

ARDEE ENGINEERING LIMITED

(Formerly known as Ardee Engineering Private Limited)

CIN: U29100TG2020PLC141953

ANNUAL REPORT -2024-25

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CORPORATE OVERVIEW

Corporate Information

CIN:

U29100TG2020PLC141953

Registered Office Address:

8-2-334/K/1, Flat Nos. 101, 102 & 103 Aditya Court,
Road No. 5, Banjara Hills,
Hyderabad 500 034,
Telangana, India

Website:

www.ardee.co.in

Details of Board of Directors

Mr. Chandra Sekhar Moturu

Chairman and Managing Director

Mr. Ragdeep Moturu

Whole-Time Director

Mrs. Krishna Kumari Moturu

Executive Director and Chief Financial Officer

Mr. Arundeeep Moturu

Executive Director

Mr. Gorrepati Sundararama Sarma

Executive Director

Mrs. Sneha Sunkara

Independent Director

Mr. Ravikanth Mallina

Independent Director

Mr. Yalamanchili Visweswara Prasad

Independent Director

Mr. Ravinder Komaragiri

Independent Director

Mr. Srinivas Aravapalli

Independent Director

Mr. Anjaneyulu Krothapalli

Independent Director

Key Managerial Personnel

Mr. Chandra Sekhar Moturu

Chairman and Managing Director

Mr. Ragdeep Moturu

Whole-Time Director

Mrs. Krishna Kumari Moturu

Executive Director and Chief Financial Officer

Mr. Arundeeep Moturu

Executive Director

Mr. Gorrepati Sundararama Sarma

Executive Director

Mrs. Disha Jindal

Company Secretary and Compliance officer

Statutory auditors

C. Venkat Krishna & Co.,

Chartered Accountants

M S K C & Associates LLP (formerly known as M S K C & Associates),

Chartered Accountants

Secretarial Auditors

M/S. Chava & Associates

Practising Company Secretaries

Internal Auditors

M/s RCV and Co.

Chartered Accountants

Registrar And Share Transfer Agent

Bigshare Services Private Limited

S6-2, 6th Floor, Pinnacle Business Park

Mahakali Caves Road, next to Ahura Centre

Andheri East, Mumbai 400 093,

Maharashtra, India

Tel: +91 22 6263 8200

E-mail: ipo@bigshareonline.com

Investor grievance e-mail: investor@bigshareonline.com

Website: <https://www.bigshareonline.com>

KEY PERFORMANCE HIGHLIGHTS

Particulars	Units	Consolidated	Consolidated	Standalone	Standalone	Standalone	Standalone
		2024-25	2023-24	2024-25	2023-24	2022-23	2021-22
Revenue from Operations	Rs. In Millions	7,789.03	6,209.90	7,789.03	6,209.90	3,312.52	2,168.64
EBIDTA	Rs. In Millions	1,005.07	606.49	998.49	605.08	248.59	90.96
PBT	Rs. In Millions	672.57	414.63	665.99	413.22	147.93	17.55
PAT	Rs. In Millions	502.86	291.05	496.28	289.64	109.13	12.86
Net Debt	Rs. In Millions	2,882.93	1,605.71	2,882.93	1,605.71	725.75	712.58
Total Equity	Rs. In Millions	1,376.35	873.11	1,368.36	871.70	331.31	120.78
Key Indicators							
Earnings Per Share		12.57	7.65	12.41	7.62	4.70	0.71
Net Debt to Total Equity	Times	2.09	1.84	2.11	1.84	2.19	5.90
EBIDTA Margin	%	12.84%	9.74%	12.76%	9.71%	7.49%	4.18%
PAT Margin	%	6.46%	4.69%	6.37%	4.66%	3.29%	0.59%
Return On Equity (ROE)	%	36.54%	33.33%	36.27%	33.23%	32.94%	10.65%
Return On Capital Employed (RoCE)	%	20.96%	20.97%	20.85%	20.92%	16.16%	7.80%

Note: The Company has made transition to Indian Accounting Standards (Ind AS) during FY 2023-24, date of transition being April 01, 2022 and further has specifically prepared Restated Financial Information for inclusion in the Draft Red Herring Prospectus filed by the Company with the Securities and Exchange Board of India in connection with the proposed initial public offer of equity shares of the Company dated March 27, 2025 available at www.ardee.co.in/drhp.html. Therefore, the amounts included in the table above for the FY 2023-24, FY 2022-23 and FY 2021-22 are in reported in accordance with Ind AS framework.

FUTURE ROAD MAP & SUMMARY OF THE OBJECTS OF THE IPO

Ardee Engineering is focused on scaling its manufacturing footprint to support long-term growth and fulfil rising demand by the proposed below mentioned 2 Projects. This strategic expansion aims to enhance production capacity and strengthen the company's manufacturing presence in Pre-Engineered Buildings (PEB), Material Handling Systems (MHS), and integrated engineering services. The Company proposed IPO structure includes a **Fresh Issue** of up to ₹5,000.00 million and an **Offer for Sale** of ₹800.00 million by promoters. The net proceeds from the Fresh Issue shall be utilised towards the following key objectives:

1. **Project 1: New Manufacturing Facility in Telangana**
 - Funding the capital expenditure requirements towards setting up two new manufacturing facilities at Seetharampur, Telangana.
 - Estimated amount: ₹2,796.30 million
2. **Project 2: New Integrated Manufacturing Facility in Andhra Pradesh.**
 - Funding the capital expenditure requirements towards setting up a new integrated manufacturing facility at Parawada, Andhra Pradesh.
 - Estimated amount: ₹448.43 million
3. **Debt Reduction**
 - Prepayment or repayment, in full or in part, of certain outstanding borrowings
 - Estimated amount: ₹650.00 million
4. **General corporate purposes**

For detailed information, please refer to page 112 under the section 'Objects of the Offer' in our Draft Red Herring Prospectus (DRHP), available at www.ardee.co.in/drhp.html

Business of the Company

We are the fastest growing integrated design, engineering and manufacturing company based on revenue CAGR between Fiscal 2022 and Fiscal 2024, among peers considered*. (Source: CARE Report) We provide a diversified suite of end-to-end solutions across geographies and end-user industries, with a focus on pre-engineered buildings ("PEB"), material handling systems ("MHS") and engineering services. Our business is divided into our primary business lines: (i) PEB; (ii) MHS; and (iii) engineering services.

**Note: Peers include leading players operating in PEB, MHS and Engineering services segments such as Interarch Building Products Private Limited, JSW Severfield Structures Limited (JSSL), Pennar Industries Limited, Everest Industries Limited, Macmet Engineering Limited, Capacite Infraprojects Limited, PSP Projects Limited, Ahluwalia Contracts (India) Limited and ISGEC Heavy Engineering Limited.*

Our design and engineering capabilities are our core strength. We commenced our business in 2008, through our predecessor partnership firm Ardee Engineering Company, which converted to our Company in the year 2020. During the past 16 years, we have successfully completed projects across 13 states.

We are focused on producing unique and customized engineering solutions for our customers by working with them throughout the product and process design and development to establish optimal solutions. We endeavour to maintain high quality and safety standards by leveraging the engineering expertise and technical know-how of our engineering team. Over our nearly 16-year history, we have developed capabilities that have allowed us to secure multiple projects from our customers.

Our business lines:

- **Pre-engineered buildings:** We offer comprehensive PEB solutions, including design and engineering, manufacturing, on-site project management for the installation and erection of PEBs and integrated pre-engineered steel structures. We believe that we have created an established presence in the PEB industry in India and have undertaken multiple PEB projects for prominent customers such as JK Cement Limited, RVR Projects Limited, Blue Ocean Biotech Private Limited, and SRR Projects Private Limited, among others. In addition, we have also executed works for leading e-commerce and infrastructure companies. As of December 31, 2024, we have executed over 100 PEB projects, which include warehouses and fulfilment centres, data centres, logistics infrastructure, manufacturing units, airport, infrastructure, schools and commercial buildings. We attribute our presence in the PEB industry to our ability to deliver projects within tight timelines, while ensuring high quality and engineering standards. We believe that we are able to add significant value to the PEB projects and pre-engineered steel structures through our engineering and design teams, which ensure strict quality and safety control at every level of production through commissioning and handover and as per specifications created by us and approved by our customers. We also ensure

that the projects undertaken by us meet the global standards of environment, health and safety (“EHS”), which is a key distinguishing factor and allows us to meet the EHS compliance requirements of our prominent clients.

- **Material handling systems:** We design, engineer and construct customized material handling systems and processing systems for our customers to solve complex problems faced by our customers in respect of handling and processing bulk material during the manufacturing process. Our engineering solutions are focussed at simplifying the manufacturing process for our customers and enabling them to effectively process a wide range of materials in various forms to get a final product in a seamless manner. We have executed MHS projects for companies in the metals and mining sectors, including a public sector undertaking (which has been granted Maharatna status), Hindustan Electro-Graphite's Limited (“HEG”) and a company in the ports sector in Nellore, Andhra Pradesh. We leverage our capabilities to design equipment which we believe helps in automation of bulk material handling such as conveyor systems, storage solutions, loading and unloading systems and crushing and screening equipment. We also design, engineer, manufacture, commission and integrate material processing systems such as crushing and screening systems, roller conveyor, feeder breaker, suspended magnets, double roller, bucket elevator, belt conveyors, dust extraction system and motorized slide gates, each tailored to handle diverse types of materials efficiently and reliably.
- **Engineering services:** Our engineering services focuses executing projects in two areas of (i) heavy structural and precision engineering equipment and (ii) electrical instrumentation with automation. We believe that by leveraging our engineering services capabilities, we have expanded to niche industries like defence and aerospace. In the aerospace sector, we supplied three mobile launch pedestals for a national space research organisation. Our engineering services also support our PEB and MHS projects, which we believe allows for seamless design, development, and execution of projects, ensuring that all engineering processes are controlled and customized to meet the customer requirement of heavy structural and precision engineering.

For detailed information, please refer to page 219 under the section “Our Business” in our Draft Red Herring Prospectus (DRHP), available at www.ardee.co.in/drhp.html

STATUTORY REPORTS

ARDEE ENGINEERING LIMITED**(FORMERLY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED)****CIN: U29100TG2020PLC141953 (Previous: U29100TG2020PTC141953)****Registered office address: 8-2-334/K/1, Flat Nos. 101, 102 & 103 Aditya Court,
Road No. 5, Banjara Hills,
Hyderabad, Telangana, India, 500034**

Directors' Report

Dear Shareholders,

Your directors have the pleasure in presenting the 5th Annual Report on the business and operations of the Company, together with the audited financial statements of your Company for the year ended March 31, 2025.

1. Financial Summary

The Summary of the Company's financial result for the financial year 2024-2025 as compared to the previous financial year 2023-2024 is given below:

(in millions)

Particulars	Standalone Financials		Consolidated Financials	
	31st March,2025	31st March,2024	31st March,2025	31st March,2024
Revenue from operations	7,789.03	6,209.90	7,789.03	6,209.90
Other Income	38.11	18.47	38.11	18.47
Total Income	7,827.14	6,228.37	7,827.14	6,228.37
Expenditure	6,828.65	5,623.29	6,828.65	5,623.29
Profit before exceptional items, finance costs, depreciation, and taxes	998.49	605.08	998.49	605.08
Less: Expenses				
Finance Cost	271.96	156.01	271.96	156.01
Depreciation and Amortization	60.54	35.85	60.54	35.85
Profits before exceptional items and tax	665.99	413.22	665.99	413.22
Share of profit from associates			6.58	1.41
Exceptional Items	-	-	-	-
Net Profit for the year before Taxes	665.99	413.22	672.57	414.63
Less: Provision for Taxes				
Current Tax	179.68	101.20	179.68	101.20
Deferred Tax Assets	(9.97)	6.26	(9.97)	6.26
Prior Year tax	-	16.12	-	16.12
Profit after tax	496.28	289.64	502.86	291.05
Other Comprehensive Income	0.38	0.75	0.38	0.75
Total Comprehensive Income for the year	496.66	290.39	503.24	291.80
Appropriation	-	-	-	-
Retained Earnings after appropriation	1,168.36	671.70	1,176.35	673.11
Retained Earnings Balance brought forward from previous years	429.55	139.91	430.96	139.91
Add: Balance in Securities Premium Account*	240.00	240.00	240.00	240.00
Add: Balance General Reserve	481.28	289.64		
Add: Balance Other comprehensive income	2.53	2.15	2.53	2.15

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Add: Debenture redemption reserve	15.00	-	15.00	-
Balance carried forward to Balance Sheet	1,168.36	671.70	1,176.35	673.11

2. Accounting standards and Statements**• Accounting Policies**

The Company complied with the requirements of Indian Accounting Standards (Ind AS) while preparing the annual financial statements for the accounting year under review as envisaged in Companies (Indian Accounting Standard Rules) 2015 and its subsequent amendments and directive issued in this regard.

