision in respect of allocation of resources and assesses the performance basis the report / information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Company's business model, manufacturing high precision and heavy equipment, components, machines have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below.

The geographic information analyses the Company's revenues and non-current assets by the country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of the assets.

(a) Revenue from contracts with customers

	For the year ended March 31, 2024	For the year ended March 31, 2023
India	1,607.08	1,123.96
Outside India	4,118.90	4,506.28
Total	**5,725.98**	**5,630.24**

(b) The Company has entire non-current assets within India. Hence, separate figures have not been furnished.

(c) Customer contributing more than 10% of revenue

	No of customers	Amount
For the year ended March 31, 2024	1	4,076.04
For the year ended March 31, 2023	1	4,387.17

39. Interest in other entities

(a) Subsidiaries

The Group's subsidiaries are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business:

Name of entity	Principle	Country of incorporation	Ownership interest held by the Company (%)	
			March 31, 2024	March 31, 2023
Magnatar Aero Systems Private Limited	Specialising in the manufacture of domestic appliance	India	100%	100%
Gee Pee Aerospace and Defence Private Limited	Manufacturing of High precision components with advanced CNC Machining	India	100%	100%

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

b) Additional information, as required under schedule III of the Companies Act, 2013, as required enterprises considered as subsidiaries.

Summary of net assets and profits

Net assets

Name of entity	As at March 31, 2024		As at March 31, 2023	
	(%)	Amount	(%)	Amount
A. Holding Company	100.12%	6,771.65	100.11%	6,208.12
B. Subsidiaries				
Magnatar Aero Systems Private Limited	0.00%	(0.28)	0.00%	(0.22)
Gee Pee Aerospace and Defence Private Limited	0.12%	8.00	0.13%	8.23
Total	**100.24%**	**6,779.37**	**100.24%**	**6,216.13**
Consolidation adjustments	-0.24%	(16.07)	-0.24%	(14.81)
Net amount	**100.00%**	**6,763.30**	**100.00%**	**6,201.32**

Share of profit/ (loss)

Name of entity	As at March 31, 2024		As at March 31, 2023	
	(%)	Amount	(%)	Amount
A. Holding Company	100.28%	562.68	100.63%	1,040.75
B. Subsidiaries				
Magnatar Aero Systems Private Limited	-0.01%	(0.07)	-0.01%	(0.07)
Gee Pee Aerospace and Defence Private Limited	-0.04%	(0.23)	-0.53%	(5.49)
Total	**100.22%**	**562.38**	**100.10%**	**1,035.19**
Consolidation adjustments	-0.22%	(1.25)	-0.10%	(1.00)
Net amount	**100.00%**	**561.13**	**100.00%**	**1,034.19**

Share in other comprehensive income/ (loss)

Name of entity	As at March 31, 2024		As at March 31, 2023	
	(%)	Amount	(%)	Amount
A. Holding Company	100.00%	0.85	100.00%	(30.27)
B. Subsidiaries				
Magnatar Aero Systems Private Limited	0.00%	-	0.00%	-
Gee Pee Aerospace and Defence Private Limited	0.00%	-	-	-
Total	**100.00%**	**0.85**	**100.00%**	**(30.27)**
Consolidation adjustments	0.00%	-	0.00%	-
Net amount	**100.00%**	**0.85**	**100.00%**	**(30.27)**

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Share in total comprehensive income/ (loss)

Name of entity	As at March 31, 2024		As at March 31, 2023	
	(%)	Amount	(%)	Amount
A. Holding Company	100.28%	563.53	100.65%	1,010.48
B. Subsidiaries				
Magnatar Aero Systems Private Limited	-0.01%	(0.07)	-0.01%	(0.07)
Gee Pee Aerospace and Defence Private Limited	-0.04%	(0.23)	-0.55%	-5.49
Total	**100.22%**	**563.23**	**100.10%**	**1,004.92**
Consolidation adjustments	-0.22%	(1.25)	-0.10%	(1.00)
Net amount	**100.00%**	**561.98**	**100.00%**	**1,003.92**

The disclosure above represents separate information for the consolidated entity before elimination of inter-Company transactions. The net impact on elimination of inter-Company transactions/ profits or (loss) / consolidation adjustments have been disclosed separately. Based on the Group's structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.

40. On June 2, 2022, the Company had acquired 100% stake in Gee Pee Aerospace & Defence Private Limited for a purchase consideration of Rs. 66.84. Gee Pee Aerospace & Defence Private Limited is engaged in manufacturing of high precision components for the Aerospace & Defence industry. The acquisition is determined to be an asset acquisition and not a business combination. Refer below for the fair values of identifiable assets and liabilities as at the date of acquisition.

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Particulars	Amount in Rs.
Assets	
Property, plant and equipment	88.02
Intangible assets	0.03
Other assets	2.10
Trade receivables	5.95
Cash and bank balances	2.34
Total assets	**98.44**
Liabilities	
Borrowings-long term	7.79
Borrowings-short term	9.83
Trade payables	1.40
Other current liabilities	12.58
Total liabilities	**31.60**
Total identifiable net assets at fair value	**66.84**

41. Other statutory information

i) No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii) The title deeds of all the immovable properties disclosed in the standalone financial statements are held in the name of the Company.

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

iii) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Group does not have any transactions with the companies struck off.

v) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

vi) During the current year, the borrowed funds were utilised for the purpose which they were obtained and as per the terms specified in the sanction letter.

vii) The Group 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 Group (Ultimate Beneficiaries)

viii) The Group 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 Group 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).

ix) The Group has borrowings from banks on the basis of security of current assets and the quarterly returns and statements of current assets filed by the Group with banks are in agreement with the books of accounts.

x) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

xi) The Group has not 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.

42. The Holding Company has used accounting software MS Navision for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to MS Navision accounting software. Further no instance of audit trail feature being tampered with was noted in respect of accounting software where the audit trail has been enabled.

43 Subsequent event

No significant subsequent events have been observed till May 28, 2024 which may require any additional disclosure or an adjustment to the consolidated financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered accountants
ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of
MTAR Technologies Limited

per Atin Bhargava
Partner
Membership no: 504777

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Venkatasatishkumar Reddy Gangapatnam
Director
DIN: 06535717

Gunneswara Rao Pusarla
Chief Financial Officer

Shubham Sunil Bagadia
Company Secretary
Membership no: ACS-55748

Place:Hyderabad
Date: May 28, 2024

Place:Hyderabad
Date: May 28, 2024

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Building Nation with Exceptional Engineering