• Standalone and Consolidated Financial Statements

The Standalone and Consolidated Financial Statements of the Company for the financial year 2024-25 have been prepared in accordance with the applicable provisions of the Companies Act, 2013 ("Companies Act") and the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act read with the relevant rules issued thereunder.

The Consolidated Financial Statements have been prepared based on the audited financial statements of the Company and its associate, as approved by their respective Boards of Directors.

3. Financial Performance Overview**• Standalone Performance**

During the FY 2024-25, the Company reported a Standalone Total Income of Rs. 7,827.14 million compared to Rs. 6,228.37 million in the previous financial year. The Standalone Net Profit After Tax of the Company increased significantly to Rs. 496.28 million compared to Rs. 289.64 million in the previous year.

• Consolidated Performance

During the FY 2024-25, the Company reported a Consolidated Total Income of 7,827.14 million compared to Rs. 6,228.37 million in the previous year. The Consolidated Net Profit After Tax of the Company stood at Rs. 502.86 million compared to Rs. 291.05 million in the previous year.

The improved financial performance reflects the Company's effective operational execution, expanding business scale, and continued emphasis on long-term value creation. The management remains focused on strengthening its core business fundamentals to support sustained growth and profitability in the future.

4. Business Overview/ state of Company's Affair

We are an integrated design, engineering and manufacturing company in India with business in three key segments: (i) pre-engineered buildings ("PEBs") where we provide comprehensive PEB solutions, including design, engineering, manufacturing, on-site project management for the installation and erection of PEBs and integrated pre-engineered steel structures with an aggregate installed capacity of around 44,144 metric tons per annum; (ii) material handling systems where we design, engineer and construct customized material handling systems and processing systems for our customers; and (iii) engineering services where we focus on executing projects in two areas of heavy structural and precision engineering equipment, and electrical instrumentation with automation. During the past 16 years, we have successfully completed projects across 13 states.

• Changes In the Nature of Business

During the year under review, there was no change in the nature of business of the Company and there have been no material changes or commitments that occurred after the close of the financial year till the date of this report,

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which would affect the financial position of the Company.

5. Transfer To General Reserve

During the financial year, the Company has not transferred any amount to general reserves. The net profit of Rs 496.28 million has been retained in the retained earnings, as reflected in the financial statements. Additionally, an amount of Rs 15.00 million has been transferred to the Debenture Redemption Reserve. As of March 31, 2025, the Securities Premium Reserve stands at ₹240.00 million. Accordingly, the total reserves (Other Equity) of the Company amount to ₹1,168.36 million.

6. Dividend

In view of the business operations and upcoming business opportunities, your directors have not considered dividend for the year under review.

• **Transfer To IEPF**

The company has not declared any dividend in previous years so no amount was required to be transferred to Investor Education and Protection Fund for the year under review.

7. Dividend Distribution Policy

Your Company has adopted Dividend Distribution Policy in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to set out parameters and circumstances that will be taken into account by the Board while determining the distribution of dividend to the shareholders for bringing transparency in the matter of declaration of dividend and to protect the interest of shareholders. The Policy is available on the website of the Company at <https://www.ardee.co.in/images/policies/Dividend-Distribution-Policy.pdf>

8. Corporate Conversion

In preparation for filling the Draft Red Herring Prospectus (DRHP), the Company was converted into a public limited company under the provisions of Companies Act, 2013, following the passing of a special resolution by the shareholders at the Extra-Ordinary General Meeting held on June 5, 2024.

Subsequently, the name of the Company was changed to "ARDEE ENGINEERING LIMITED", and a fresh certificate of incorporation reflecting the new name and status was issued by the Registrar of Companies, Telangana at Hyderabad, on August 5, 2024.

9. Initial Public Offering of Equity shares

The shareholders of the Company, in their meeting held on March 10, 2025, granted their consent to the Company and its Board of Directors to undertake an Initial Public Offering (IPO) of up to ₹6,000.00 million, comprising both a fresh issue of equity shares and an offer for sale.

Pursuant to the proposed public offering, the Company filed its Draft Red Herring Prospectus (DRHP) dated March 27, 2025, with the Securities and Exchange Board of India (SEBI), BSE Limited (BSE), and the National Stock Exchange of India Limited (NSE), for an issue size of up to ₹5,800 million

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The proposed IPO comprises the following components:

- A Fresh Issue of equity shares aggregating up to ₹5,000.00 million; and
- An Offer for Sale of equity shares aggregating up to ₹800.00 million by Mr. Chandra Sekhar Moturu (the “Investor Selling Shareholder”).

The Offer is being made in accordance with Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Further, the Company has received in-principle approvals for the listing of its Equity Shares from BSE and NSE, pursuant to their letters dated May 14, 2025.

10. Pre- IPO Private Placement:

The Company, in consultation with the Book Running Lead Managers (BRLMs), has undertaken a Pre-IPO Placement of 4,10,000 Equity Shares at an issue price of ₹425 per equity share (including a premium of ₹420 per equity share), aggregating to ₹ 174.25 million. This Pre-IPO Placement was executed by way of a preferential allotment in accordance with the provisions of Sections 42 and 62 of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, each as amended. The Pre-IPO Placement was undertaken pursuant to approvals granted by the Board of Directors and Shareholders at their respective meetings held on July 4th 2025 & July 9th, 2025. In line with applicable regulatory requirements, the amount raised through the Pre-IPO Placement has been reduced from the size of the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957

Pursuant to the resolution passed by the Board at its meeting held on July 24, 2025, the Equity Shares under the Pre-IPO Placement were allotted in the following manner:

Date of allotment	Name of the Investors	Number of shares	Issue price per Equity Share (Rs.)
July 24,2025	Atluri Kishore Dutt	2,60,000	Rs 425
July 24,2025	Padma Veerapaneni	50,000	Rs 425
July 24,2025	Yerra Umanadh	25000	Rs 425
July 24,2025	Gautam Nimmagadda	50,000	Rs 425
July 24,2025	Vegesana Narasaraju	25000	Rs 425

11. Material Changes and Commitments Affecting the Financial Position of The Company.

Subsequent to the end of the financial year on 31st March, 2025, the Company has completed a pre-IPO allotment of equity shares aggregating to ₹ 174.25 million on 24th July 2025. This has resulted in an increase in the Company's paid-up share capital and securities premium account. Apart from this, there have been no other material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

12. Deposits

During the year under review, your Company has neither accepted nor renewed any deposits within the meaning of Sections 73 and 76 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, the details required under Rule 8(5)(v) and Rule 16 of the said Rules are as follows:

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- i. Deposits accepted during the year: Nil
- ii. Deposits remaining unpaid or unclaimed as at the end of the year: Nil
- iii. Default in repayment of deposits or any deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013: Not Applicable

Further, the Company has obtained certain unsecured loans from its directors out of their personal funds. Declarations to this effect have been duly obtained by the Company. These loans are considered exempt under the Companies (Acceptance of Deposits) Rules, 2014.

13. Holding Company, Subsidiaries, Joint Ventures and Associate Companies

As on March 31, 2025, your Company had two (2) Associate Companies. The Company did not have any Subsidiary or Joint Venture as on March 31, 2025. During the year under review, Ardee Yantrik Private Limited was incorporated on November 27, 2024. Your Company holds 40% of the equity share capital in Ardee Yantrik Private Limited, thereby classifying it as an Associate Company under applicable laws.

Apart from the above, there has been no change in the number of Subsidiaries, Associate Companies, or Joint Ventures of the Company during the financial year 2024–25. The Company continues not to have any Subsidiary or Joint Venture as on the date of this report. Form AOC 1 is attached as Annexure- A of the Director's Report.

14. Changes in Share Capital

• Authorized Share Capital

The Authorized Share Capital of your company as on 31st March, 2025 stood at Rs. 35,00,00,000/- divided in to 7,00,00,000 Equity Shares of face value of Rs. 5/- each.

• Paid up/ Issued/ Subscribed Share Capital of the Company

The Paid up/ Issued/ Subscribed Share Capital of the Company as on 31st March, 2025 stood at Rs. 20,00,00,000/- divided in to 4,00,00,000 Equity Shares of face value of Rs. 5/- each.

• During the year under review the Company has undertaken the Sub- Division of Every 1 (One) Equity Share of The Face Value of Rs. 10/- (Rupees Ten Only) Each Into 2 (Two) Equity Shares of the Face Value of Rs. 5/- (Rupees One Only) Each, Fully Paid Up.

• Pursuant to the Pre IPO-Placement as mentioned above, paid up/ Issued/ Subscribed Share Capital of the Company had increased to Rs 20,20,50,000.

15. Issuance of Non-Convertible Debentures (NCDs):

The Company has issued and allotted 1,500 Series A 15.25% Secured, Unrated, Unlisted, Redeemable Non-Convertible Debentures (NCDs) of face value ₹1,00,000 each, aggregating to a total of ₹15,00,00,000 (Rupees Fifteen Crores only), to RevX Capital Fund I (acting through its trustee, MITCON Credentia Trusteeship Services Limited).

The issuance was carried out pursuant to the resolution passed by the Board of Directors at its meeting held on February 18, 2025, and in accordance with the terms specified in Private Placement Offer cum Application Letter dated February 27, 2025, and the Debenture Trust Deed dated February 27, 2025, executed among the Company and Axis Trustee Services Limited, acting as the Debenture Trustee. As on March 31, 2025, all 1,500 NCDs are held by RevX Capital Fund I (acting through its trustee, MITCON Credentia Trusteeship Services Limited).

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16. Directors and Key Managerial Personnel (KMP) and Senior Management Personnel (SMP):

Board of Directors

The Company has a balanced Board comprising a mix of Independent and Non-Executive Directors. As on date of this report, the Board currently comprises of 11 (eleven) Directors including one executive woman director and 6 (six) Independent Directors which includes one Independent Woman Director.

During the year under review, after the corporate conversion to comply with the Companies Act, 2013, following Changes were undertaken:

• **Appointment of Independent Directors:**

Mr. Ravikanth Mallina (DIN: 00297186), Mr. Visweswara Prasad Yalamanchili (DIN: 01830782), Mr. Komaragiri Ravinder (DIN: 08877012), and Mr. Srinivas Aravapalli (DIN: 10248373) were appointed as Additional Independent Directors at the Board Meeting held on August 12, 2024. Their appointments were subsequently regularized by the shareholders at the Annual General Meeting (AGM) held on September 30, 2024, for a term of five years as Independent Directors of the Company.

• **Appointment of Directors:**

On recommendation made by the Nomination & Remuneration Committee and Audit Committee, Mr. Chandra Sekhar Moturu (DIN: 02010969), Mr. Ragdeep Moturu (DIN: 07587747) and Mr. Sundararama Sarma Gorrepati (DIN: 10122348) were appointed as Chairman and Managing Director, Whole-Time Director, and Non-Executive Director (in a professional capacity), respectively, with effect from August 25, 2024, as per the resolution passed in the Board Meeting held on August 21, 2024. These appointments were approved by the shareholders at the AGM held on September 30, 2024, for a term of three years.

• **Appointment of Additional Executive Directors:**

On recommendation made by the Nomination & Remuneration Committee and Audit Committee, Mrs. Krishna Kumari Moturu (DIN: 10376709) and Mr. Arundee Moturu (DIN: 10566391) were appointed as Additional Directors with effect from August 25, 2024, pursuant to the Board Meeting held on August 21, 2024. Their appointments were regularized by the shareholders at the AGM held on September 30, 2024, for a term of three years.

• **Further Appointment of Independent Directors:**

On recommendation made by the Nomination & Remuneration Committee, Mr. Anjaneyulu Krothapalli (DIN: 02908525) was appointed as an Additional Independent Director at the Board Meeting held on September 17, 2024. His appointment was regularized by the shareholders at the AGM held on September 30, 2024, for a term of five years.

On recommendation made by the Nomination & Remuneration Committee, Mrs. Sneha Sunkara (DIN: 10289148) was appointed as an Additional Independent Director at the Board Meeting held on January 28, 2025. Her appointment was confirmed by the shareholders at the Extraordinary General Meeting (EGM) held on January 29, 2025, for a term of five years.

• **Appointment of Chairman:**

On recommendation made by the Nomination & Remuneration Committee Mr. Chandra Sekhar Moturu (DIN: 02010969) was appointed as the Chairman of the Company and its Board of Directors with effect from February 1, 2025, pursuant to the Board Meeting held on January 28, 2025. This appointment was approved by the shareholders at the EGM held on January 29, 2025.

• **Changes in Director Liable to Retire by Rotation:**

On recommendation made by the Nomination & Remuneration Committee Mr. Ragdeep Moturu (DIN: 07587747) was included among the Directors liable to retire by rotation, effective October 1, 2024, as per the resolution

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passed at the Board Meeting held on January 28, 2025. This was subsequently approved by the shareholders at the EGM held on January 29, 2025.

The Directors of the Company are eminent persons of proven competencies and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings. The Company recognizes and embraces the importance of a diverse board in its success.

The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, industry experience and gender, which will help the Company to retain its competitive advantage.

On the basis of the written representations received from the directors, none of the above directors are disqualified under Section 164 (2) of the Companies Act, 2013 or any other Statutory authority for holding office of a Director.

➤ **Statement Regarding Opinion of The Board with Regard to Integrity, Expertise and Experience (Including the Proficiency) of the Independent Directors Appointed During the Year**

Considering the requirement of skill sets on the Board, persons having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions, for appointment, as an Independent Director on the Board. The Board, inter alia, considers qualification, positive attributes, area of expertise, integrity and experience (including proficiency) and number of Directorship(s) and Membership(s) held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determination of Directors' independence, and accordingly recommends to the Board for their appointment. In the opinion of the Board, the Independent Directors possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5)(iia) of the Companies (Accounts) Rules, 2014 (as amended). The Independent Directors have also confirmed that they have complied Company's Code of Conduct.

➤ **Declaration of independence from Independent Directors**

In terms of Section 149 of the Act, the Company has received the following declarations from all the Independent Directors confirming that:

- they meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder
- In terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs.

The declarations were placed and noted by the Directors present in the meeting of the Board held on April 10, 2025.

➤ **Retirement by rotation**

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act (including any statutory modification(s) or reenactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Ragdeep Moturu, whole-time Director and Mrs. Krishna Kumari Moturu, Executive Non-Independent Director of the Company are liable to retire by rotation at the ensuing AGM and being eligible has offered themselves for re-appointment. Your Board recommends their re-appointment.

A resolution seeking shareholders' approval for his re-appointment along with other required details, forms part of the AGM Notice.

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➤ Key Managerial Personnel

During the year under review, the following Changes were undertaken:

- Mr. Raveendragouda Geedigoudra (Membership Number: A67512) resigned from the position of Company Secretary with effect from June 1, 2024, by submitting his resignation letter dated June 1, 2024. The Board took note of the resignation in the Board Meeting held on June 3, 2024.
- Ms. Disha Jindal (Membership No. A65058) was appointed as the Company Secretary of the Company with effect from June 5, 2024, as approved in the Board Meeting held on June 3, 2024. Additionally, she was appointed as Compliance officer in Board Meeting held on October 23, 2024.
- On recommendation made by the Nomination & Remuneration Committee and Audit Committee, Mrs. Krishna Kumari Moturu, who was appointed as Additional Director in the Board Meeting held on August 21, 2024, was also appointed as the Chief Financial Officer (CFO) of the Company with effect from August 25, 2024 in the same meeting.

In accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Key Managerial Personnel of the Company as on 31st March 2025 comprised of Mr. Chandra Sekhar Moturu (DIN: 02010969), Chairman and Managing Director Mr. Ragdeep Moturu (DIN: 07587747), Whole Time Director, Mr. Sundararama Sarma Gorrepati (DIN: 10122348), Executive Director, Mrs. Krishna Kumari Moturu (DIN: 10376709), Executive Director, Mr. Arundeeep Moturu (DIN: 10566391) Executive Director and Ms. Disha Jindal, Company Secretary and Compliance officer.

➤ Senior Management Personnel (SMP)

During the year under review, following persons were identified as Senior Management Personnel (SMP) of the Company in the Board Meeting held on October 23, 2024:

S. No	Name	Designation
1	Koduri BNV Siva Prasad	Chief Operating Officer
2	Polamarasetti L Murty	General manager - Proposals & Engineering
3	Konduru Srinivasa Raghavan	Vice-President Engineering
4	Srinivas Karri	Vice President - Project Execution
5	Kottapi Naresh	Sr. Manager - Electrical & Instrumentation
6	Ashok Kumar Kancharla	Assistant general manager - Commercial & Procurement
7	Govardhana Rao Pentala	Assistant general manager - Electrical
8	Hemanth Loya	Finance Controller
9	Satyajit Saha	Quality Assurance Head
10	Jayaraj Menon	President - Manufacturing & Projects
11	Kalluri Sambasivarami Reddy	General manager - Finance and accounts
12	Murali Krishna Paleti	Deputy general manager - Procurement & Commercial

17. Committees of the Board of Directors

After the corporate conversion to comply with the Companies Act, 2013, the Company has constituted the following Committees in the Board Meeting held on August 12, 2024:

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S. No	Name	Position	Chairperson/Member
1	Srinivas Aravapalli	Independent Director	Chairperson
2	Yalamanchili Visweswara Prasad	Independent Director	Member
3	Ravikanth Mallina	Independent Director	Member
4	Krishna Kumari Moturu*	Executive Director cum CFO	Member

* The Audit Committee was reconstituted on 21st August 2024 with the inclusion of Mrs. Krishna Kumari Moturu as a member of the committee.

Nomination and Remuneration Committee

S. No	Name	Position	Chairperson/Member
1	Srinivas Aravapalli	Independent Director	Chairperson
2	Ravikanth Mallina	Independent Director	Member
3	Ravinder Komaragiri	Independent Director	Member

Corporate Social and Responsibility Committee

S. No	Name	Position	Chairperson/Member
1	Chandra Sekhar Moturu	Managing Director	Chairperson
2	Ragdeep Moturu	Whole Time director	Member
3	Srinivas Aravapalli	Independent Director	Member
4	Yalamanchili Visweswara Prasad	Independent Director	Member

Stakeholder Relationship Committee

S. No	Name	Position	Chairperson/Member
1	Ravikanth Mallina	Independent Director	Chairperson
2	Yalamanchili Visweswara Prasad	Independent Director	Member
3	Ravinder Komaragiri	Independent Director	Member

The Company has constituted the Risk Management Committee in its Board Meetings held on August 21, 2024:

S. No	Name	Position	Chairperson/Member
1	Chandra Sekhar Moturu	Chairman and Managing Director	Chairperson
2	Ragdeep Moturu	Whole Time director	Member
3	Yalamanchili Visweswara Prasad	Independent Director	Member
4	Arundeeep Moturu	Executive Director	Member

In accordance with the in-principal approval for the proposed Initial Public Offering (IPO) of the Company, as per the resolution passed by the Board in its meeting held on September 17, 2024, the Company constituted an IPO Committee in the Board Meeting held on September 17, 2024. The composition of the IPO Committee is as follows:

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S. No	Name	Position	Chairperson/Member
1	Ragdeep Moturu	Whole Time director	Chairperson
2	Mrs. Krishna Kumari Moturu	Executive Director and CFO	Member
3	Visweswara Prasad Yalamanchili	Independent Director	Member

Additionally, the Board, at its meeting held on October 23, 2024, revised the roles, responsibilities and terms of reference of the following Committees — Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Risk Management Committee, and Stakeholders Relationship Committee — to ensure compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **Recommendations of the Committees:** There were no instances where the Board did not accept the recommendations of the Committees.

18. Meetings of the Board and Committees and Independent Directors

➤ General Body Meetings

During the year under review, the following shareholders' meetings were convened as detailed below:

Date	Location	Mode	Type of the Meeting
24-05-2025	Registered Office of the Company	Physical Meeting	Extra Ordinary General Meeting
05-06-2024	Registered Office of the Company	Physical Meeting	Extra Ordinary General Meeting
30-09-2024	Registered Office of the Company	Physical Meeting	Annual General Meeting
29-01-2025	Registered Office of the Company	Physical Meeting	Extra Ordinary General Meeting
10-03-2025	Registered Office of the Company	Physical Meeting	Extra Ordinary General Meeting

➤ Board Meetings

During the financial year 2024-25, the Board of Directors met 27 (Twenty-Seven) times. The details of the meetings of the Board of Directors of the Company convened and attended by the Directors during the financial year 2024-25 are given Annexure-B.

Committee Meetings

The details of the meetings of the committees of the Company convened and attended by the Directors during the financial year 2024-25 are given Annexure-B.

➤ Independent Directors Meeting

A separate meeting of the Independent Directors was convened on January 29, 2025 which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman.

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19. Familiarization Program of Independent Directors

The Company has instituted a structured system to familiarize its Independent Directors. During the year under review, the Independent Directors were apprised of recent amendments to the Companies Act, 2013 and the Rules made thereunder. Independent Directors are also issued an appointment letter detailing their role, duties and responsibilities.

20. Evaluation Of Board's Performance

In accordance with Section 134(3) of the Companies Act, 2013, read with Schedule IV of the Act, companies having a paid-up share capital of ₹25 Crores or more are mandatorily required to conduct an annual evaluation of the Board, its Committees, and individual Directors.

Although this provision is not applicable to the Company, as its paid-up share capital stands at ₹20 Crores, the Company has voluntarily undertaken the annual evaluation process in line with good corporate governance practices and keeping in mind the future plans of the Company in regards to Initial Public Offer and as per the policy adopted by the Board in its meeting held on August 12, 2025.

Accordingly, the Company has conducted an annual performance evaluation of the Board as a whole, its committees, and individual Directors, including Independent Directors. The evaluation of the Non-Independent Directors, including the performance of the Chairman, Managing Director, and Whole-Time Director, was carried out in a separate meeting of the Independent Directors.

21. Policies of the Company

➤ **Remuneration Policy:**

The Company has adopted the *Policy on Appointment of Directors and Key Managerial Personnel (KMP), including the Criteria for Remuneration* in its Board meeting held on August 12, 2024. Additionally, the *Policy on Payment to Non-Executive Directors* was also adopted at the Board meeting held on August 12, 2024.

➤ **Vigil mechanism/ whistle blower policy**

The company has efficiently built up its internal vigil mechanism to effectively manage breach of conducts, abuse containment, financial irregularities, sensitive information sharing other than for legitimate purposes, unethical or unfair business practices in regard to mala-fide manipulation of the business processes. Your directors have adopted a Vigil Mechanism/Whistle Blower Policy in the Board meeting held on August 12, 2024. None of the company's personnel have been denied access to the Audit Committee. During the year under review, nothing has been reported under the policy. The Whistle Blower Policy of the Company can be accessed on the website of the Company at <https://www.ardee.co.in/Policies-and-Code-of-Conduct.html>

➤ **Risk Management Policy**

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has formulated and adopted a Risk Management Policy in the Board meeting held on August 12, 2024. Furthermore, the Company has constituted a Risk Management Committee (RMC), consisting of Board members of the Company. The Company has in place a Risk Management framework to identify, evaluate business risks and challenges across the Company both at corporate level as also separately for each business division. As of now, there are no risks which in the opinion of the Board that threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis Report.

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As part of its journey towards becoming a listed entity and in alignment with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has also adopted and implemented several other governance policies which are available on the Company's website at <https://www.ardee.co.in/Policies-and-Code-of-Conduct.html>

22. Particulars Of Employees and Related Disclosures

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 it is hereby confirmed that none of the employees of the Company were in receipt of remuneration in excess of the limits specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the financial year.

23. Adequacy of internal financial controls and compliance with laws

As per Section 134(5)(e) of the Companies Act 2013, the Directors have an overall responsibility for ensuring that the Company has implemented a robust system and framework of Internal Financial Controls. This provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. The Company has procedures for ensuring orderly and efficient conduct of its business, including the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial disclosures, which are reviewed by the Board and Audit Committee from time to time. Additionally, the Company receives a half-yearly internal audit report from its Internal Auditors, which supports continuous monitoring and improvement of internal control systems.

• Internal Auditors:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and Rule 13(1) of Companies (Accounts) Rules, 2014 made there under, M/s. RCV & CO, (Firm Registration No. 01718S), Mr. Ch Raju, Chartered Accountants has been appointed to conduct the internal audit of the company.

24. Particulars of Loans, Guarantees or Investments

The details relating to loans given, guarantees or securities provided, and investments made by the Company under Section 186 of the Companies Act, 2013, during the year under review, form part of Note No. 8 of the Balance Sheet under the heading 'Investments' and Note no 35 in the Financial Statements.

25. Related Party Transactions

The transactions with related parties during the financial year were in the ordinary course of business and at arm's length basis, and hence did not attract the provisions of Section 188(1) of the Companies Act, 2013 in terms of materiality thresholds. Accordingly, Form AOC-2 is not applicable and has not been annexed to this Report.

In line with the requirements of the Company Act, 2013, the Company has formulated a Policy on Related Party Transactions adopted in the Board meeting held on August 12, 2024 and the same is available on the website of the Company at <https://www.ardee.co.in/Policies-and-Code-of-Conduct.html>.

26. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

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The information pertaining to conservation of energy, technology absorption, foreign exchange Earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure-C and is attached to this report.

27. Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee had formulated a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken. A copy of CSR Policy is available on the website of the Company and can be accessed on the Company's website at the link <https://www.ardee.co.in/Policies-and-Code-of-Conduct.html>.". The policy encompasses the philosophy of the Company for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanisms for undertaking socially useful programs for the welfare of the community at large and for under underprivileged community in the area of its operation in particular.

The Annual Report on CSR containing the composition of the CSR Committee, salient features of the CSR Policy, details of activities, and other information as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in Annexure-D annexed to Director's Report.

28. Alteration of Memorandum of Association and Articles of Association (Moa & Aoa):

During the year, the Company has undertaken the following transactions with respect to MOA & AOA of the Company:

• **Conversion into a Public Limited Company:**

The Company was converted into a Public Limited Company and accordingly, the Name Clause of its Memorandum of Association ("MoA") was altered. Further, a new set of Articles of Association ("AoA") was adopted in substitution of the earlier version, in accordance with the provisions of the Companies Act, 2013. These changes were affected pursuant to the special resolution passed by the shareholders at the Extra-Ordinary General Meeting held on June 5, 2024. Consequently, the name of the Company was changed to "ARDEE ENGINEERING LIMITED", and a fresh Certificate of Incorporation dated August 5, 2024, was issued by the Registrar of Companies, Telangana at Hyderabad ("RoC")

• **Sub-Division of Equity Shares:**

The Company undertook a sub-division of its equity shares, whereby each equity share having a face value of ₹10/- (Rupees Ten only) was sub-divided into two equity shares of ₹5/- (Rupees Five only) each, fully paid-up. The Share Capital Clause of the Memorandum of Association (MoA) was accordingly altered pursuant to the special resolution passed by the members at the Extra-Ordinary General Meeting held on January 29, 2025.

• **Adoption of New Articles of Association for IPO Compliance:**

In preparation for its proposed Initial Public Offering (IPO), the Company was required to align its Articles of Association with the requirements and directions prescribed by the Securities and Exchange Board of India (SEBI) and the relevant stock exchanges. This included incorporating provisions applicable to a listed company as per the Companies Act, 2013, and related rules. Accordingly, the Company adopted a new set of Articles of Association, in substitution of the earlier version, pursuant to a special resolution passed by the members at the Extra-Ordinary General Meeting held on January 29, 2025.

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29. Management Discussion and Analysis Report

The Company has voluntarily disclosed the compliance with respect to the provisions of the Management Discussion & Analysis Report pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Report as a part of the Annual Report as Annexure-E.

30. Annual Return

The Annual Return of the Company for the financial year 2024-25 as required under Section 92(3) & 134(3)(a) of the Companies Act, 2013 is available on the website of the Company and can be accessed on the Company's website at the link <https://www.ardee.co.in/annual-return.html>.

31. Auditors And Auditors' Report

➤ **Statutory Auditors**

Pursuant to the provisions of Section 139 and other applicable provisions and relevant rules of the Companies Act, 2013, C Venkat Krishna & Co., Chartered Accountants (Firm Registration No. 004599S) were appointed as the auditors of the Company for a term of five consecutive years, i.e., from the financial year 2021 to 2026.

Additionally, at the 4th Annual General Meeting (AGM), the shareholders approved the appointment of MSKC and Associates, Chartered Accountants (Firm Registration No. 001595S) as one of statutory auditors among the joint Auditors from the conclusion of 4th Annual General Meeting until the conclusion of 9th Annual General Meeting.

The joint auditors have confirmed that they are not disqualified from continuing as statutory auditors under Section 141 of the Companies Act, 2013 and/or any other applicable laws, and that their appointment is within the prescribed ceiling limits. Further the Notes on Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

➤ **Auditor's Report:** The Auditor's Report does not contain any qualification, reservation, adverse remark, or disclaimer. Further, no fraud has been reported by the auditors under Section 143(12) of the Companies Act, 2013, which requires disclosure in the Board's Report.

➤ **Cost Records and Cost Auditors**

We would like to inform that pursuant to the Ministry of Corporate Affairs' Notification dated 31st December 2014, the Companies (Cost Records and Audit) Rules, 2014 were amended, and the Company's business activities have since been included within the purview of cost audit requirements. Accordingly, the Company is maintaining proper accounts and cost records. Further, the Board of Directors appointed M/s. Gopal Jasti, Cost Accountants (Firm Registration No. 005822) as the Cost Auditors of the Company for the financial year 2023-24. They have subsequently conducted the Cost Audit for the financial year 2024-25. The Cost Audit Report does not contain any qualification, reservation, or adverse remark and requires no further comments.

Pursuant to Section 148 of the Companies Act, 2013, the Board has re-appointed M/s. Gopal Jasti, Cost Accountants (Firm Registration No. 005822), to conduct the Cost Audit for the financial year 2025-26. The Cost Auditors have confirmed their eligibility for the said appointment. The remuneration of Rs. 1.25 lakhs payable to the Cost Auditors is subject to ratification by the members as per the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014. Accordingly, a resolution for the ratification of the remuneration of the Cost Auditors has been included in the notice of the ensuing Annual General Meeting for your approval.

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Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company had appointed Mr. Chava Sai Krishna (Membership No.: F13258, C.P. No.: 18854), Sole Proprietor of M/s. Chava & Associates (Sole Proprietorship Firm No.: S2017TL520300), Company Secretaries in Practice, to conduct the Secretarial Audit of the Company for the financial year 2024-25.

The Secretarial Audit Report in Form MR-3, as issued by the Secretarial Auditor, forms part of the Annual Report and is annexed herewith as **Annexure-F**. The Secretarial Audit Report for the year under review does not contain any qualification, reservation, adverse remark or disclaimer.

32. Other Disclosures by the Board:**➤ Reclassification of Promoters**

The Company, in its Board Meeting held on September 17, 2024, approved the reclassification of its promoters by including Ms. Krishna Kumari Moturu, Director and CFO and Mr. Arundeeep Moturu, Director of the Company — as promoters, in addition to the existing promoters, Mr. Chandra Sekhar Moturu and Mr. Ragdeep Moturu.

➤ Details In Respect of Frauds Reported by Auditors Under Sub-Section (12) Of Section 143 Other Than Those Which Are Reportable to The Central Government: -

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force.

➤ Disclosure Under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment, including sexual harassment. The Company has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. The Company has duly complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. In accordance with the requirements of the Act, the Board of Directors has constituted Internal Complaints Committees ("ICC") at both the Head/Corporate Office and at Centre/Branch levels to address and redress complaints of sexual harassment in a timely and effective manner. Status of Complaints under the POSH Act during the Financial Year 2024-25 is detailed below: -

Particulars	No. of Complaints
Compliant pending at beginning of Financial Year	0
Compliant pending at beginning of Financial Year	0
Compliant resolved during Financial Year	0
Compliant pending at end of Financial Year	0
Compliant pending at Ending of Financial Year	0

Note: The Company maintains strict confidentiality in dealing with such matters and ensures timely redressal in

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accordance with applicable laws and internal policies.

➤ **Details of Application Made or Any Proceeding Pending Under the Insolvency and Bankruptcy Code, 2016 During the Year**

No applications have been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

➤ **Details Of Difference Between Amount of the Valuation Done at the Time of One Time Settlement and The Valuation Done While Taking Loan from The Banks or Financial Institutions Along with The Reasons Thereof**

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions.

➤ **Orders, If Any, Passed by Regulators or Courts or Tribunals**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

➤ **Compliance With Maternity Benefit act, 1961**

The company has complied with the Maternity Benefit Act, 1961 and the disclosure as required are details hereunder:

Particulars	No. of Employees
Employees who availed Maternity leave	0
Employees who returned to work till March 31, 2025 after maternity leave ended	N. A
Employees who returned after maternity leave ended and who were still employed 12 months after their return	N. A

➤ **Statement on Compliance with Secretarial Standards**

During the financial year 2024-25, your Company has complied with applicable secretarial Standards issued by the Institute of the Company Secretaries of India.

➤ **Compounding**

During the year under review, the Company has not made any application for compounding of offences under the provisions of the Companies Act, 2013. Accordingly, no penalties or fines were imposed by the Registrar of Companies, Regional Director, or any other regulatory authorities during the year.

➤ **Human Relations**

The Company recognises human resources as its most valuable asset, and it has built an open, transparent and meritocratic culture to nurture this asset. The Company is of the firm belief that Human Resources is the driving force that propels a Company towards progress and success. The Company has a team of able and experienced professionals to look after the affairs of the Company. The Company's employees at all levels have extended their whole-hearted co-operation for the excellent performance of the Company.

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Hyderabad, Telangana, India, 500034**

➤ Insurance

The Company's assets are adequately insured against the loss of fire and other risk, as considered necessary by the Management from time to time. The Company has also taken adequate insurance cover for all movable & immovable assets and for all such types of risks, as considered necessary by the management from time to time.

➤ Credit Rating

During the year, the Company's credit facilities were rated by CareEdge Ratings. For detailed information on the credit ratings assigned, stakeholders may refer to the disclosure available on the Company's website at <https://www.ardee.co.in/images/pdf/credi-rating-report-dated-30-07-2024.pdf>

➤ Disclosure of Loans and advances and guarantees in the nature of loans to firms/companies in which directors are interested:

The details relating to Disclosure of Loans and advances and guarantees in the nature of loans to firms/companies in which directors are interested under Section 185 of the Companies Act, 2013, during the year under review, form part of the Notes 35 to the Financial Statements.

➤ Dematerialization Of Securities

Your Company has established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) to facilitate the holding of securities in electronic form. As on 31st March, 2025, 100% of the total Equity Share Capital of the Company has been dematerialized. Further, the Company has appointed M/s. Bigshare Services Private Limited, as Registrar for Share Transfer and Electronic connectivity. Accordingly, all the shareholders, Investors, Depository Participants and all other concerned are requested to send all communication in respect of share transfer/transmission, demat/remat, change of address etc., to our registrar at below below-mentioned address:

Bigshare Services Private Limited

S6-2, 6th Floor, Pinnacle Business Park

Mahakali Caves Road, next to Ahura Centre

Andheri East, Mumbai 400 093,

Maharashtra, India

Tel: +91 22 6263 8200

E-mail: ipo@bigshareonline.com

Investor grievance e-mail: investor@bigshareonline.com

Website: <https://www.bigshareonline.com>

In case any query/complaint remains unresolved with our Registrar, please write to the Company Secretary at the Registered Office of the Company.

33. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, with respect to Directors' Responsibility Statement, the Directors, to the best of their knowledge and ability, hereby confirm that:

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

b) Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company

ARDEE ENGINEERING LIMITED

(FORMELY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED)

CIN: U29100TG2020PLC141953 (Previous: U29100TG2020PTC141953)

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as at March 31, 2025, and of the profit and loss of the Company for the year ended on that date;

c) 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) The annual accounts have been prepared on a going concern basis;

e) The Company had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

34. Acknowledgement

Your directors thank various departments of the Central and State Government, Organizations and Agencies for the continued help and co-operation extended by them to your Company. Your directors also gratefully acknowledge all stakeholders of the Company viz., members, customers, dealers, vendors, financial institutions, banks and other business partners, for the excellent support received from them during the year. Your directors place on records their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on the behalf of Board of Directors of Ardee Engineering Limited
(Formerly Known as Ardee Engineering Private Limited)



M. Chandra Sekhar

Chandra Sekhar Moturu
Chairman and Managing Director
DIN: 02010969

Ragdeep Moturu
Ragdeep Moturu
Whole Time Director
DIN: 07587747

Date: September 26, 2025

Place: Hyderabad

ARDEE ENGINEERING LIMITED

(FORMELY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED)

CIN: U29100TG2020PLC141953 (Previous: U29100TG2020PTC141953)

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ANNEXURES TO THE REPORT

ARDEE ENGINEERING LIMITED
(FORMELY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED)
CIN: U29100TG2020PLC141953 (Previous: U29100TG2020PTC141953)
Registered office address: 8-2-334/K/1, Flat Nos. 101, 102 & 103 Aditya Court,
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Hyderabad, Telangana, India, 500034

Annexure -A

Form AOC-1

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

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

Part "A": Subsidiaries

Details of Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1.Number of Subsidiaries:

The Company does not have any subsidiary companies.

Block-1:

1	CIN/any other registration number of the Subsidiary company	Not Applicable	Not Applicable
	Name of the subsidiary	Not Applicable	Not Applicable
2	The date since when subsidiary was acquired	Not Applicable	Not Applicable
	Provisions pursuant to which the company has become a subsidiary (Section 2(87)(i)/Section 2(87)(ii))	Not Applicable	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From	Not Applicable
		To	
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Reporting Currency	Not Applicable
		Exchange Rate	
4	Share capital		Not Applicable
5	Reserves & surplus		Not Applicable
6	Total assets		Not Applicable
7	Total Liabilities		Not Applicable
8	Investments		Not Applicable
9	Turnover		Not Applicable
10	Profit before taxation		Not Applicable
11	Provision for taxation		Not Applicable
12	Profit after taxation		Not Applicable
13	Proposed Dividend		Not Applicable
14	% of shareholding		Not Applicable

2. Number of subsidiaries which are yet to commence operations

Sl. No.	CIN / any other registration number	Names of subsidiaries which are yet to commence operations
NIL		

ARDEE ENGINEERING LIMITED**(FORMELY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED)****CIN: U29100TG2020PLC141953 (Previous: U29100TG2020PTC141953)****Registered office address: 8-2-334/K/1, Flat Nos. 101, 102 & 103 Aditya Court,****Road No. 5, Banjara Hills,****Hyderabad, Telangana, India, 500034****3. Number of subsidiaries which have been liquidated or have ceased to be a subsidiary during the year**

Sl. No.	CIN / any other registration number	Names of subsidiaries
NIL		

Part "B" Associates and Joint Ventures**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures****1. Number of Associate / Joint Venture: _**

The Company does not have any joint ventures but holds interests in two associate companies: Ardee Yantrik Private Limited and Ingwenya Mineral Tech Private Limited

Block-1

1	Name of associate/ Joint Venture	Ingwenya Mineral Tech Private Limited
2	Latest audited Balance Sheet Date	March 31, 2025
3	Date on which the Associate or Joint Venture was associated or acquired	June 23, 2023
4	Shares of Associate/ Joint Ventures held by the company on the year end March 31, 2025	
A	Number	90,870
B	Amount of Investment in Associates	5.45 million
C	Extend of Holding%	21.62%
5	Description of how there is significant influence	Control of more than 20% of total share capital
6	Reason why the associate / joint venture is not consolidated	NA
7	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 67.95 million
8	Profit/Loss for the year	Rs. 35.32 million
8A	Considered in Consolidation	Rs. 6.62 million
8B	Not Considered in Consolidation	

1	Name of associate/ Joint Venture	Ardee Yantrik Private Limited
2	Latest audited Balance Sheet Date	March 31, 2025
3	Date on which the Associate or Joint Venture was associated or acquired	November 27, 2024
4	Shares of Associate/ Joint Ventures held by the company on the year end March 31, 2025	
A	Number of shares	20,000
B	Amount of Investment in Associates	Rs. 0.20 million
C	Extend of Holding%	40.00%
5	Description of how there is significant influence	Control of more than 20% of total share capital
6	Reason why the associate / joint venture is not consolidated	NA
7	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 0.43 million

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8	Profit/Loss for the year	Rs. -0.07 million
8A	Considered in Consolidation	Rs. -0.04 million
8B	Not Considered in Consolidation	

Block-2

2. Number of associates which are yet to commence operations:

S no.	CIN / any other registration number	Names of Associates and Joint Ventures which are yet to commence operations
NIL		

3. Number of associates or joint ventures which have been liquidated or have ceased to be associate or Joint Venture during the year:

Sl. No.	CIN / any other registration number	Names of Associates and Joint Ventures
NIL		


For and on the behalf of Board of Directors of Ardee Engineering Limited
(Formerly Known as Ardee Engineering Private Limited)



Chandra Sekhar Moturu
Chairman and Managing Director
DIN: 02010969



Ragdeep Moturu
Whole Time Director
DIN: 07587747



Krishna Kumari Moturu
Executive Director and Chief Financial Officer
DIN 10376709



Disha Jindal
Company Secretary and Compliance Officer
Membership No. A65058

Date: September 26, 2025

Place: Hyderabad

ARDEE ENGINEERING LIMITED
(FORMELY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED)
CIN: U29100TG2020PLC141953 (Previous: U29100TG2020PTC141953)
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Annexure-B

Details of Board and Committee Meetings Held During the Financial Year Ended 31st March, 2025

A. BOARD MEETING

During the reporting period, i.e., for the financial year ended 31st March 2025, twenty-seven (27) meetings of the Board of Directors were held. The details of the meetings, including dates and attendance of Directors, are provided below: -

ATTENDANCE OF EXECUTIVE DIRECTORS: -

S. No	Date	Chandra Sekhar Moturu- Chairman and Managing Director	Ragdeep Moturu- Whole Time Director	Gorrepati Sundararama Sarma -Executive Director	Krishna Kumari Moturu- Executive Director And CFO	Arundeeep Moturu- Executive Director
1	05.04.2024	Present	Present	Present	Not Applicable	Not Applicable
2	27.04.2024	Present	Present	Present	Not Applicable	Not Applicable
3	29.04.2024	Present	Present	Present	Not Applicable	Not Applicable
4	10.05.2024	Present	Present	Present	Not Applicable	Not Applicable
5	22.05.2024	Present	Present	Present	Not Applicable	Not Applicable
6	31.05.2024	Present	Present	Present	Not Applicable	Not Applicable
7	03.06.2024	Present	Present	Present	Not Applicable	Not Applicable
8	24.06.2024	Present	Present	Present	Not Applicable	Not Applicable
9	20.07.2024	Present	Present	Present	Not Applicable	Not Applicable
10	24.07.2024	Present	Present	Present	Not Applicable	Not Applicable
11	27.07.2024	Present	Present	Present	Not Applicable	Not Applicable
12	05.08.2024	Present	Present	Present	Not Applicable	Not Applicable
13	12.08.2024	Present	Present	Present	Not Applicable	Not Applicable
14	21.08.2024	Present	Present	Present	Present	Present
15	17.09.2024	Present	Present	Present	Present	Present
16	23.10.2024	Present	Present	Present	Present	Present
17	11.11.2024	Present	Present	Present	Present	Present
18	11.12.2024	Present	Present	Present	Present	Present
19	12.12.2024	Present	Present	Present	Present	Present
20	20.12.2024	Present	Present	Present	Present	Present
21	22.12.2024	Present	Present	Present	Present	Present
22	28.01.2025	Present	Present	Present	Present	Present
23	18.02.2025	Present	Present	Present	Present	Present
24	28.02.2025	Present	Present	Present	Present	Present
25	17.03.2025	Present	Present	Present	Present	Present
26	27.03.2025	Present	Present	Present	Present	Present
27	29.03.2025	Present	Present	Present	Present	Present

ARDEE ENGINEERING LIMITED**(FORMELY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED)****CIN: U29100TG2020PLC141953 (Previous: U29100TG2020PTC141953)****Registered office address: 8-2-334/K/1, Flat Nos. 101, 102 & 103 Aditya Court,
Road No. 5, Banjara Hills,
Hyderabad, Telangana, India, 500034****ATTENDANCE OF NON-EXECUTIVE -INDEPENDENT-DIRECTORS:-**

S. N o	Date	Yalamanchili Visweswara Prasad	Ravinder Komaragiri	Ravikanth Mallina	Srinivas Aravapalli	Anjaneyulu Krothapalli	Sneha Sunkara
1	05.04.2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2	27.04.2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	29.04.2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4	10.05.2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	22.05.2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	31.05.2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
7	03.06.2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
8	24.06.2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
9	20.07.2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
10	24.07.2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
11	27.07.2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
12	05.08.2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
13	12.08.2024	Present	Present	Present	Present	Not Applicable	Not Applicable
14	21.08.2024	Present	Present	Present	Present	Not Applicable	Not Applicable
15	17.09.2024	Present	Present	Present	Present	Appointed In Meeting	Not Applicable
16	23.10.2024	Present	Present	Present	Present	Present	Not Applicable
17	11.11.2024	Present	Present	Present	Present	Present	Not Applicable
18	11.12.2024	Present	Present	Present	Present	Present	Not Applicable
19	12.12.2024	Present	Present	Present	Present	Present	Not Applicable
20	20.12.2024	Present	Present	Present	Present	Present	Not Applicable
21	22.12.2024	Present	Present	Present	Present	Present	Not Applicable
22	28.01.2025	Present	Present	Present	Present	Present	Appointed In Meeting
23	18.02.2025	Present	Present	Present	Present	Present	Present
24	28.02.2025	Present	Present	Present	Present	Present	Present
25	17.03.2025	Present	Present	Present	Present	Absent	Present
26	27.03.2025	Present	Present	Present	Present	Absent	Present
27	29.03.2025	Present	Absent	Absent	Present	Absent	Absent

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Road No. 5, Banjara Hills,
Hyderabad, Telangana, India, 500034****B. COMMITTEE MEETINGS****(a) AUDIT COMMITTEE MEETING**

During the reporting period, i.e., for the financial year ended 31st March 2025, six (6) meetings were held. The details of the meetings, including dates and attendance of Directors, are provided below: -

S.No	Date	Srinivas Aravapalli-Chairman	Visweswara Prasad Yalamanchili-Member	Krishna Kumari Moturu-Member	Ravikanth Mallina-Member
1	12.08.2024	Present	Present	Not Applicable	Present
2	21.08.2024	Present	Present	Not applicable	Present
3	17.09.2024	Present	Present	Present	Present
4	28.01.2025	Present	Present	Present	Present
5	17.03.2025	Present	Present	Present	Present
6	27.03.2025	Present	Present	Present	Present

(b) NOMINATION AND REMUNERATION COMMITTEE

During the reporting period, i.e., for the financial year ended 31st March 2025, four (4) meetings were held. The details of the meetings, including dates and attendance of Directors, are provided below: -

S. No	Date	Srinivas Aravapalli-Chairman	Komaragiri Ravinder-Member	Ravikanth Mallina-Member
1	12.08.2024	Present	Present	Present
2	21.08.2024	Present	Present	Present
3	17.09.2024	Present	Present	Present
4	27.01.2025	Present	Present	Present

(c) STAKEHOLDER RELATIONSHIP COMMITTEE

During the reporting period, i.e., for the financial year ended 31st March 2025, one (1) meeting was held. The details of the meetings, including dates and attendance of Directors, are provided below: -

S. No	Date	Ravikanth Mallina-Chairman	Komaragiri Ravinder-Member	Vsisweswara Prasad Yalamanchili-Member
1	27.01.2025	Present	Present	Present

(d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

During the reporting period, i.e., for the financial year ended 31st March 2025, two (2) meeting were held. The details of the meetings, including dates and attendance of Directors, are provided below:

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S.No	Date	Chandra Sekhar Moturu-Chairman	Ragdeep Moturu-Member	Srinivas Aravapalli-Member	Visweswara Prasad Yalamanchili-Member
1	17.09.2024	Present	Present	Present	Present
2	29.03.2025	Present	Present	Present	Present

(e) RISK MANAGEMENT COMMITTEE

During the reporting period, i.e., for the financial year ended 31st March 2025, two (2) meetings were held. The details of the meetings, including dates and attendance of Directors, are provided below: -

S.No	Date	Chandra Sekhar Moturu-Chairman	Visweswara Prasad Yalamanchili-Member	Arundeeep Moturu-Member	Ragdeep Moturu-Member
1	27.01.2025	Present	Present	Present	Present
2	29.03.2025	Present	Present	Present	Present

(f) IPO COMMITTEE

During the reporting period, i.e., for the financial year ended 31st March 2025, two (2) meetings were held. The details of the meetings, including dates and attendance of Directors, are provided below: -

S.No	Date	Ragdeep Moturu-Chairman	Visweswara Prasad Yalamanchili-Member	Krishna Kumari Moturu-Member
1	23.10.2024	Present	Present	Present
2	27.03.2025	Present	Present	Present

For and on the behalf of Board of Directors of Ardee Engineering Limited
(Formerly Known as Ardee Engineering Private Limited)



Chandra Sekhar Moturu
Chairman and Managing Director
DIN: 02010969




Ragdeep Moturu
Whole Time Director
DIN: 07587747

Date: September 26, 2025
Place: Hyderabad

ARDEE ENGINEERING LIMITED

(FORMERLY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED)

CIN: U29100TG2020PLC141953 (Previous: U29100TG2020PTC141953)

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Annexure-C

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 are given below:

A. Conservation of Energy

(i) the steps taken or impact on conservation of energy;

The growth of the industry and its rapid industrialization is putting tremendous pressure on the available energy resources. As such the need of the hour is to conserve energy and maximize output. Energy conservation is an ongoing process in our organization. The company carries out continuous monitoring, planning, development and modification in our all units to conserve energy. The company always select latest art of technology, machinery and equipment having low energy consumption. The company always select latest art of technology, machinery and equipment having low energy consumption. Specific initiatives include the widespread use of LED lighting and promotion of energy-efficient practices throughout operations. These efforts are aimed at ensuring that operations are not only productive but also environmentally responsible, thereby contributing to the mitigation of global warming and climate change impacts.

(ii) the steps taken by the company for utilizing alternate sources of energy;

During the year under review, the Company did not undertake any specific initiatives related to the utilization of alternate or renewable sources of energy. However, the Company continues to focus on energy efficiency and minimizing wastage through the use of energy-efficient equipment and monitoring systems.

(iii) the capital investment on energy conservation equipment; Nil

B. Technology Absorption

(i) the efforts made towards technology absorption;

The Company has invested in automation and robotics across its manufacturing facilities through its associate company.

Additionally, the Company undertakes technological upgrades from time to time, as and when required.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

The continuous technology upgradation has resulted in improved product quality, reduced turnaround times, and the ability to meet custom engineering requirements of large infrastructure clients.

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

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology has been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) the expenditure incurred on Research and Development.

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Particulars	2024-25	2023-24
Earnings	-	-
Outgo	-	-

During the financial year under review, the company has not entered into any foreign exchange transaction, as a result of which the company has not earned any income or made any expenditure in terms of Foreign Exchange.

For and on the behalf of Board of Directors of Ardee Engineering Limited
(Formerly Known as Ardee Engineering Private Limited)



Chandra Sekhar Moturu
Chairman and Managing Director

DIN: 02010969



Ragdeep Moturu
Whole Time Director
DIN: 07587747

Date: September 26, 2025

Place: Hyderabad

Annual Report on Corporate Social Responsibility
(CSR) activities for the financial year 2024-25

1. Brief outline on CSR Policy of the Company:

The objective of Corporate Social Responsibility (CSR) is to benefit the society by improving the quality of individuals, their families and local community at large. Ardee Engineering Limited (hereinafter to be referred as "the Company") through its CSR activities intends to participate in the overall development of the society and encourage alignment with Social Development Goals (SDGs) related to gender sensitivity, skill enhancement, entrepreneurship development, research in education, Hygiene & Water etc.

2. Composition of CSR Committee:

S.No	Name	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	Chandra Sekhar Moturu	Chairman and Managing Director	2	2
2	Ragdeep Moturu	Whole Time director	2	2
3	Srinivas Aravapalli	Independent Director	2	2
4	Yalamanchili Visweswara Prasad	Independent Director	2	2

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:

CSR Committee: - <https://www.ardee.co.in/composition-of-committee.html>

CSR Policy: - <https://www.ardee.co.in/images/policies/CSR-Policy.pdf>

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

As per sub-rule (3)(a) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is not required to undertake impact assessment, through an independent agency of their CSR projects.

5. (a) Average net profit of the company as per section 135(5): Rs. 228 million

(b) Two percent of average net profit of the company as per section 135(5): Rs 4.56 million

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs 4.56 million

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs 2.70 million

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- Details of CSR amount spent against ongoing projects for the financial year: Nil
- Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Support for improving the standards and needs of Deaf & Dumb children in the Educational Institution	(I)	Yes	Nizamabad	Telangana	1.2 million	No	Gracy Organisation for Developmental Services	CSR00029395
2.	Eradicating Hunger	(I)	Yes	Hyderabad	Telangana	1.0 million	No	Akshay Patra Foundation	CSR00000286
3	Maintenance of homes and hostels for women and orphans	(III)	Yes	Hyderabad	Telangana	0.5 million	No	Sanchaara Ardha Sanchaara Vimuktha Jaathula Sankshema Sangam	CSR00086589
	Total					2.7 million			

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: N.A.

(d) Total amount spent for the Financial Year [(a)+(b) +(c)]: Rs 2.7 million

(e) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year	Amount unspent				
Rs 2700000	Total amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer

ARDEE ENGINEERING LIMITED**(FORMELY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED)****CIN: U29100TG2020PLC141953 (Previous: U29100TG2020PTC141953)****Registered office address: 8-2-334/K/1, Flat Nos. 101, 102 & 103 Aditya Court,
Road No. 5, Banjara Hills,
Hyderabad, Telangana, India, 500034**

	1.51 million	April 29,2025	PM Care	0.35 million	August 11,2025
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(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 section 135(5)	Rs 4.56 million
(ii)	Total amount spent for the Financial Year	Rs 2.7 million
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Years	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount	Date of Transfer	
NIL							

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

Not applicable

ARDEE ENGINEERING LIMITED

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

Not applicable

For and on the behalf of Board of Directors of Ardee Engineering Limited
(Formerly Known as Ardee Engineering Private Limited)

M. Manda Siva

Chandra Sekhar Moturu
Chairman and Managing Director
Chairman of the Committee
DIN: 02010969



Ragdeep Moturu
Ragdeep Moturu
Whole Time Director
DIN: 07587747

Date: September 26, 2025

Place: Hyderabad

Management Discussion and Analysis Report

Overview

We are the fastest growing integrated design, engineering and manufacturing company based on revenue CAGR between Fiscal 2022 and Fiscal 2024, among peers considered*. (Source: CARE Report) We provide a diversified suite of end-to-end solutions across geographies and end-user industries, with a focus on pre-engineered buildings ("PEB"), material handling systems ("MHS") and engineering services. Our business is divided into our primary business lines: (i) PEB; (ii) MHS; and (iii) engineering services.

**Note: Peers include leading players operating in PEB, MHS and Engineering services segments such as Interarch Building Products Private Limited, JSW Severfield Structures Limited (JSSL), Pennar Industries Limited, Everest Industries Limited, Macmet Engineering Limited, Capacite Infraprojects Limited, PSP Projects Limited, Ahluwalia Contracts (India) Limited and ISGEC Heavy Engineering Limited.*

Our design and engineering capabilities are our core strength. We commenced our business in 2008, through our predecessor partnership firm Ardee Engineering Company, which converted to our Company in the year 2020. During the past 16 years, we have successfully completed projects across 13 states.

We are focused on producing unique and customized engineering solutions for our customers by working with them throughout the product and process design and development to establish optimal solutions. We endeavor to maintain high quality and safety standards by leveraging the engineering expertise and technical know-how of our engineering team, which had a strength of 311 qualified engineers as on March 31, 2025. Over our nearly 16-year history, we have developed capabilities that have allowed us to secure multiple projects from our customers.

Our business lines:

- **Pre-engineered buildings:** We offer comprehensive PEB solutions, including design and engineering, manufacturing, on-site project management for the installation and erection of PEBs and integrated pre-engineered steel structures. We believe that we have created an established presence in the PEB industry in India and have undertaken multiple PEB projects for prominent customers such as JK Cement Limited, RVR Projects Limited, Blue Ocean Biotech Private Limited, and SRR Projects Private Limited, among others. In addition, we have also executed works for leading e-commerce and infrastructure companies. As of December 31, 2024, we have executed over 100 PEB projects, which include warehouses and fulfilment centers, data centers, logistics infrastructure, manufacturing units, airport, infrastructure, schools and commercial buildings. We attribute our presence in the PEB industry to our ability to deliver projects within tight timelines, while ensuring high quality and engineering standards. We believe that we are able to add significant value to the PEB projects and pre-engineered steel structures through our engineering and design teams, which ensure strict quality and safety control at every level of production through commissioning and handover and as per specifications created by us and approved by our customers. We also ensure that the projects undertaken by us meet the global standards of environment, health and safety ("EHS"), which is a key distinguishing factor and allows us to meet the EHS compliance requirements of our prominent clients.
- **Material handling systems:** We design, engineer and construct customized material handling systems and processing systems for our customers to solve complex problems faced by our customers in respect of handling and processing bulk material during the manufacturing process. Our engineering solutions are focused at simplifying the manufacturing process for our customers and enabling them to effectively process a wide range of materials in various forms to get a final product in a seamless manner. We have executed MHS projects for companies in the metals and mining sectors, including a public sector undertaking (which has been granted Maharana status), Hindustan Electro-Graphites Limited ("HEG") and a company in the ports sector in Nellore, Andhra Pradesh. We leverage our capabilities to design equipment which we believe helps in automation of bulk material handling such as conveyor systems, storage solutions, loading and unloading systems and crushing and screening equipment. We also design, engineer, manufacture, commission and integrate material processing systems such as crushing and screening systems, roller conveyor, feeder breaker, suspended magnets, double roller, bucket elevator, belt conveyors, dust extraction system and motorized slide gates, each tailored to handle diverse types of materials efficiently and reliably.

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- **Engineering services:** Our engineering services focuses executing projects in two areas of (i) heavy structural and precision engineering equipment and (ii) electrical instrumentation with automation. We believe that by leveraging our engineering services capabilities, we have expanded to niche industries like defense and aerospace. In the aerospace sector, we supplied three mobile launch pedestals for a national space research organization. Our engineering services also support our PEB and MHS projects, which we believe allows for seamless design, development, and execution of projects, ensuring that all engineering processes are controlled and customized to meet the customer requirement of heavy structural and precision engineering.

Industry Structure and Developments

The Pre-Engineered Buildings (PEB) sector is experiencing robust growth, currently expanding at a Compound Annual Growth Rate (CAGR) of 17%. A significant driver of this growth is the Indian infrastructure market, which itself is growing at a CAGR of 9%. This upward trend is further supported by the increasing dominance of PEB in warehousing solutions and the rising adoption of steel-centric infrastructure, including composite high-rise structures. The resurgence of mining operations across the country has led to a notable increase in demand for material handling and processing systems. In addition, the Government of India has announced plans to commission a minimum of 80,000 MW of coal-based thermal power capacity, further fueling the need for such systems.

The National Steel Policy, which aims to enhance per capita steel consumption, presents a significant opportunity for the company. It closely aligns with our strategic focus on promoting steel-centric infrastructure across multiple verticals.

Our robust orderbook also signals to the increase in opportunities in this vertical.

Opportunities

The Indian economy demonstrated a robust growth rate. This growth can be attributed to various government initiatives, including the PM Gati Shakti Yojana and PLI schemes and a renewed emphasis on job creation. Increased exports and a revival of private capital expenditure also contributed to this economic upturn. Currently, the industry possesses ample capacity to meet demand for the next five years. Additionally, the rising purchasing power in rural India augurs well for the industry's prospects. Everest remains positioned as a dominant player in the market.

The real estate sector is on track with a growing adoption of dry construction techniques. This trend is expected to grow exponentially in the total building market. Furthermore, with the resurgence of the capital expenditure cycle and global companies pursuing a 'China + 1' strategy, the Pre-Engineered Building (PEB) industry is projected to expand at a. Notably, there is substantial demand emanating from various sectors, including defense, data centers, and warehousing, in addition to traditional sectors like automotive, chemicals, and manufacturing.

Threats and Outlook

India, despite encountering distinctive challenges and inherent risks within the current global economic landscape, maintains its position as a promising economy. The implementation of key reforms like the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code (IBC) has significantly enhanced the efficiency, transparency, and financial discipline of the Indian economy, leading to overall improvement in its functioning.

While the overall sector outlook remains positive, several macroeconomic risks warrant close monitoring:

- **Global Supply Chain Disruptions:** Ongoing geopolitical tensions and export tariff fluctuations continue to impact the global supply chain. This could result in increased volatility in the prices of critical raw materials such as steel and cement, potentially affecting cost structures and project budgets.
- **Irregular Monsoon Patterns:** Unpredictable weather, especially irregular monsoons, hampers construction schedules by disrupting site planning and on-ground execution. This could lead to project delays and increased holding costs.
- **Risk of Overcapacity:** All top five players in the Pre-Engineered Buildings (PEB) industry are currently pursuing capacity expansion initiatives. While this indicates strong confidence in market growth, it also introduces the possibility of overcapacity. In such a scenario, excess supply could put downward pressure on industry margins and asset utilization rates in the near to medium term.

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Road No. 5, Banjara Hills,
Hyderabad, Telangana, India, 500034****➤ Material developments in Human Resources/ Industrial Relations front, including number of people employed.**

Our headcount has grown from 558 to 692 during the 2025 fiscal. We have been able to strengthen our Product, Technology and Sales. We have streamlined HR processes and policies including Employee Branding, Talent Acquisition, Rewards & Recognition, Employee Policies, Employee engagement, HR Standard Operating Processes etc. We have redesigned the organization structure and managed to build a strong mid- senior leadership team across functions.

➤ Details of significant changes (i. e change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore including

Particulars	2024-25	2023-24	% of changes	Remarks	Formula	March-25		March-24	
						Numerator	Denominator	Numerator	Denominator
Debtors Turnover	3.98	5.18	-23.21%	Not major variance	Net Credit Sales/ Average Accounts Receivables	7,789.03	1,958.70	6,209.90	1,199.19
Inventory Turnover	5.36	7.23	-25.91%	Variance on account of increase in inventory as on March 31, 2025 compared to March 31, 2024	Cost of Goods Sold/ Average Inventory	5,078.09	947.91	4,085.40	565.05
Interest Coverage Ratio	3.45	3.65	-5.48%	Not major variance	EBIT/ Interest Expense	937.95	271.96	569.23	156.01
Current Ratio	1.02	1.10	-7.59%	Not major variance	Current Assets/ Current Liabilities	4,882.93	4,786.17	3,702.15	3,353.53
Debt Equity Ratio	2.29	2.12	7.81%	Not major variance	Total Debt/ Total Equity	3,131.72	1,368.36	1,850.59	871.70
Operating Profit Margin (%)	0.12	0.09	31.37%	Change in ratio on account of increase in revenue and profit in current year.	EBIT/ Net Sales	937.95	7,789.03	569.23	6,209.90

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Risk and Concerns

Financial Risk

The Company is exposed to various financial risks, including interest rate fluctuations, foreign exchange volatility, credit risk, and liquidity risk. Rising interest rates may increase the cost of capital and affect debt servicing. Foreign exchange fluctuations, especially for companies with import or export exposure, may impact profitability. Credit risk arises from potential defaults by customers or counterparties, while liquidity risk pertains to the availability of adequate funds to meet short-term operational and financial obligations.

To mitigate these risks, the Company follows prudent financial management practices, including robust cash flow monitoring, conservative leverage, and diversified funding sources. In addition, credit evaluations of counterparties and efficient working capital management are continuously undertaken to maintain financial stability.

Legal and Regulatory Risk

The Company operates in a highly regulated environment and remains fully compliant with applicable laws, regulations, and industry standards. At present, there are no material regulatory or legal issues that could adversely impact our operations. However, the business remains subject to potential changes in regulatory frameworks, taxation policies, labor laws, and environmental norms. The Company proactively monitors developments in the legal and regulatory landscape to ensure timely compliance and mitigate any emerging risks.

However, we are understanding additional internal processes to ensure compliance with ICDR regulations as well along with other regulations that we were already in compliance with

➤ Internal Control System and their Adequacy:

As per Section 134(5)(e) of the Companies Act 2013, the Directors have an overall responsibility for ensuring that the Company has implemented a robust system and framework of Internal Financial Controls. This provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. The Company has procedures for ensuring orderly and efficient conduct of its business, including the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial disclosures, which are reviewed by the Board and Audit Committee from time to time. Additionally, the Company receives a six-monthly internal audit report from its Internal Auditors, which supports continuous monitoring and improvement of internal control systems.

• Internal Auditors:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and Rule 13(1) of Companies (Accounts) Rules, 2014 made there under, M/s. RCV & CO, (Firm Registration No. 01718S), Mr. Ch Raju, Chartered Accountants has been appointed to conduct the internal audit of the company.

➤ Segment –wise or product wise performance & Discussion on financial performance with respect to operational performance:

The Company is engaged in a suite of end-to-end solutions across geographies and end-user industries, with a focus on pre-engineered buildings ("PEB"), material handling systems ("MHS") and engineering services. Our business is divided into our primary business lines: (i) PEB; (ii) MHS; and (iii) engineering services. Accordingly, segment-wise reporting is not applicable as per the relevant accounting standards.

The Company earned other income amounting to Rs 38.11 million in FY 2024-25, compared to Rs 18.47 million in the previous year. This income primarily includes Interest income earned on financial assets, Net gain on financial assets designated on FVTPL, Liabilities no longer required written back, gain on sale of property, plant and equipment and Miscellaneous income. The variation is mainly due to Interest income earned on financial assets.

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Net Profit Margin (%)	6.37%	4.66%	36.61%	Change in ratio on account of increase in revenue and profit in current year.	PAT/ Net Sales	496.28	7,789.03	289.64	6,209.90
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> Disclosure of Accounting Treatment

The statements made in this report describe the Company's objectives and projections that may be forward looking statements within the meaning of applicable laws and regulations. The actual results might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors, which are beyond the control of the Company.

For and on the behalf of Board of Directors of Ardee Engineering Limited
(Formerly Known as Ardee Engineering Private Limited)



Chandra Sekhar Moturu
Chairman and Managing Director
DIN: 02010969

Ragdeep Moturu
Whole Time Director
DIN: 07587747

Date: September 26, 2025
Place: Hyderabad

Annexure-F

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2025

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

To,
The Members,
M/s. ARDEE ENGINEERING LIMITED
CIN: U29100TG2020PLC141953
8-2-334/K/1, Flat Nos. 101, 102 & 103
Aditya Court, Road No. 5, Banjara Hills
Hyderabad 500034, Telangana, India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. ARDEE ENGINEERING LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my Opinion thereon.

Based on my verification of the M/s. ARDEE ENGINEERING LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2025 has 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. ARDEE ENGINEERING LIMITED for the financial year ended 31.03.2025, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable during the period under review.
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Complied with to the extent applicable for a company proposing to list its equity shares.
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Complied with in connection with the filing of the Draft Red Herring Prospectus (DRHP).
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable during the period under review.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Not Applicable during the period under review.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Complied with to the extent applicable in relation to appointment and coordination with intermediaries associated with the proposed public issue.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and, Not Applicable during the period under review.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable during the period under review.

The company has applied for an ISIN to CDSL and NSDL. The ISIN was activated on 7th May 2024 in CDSL and on 4th June 2024 in NSDL.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) 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.

Clause (ii) stated above applies only to the extent of filings related to the process of IPO

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

- (vi) The Company is in the business of Engineering works specialising in Pre-Engineered Buildings, electro-mechanical and civil works and verticals have grown to include PEB's, Electrical works, Cranes, Dam gates, Conveyors etc, Accordingly, the industry-specific laws / general laws as applicable to the company has been complied with. The management has also represented and confirmed that all the laws, rules, regulations, orders, standards and guidelines that are specifically applicable to the Company relating to Industry/Labour, etc., have been complied with. We have relied on the representation made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations, and it was noted that the Company has complied with the said Laws to the extent applicable.

I further report that

- The Company vide its Special Resolution dated 05th June 2024 approved the conversion of Private company into a Public Company, and on 05th August 2024, it got converted into a Public Limited Company. The Company has altered its Memorandum of Association and Articles of Association in compliance with the Companies Act, 2013, to align with the requirements for a public company.
- The Board of Directors of the Company was reconstituted during the reporting period following the conversion of the Company from a private limited company to a public limited company. The Board is now duly constituted with an appropriate balance of Executive Directors, Non-Executive Directors, and Independent Directors in accordance with the requirements of the Companies Act, 2013.
- Pursuant to the conversion and change in status, the Company has also constituted statutory committees, including the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee, and other committees as applicable.
- The changes in the composition of the Board and constitution of committees were carried out in compliance with the provisions of the Act and relevant rules made thereunder. The following changes have been made in the composition of the Board of Directors and Key Managerial Personnel.

S No.	Name of the Director	Designation	Nature of Change	Date of Change
1	Chandra Sekhar Moturu	Chairman & Managing Director(CMD)	Appointed as CMD	25.08.2024
2	Ragdeep Moturu	Whole Time Director(WTD)	Appointed as WTD	25.08.2024
3	Sundarama Sarma Gorrepati	Executive Director	Non-Promoter Category	25.08.2024
4	Krishna Kumari Moturu	Executive Director cum CFO	Appointment	25.08.2024
5	Arundeeep Moturu	Executive Director	Appointment	25.08.2024
6	Yalamanchili Visweswara Prasad	Independent Director	Appointment	12.08.2024
7	Srinivas Aravapalli	Independent Director	Appointment	12.08.2024
8	Ravinder Komaragiri	Independent Director	Appointment	12.08.2024
9	Ravikanth Mallina	Independent Director	Appointment	12.08.2024
10	Anjaneyulu Krothapalli	Independent Director	Appointment	17.09.2024
11	Sneha Sunkara	Independent Director	Appointment	28.01.2025
12	Raveendragouda Geedigoudra	Company Secretary	Cessation	01.06.2024
13	Disha Jindal	Company Secretary	Appointment	05.06.2024

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on the agenda were sent at least seven days in advance, in case of shorter notices, proper approvals were obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through as there are no dissenting members' views at the meetings of the Board of Directors and at the Committees. These are captured and recorded as part of the minutes.
- The Website of the company contains several policies as specified by SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the provisions of the Companies Act 2013.

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

I further report that during the audit period there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. except the following:-

- I. ~~Public/Rights/Preferential~~ Issue of Shares/Debentures etc.: The Company has raised Rs 15 Crores by way of issue and allotment of 1500 unlisted secured redeemable non-convertible debentures on a private placement basis dated 28th February 2025.
 - II. Buy-back of securities: Nil
 - III. The Company in its AGM held on 30th September 2024, passed special resolutions authorising the Board of Directors (i) to borrow monies in excess of the aggregate of paid-up share capital, free reserves and securities premium, pursuant to Section 180(1)(c) upto Rs 500 Crores, and (ii) to create mortgage/charge on the Company's movable and immovable properties for securing such borrowings, sell, lease or dispose of the whole or substantially whole or any of the undertakings of the company pursuant to Section 180(1)(a) upto the limits availed as per section 180(1)(c) of Companies Act, 2013.
 - IV. The Company has appointed M/s MSKC & Associates, Chartered Accountants as one of the Joint Auditors, (Registration No. 001595S), along with existing auditors, till the 9th AGM of the company during the financial year under review in its AGM, in compliance with the provisions of the Act."
 - V. During the reporting period the Board of Directors at its meeting dated 17th September 2024, approved the proposal to undertake and Initial Public Offering and subsequently the members of the company also approved and authorised the Company to proceed with the IPO and list its equity shares on the recognised stock exchange(s), in accordance with the provisions of the Companies Act, 2013 and applicable SEBI regulations. To facilitate the same, the Company also amended its Articles of Association to align with the requirements under SEBI regulations and other applicable laws governing listed entities.
- Pursuant to the above approvals, the Company filed its Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) and the concerned stock exchange(s) on 27th March 2025 in connection with its proposed IPO.
- VI. During the audit period, the Company identified and classified certain individuals as Promoters in accordance with the definitions and disclosure requirements prescribed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, in connection with its proposed Initial Public Offering (IPO). The classification was duly approved by the Board vide board resolution dated 17th September 2024 and disclosed in the Draft Red Herring Prospectus (DRHP) filed with SEBI and stock exchanges.

- VII. During the reporting period, at its EGM held on 29th January 2025, the Company has sub-divided the face value of its equity shares from ₹10/- each to ₹5/- each, in accordance with the provisions of the Companies Act, 2013, to enhance liquidity and facilitate wider investor participation in its proposed IPO.
- VIII. Amalgamation/Reconstruction, etc.: Nil
- IX. Foreign Technical Collaborations: Nil

Place: Hyderabad
Date: 29.08.2025

CS CHAVA SAI KRISHNA
Proprietor
Chava & Associates
Company Secretary in Practice
M.No: F13258 | CP.No: 18854
Peer Review Cert No: 3897/2023
UDIN:F013258G001125281

This report is to be read with our letter of even date which is annexed as Annexure 'A' an integral part of this report.

Annexure 'A'

To,
The Members,
M/s. ARDEE ENGINEERING LIMITED
CIN: U29100TG2020PLC141953
8-2-334/K/1, Flat Nos. 101, 102 & 103
Aditya Court, Road No. 5, Banjara Hills
Hyderabad 500034, Telangana, India.

Auditor's responsibility

The Secretarial Audit Report for the Financial Year ended on March 31, 2025, of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of the financial records and books of accounts of the company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and the happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, and standards are the responsibility of management. My examination was limited to the verification of procedures on a test basis.
6. As regards the books, papers, forms, reports and returns filed by the Company under the provisions referred to in the Secretarial Audit Report in Form MR-3, the adherence and compliance to the requirements of the said regulations is the responsibility of management. My examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. I have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad
Date: 29.08.2025

Signature:

CS CHAVA SAI KRISHNA
Proprietor
Chava & Associates
Company Secretary in Practice
M.No: F13258 | CP.No: 18854
Peer Review Cert No: 3897/2023

UDIN:F013258G001125281

ARDEE ENGINEERING LIMITED
(FORMELY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED)
CIN: U29100TG2020PLC141953 (Previous: U29100TG2020PTC141953)
Registered office address: 8-2-334/K/1, Flat Nos. 101, 102 & 103 Aditya Court,
Road No. 5, Banjara Hills,
Hyderabad, Telangana, India, 500034

NOTICE OF 5th ANNUAL GENERAL MEETING

SHORTER NOTICE is hereby given that the 5th Annual General Meeting of the Members of M/S. ARDEE ENGINEERING LIMITED will be held on Tuesday, 30 September 2025, at 2:00 P.M at the Registered Office of the Company situated at 8-2-334/K/1, Flat Nos. 101, 102 & 103 Aditya Court, Road No. 5, Banjara Hills, Hyderabad 500034, Telangana, to transact the following business:

ORDINARY BUSINESS: -

ITEM NO. 1 – ADOPTION OF STANDALONE FINANCIAL STATEMENTS FOR THE F.Y. 2024-25

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

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2025 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO. 2 – ADOPTION OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE F.Y. 2024-25

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

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2025, and the Report of the Auditors thereon.

ITEM NO: 3- RE-APPOINTMENT OF MR. RAGDEEP MOTURU (DIN: 07587747)

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

To appoint a Director in place of Mr. Ragdeep Moturu (DIN: 07587747) in terms of Section 152(6) of the Companies Act, 2013, who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO: 4 – RE-APPOINTMENT OF MRS. KRISHNA KUMARI MOTURU (DIN: 10376709)

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

To appoint a director in place of Mrs. Krishna Kumari Moturu (DIN: 10376709) in terms of Section 152(6) of the Companies Act, 2013, who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

ITEM NO: 5 – RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force), pursuant to the recommendations of the Audit committee, the Cost Auditors, M/s Gopala Krishna Jasti, Cost Accountants (Membership No - 005712), appointed by the Board to conduct the audit of the Cost Records of the Company for the financial year 2025-26 at a remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty-Five Thousand Only) and reimbursement of out-of-pocket expenses incurred, be and is hereby ratified with the accordance of the members of the company”

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"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

ITEM NO: 6 APPROVE THE MATERIAL RELATED PARTY TRANSACTION(S)/ CONTRACT(S) WITH ARDEE DRIVES PRIVATE LIMITED IN THE ORDINARY COURSE OF BUSINESS

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

"RESOLVED THAT pursuant to provisions of Section 188 of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder and, to the extent applicable, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions and as recommended by Audit Committee and approved by Board of Directors, approval of the Members be and is hereby accorded for the Company to continue with the existing contract(s) / arrangement(s) / agreement(s)/ transaction(s) and/or enter into / proposed to be entered into contract(s) / arrangement(s) / agreement(s) / transaction(s) with **Ardee Drives Private Limited** a related party under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), up to maximum aggregate value of Rs 2,000.00/- Millions (Rupees Two thousand millions only), in the nature of transactions including but not limited to sale, purchase or supply of any goods or services or other business transactions, loans or advances (other than trade advances) or inter-corporate deposits, investment by the Company or its subsidiary(ies), if any", giving or receiving of guarantees including performance guarantees, indemnities, sureties, or comfort letters, borrowings, sale, lease or disposal of assets of subsidiary(ies) or of units, if any, divisions or undertakings of the Company or of shares of subsidiary(ies) or associate(s), if any, royalty payments, leasing of property, rendering or availing of services, or any other transactions of a similar nature as may fall within the ambit of Section 188 of the Act and/or Regulation 23 of SEBI LODR, to the extent applicable, on such terms and conditions as may be mutually agreed between the Company and the said related party, subject to such contract(s) / arrangement(s) / agreement(s)/ transaction(s) being carried out in the ordinary course of business and at an arm's length basis for the period commencing from the date of this Annual General Meeting and continuing until the next Annual General Meeting."

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

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions with regard to the powers herein conferred to, without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

ITEM NO: 7 APPROVE THE MATERIAL RELATED PARTY TRANSACTION(S)/ CONTRACT(S) WITH INGWENYA MINERAL TECH PRIVATE LIMITED IN THE ORDINARY COURSE OF BUSINESS

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

"RESOLVED THAT pursuant to provisions of Section 188 of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, to the extent applicable, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions and as recommended by Audit Committee and approved by Board of Directors, approval of the Members be and is hereby accorded for the Company to continue with the existing contract(s) / arrangement(s) / agreement(s)/ transaction(s) and/or

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enter into / proposed to be entered into contract(s) / arrangement(s) / agreement(s) / transaction(s) with **Ingwenya Mineral Tech Private Limited** a related party under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), up to maximum aggregate value of Rs 3,000.00/- Millions (Rupees Three thousand millions only), in the nature of transactions including but not limited to sale, purchase or supply of any goods or services or other business transactions, loans or advances (other than trade advances) or inter-corporate deposits, investment by the Company or its subsidiary(ies), if any", giving or receiving of guarantees including performance guarantees, indemnities, sureties, or comfort letters, borrowings, sale, lease or disposal of assets of subsidiary(ies) or of units, if any, divisions or undertakings of the Company or of shares of subsidiary(ies) or associate(s), if any, royalty payments, leasing of property, rendering or availing of services, or any other transactions of a similar nature as may fall within the ambit of Section 188 of the Act and/or Regulation 23 of SEBI LODR, to the extent applicable, on such terms and conditions as may be mutually agreed between the Company and the said related party, subject to such contract(s) / arrangement(s) / agreement(s)/ transaction(s) being carried out in the ordinary course of business and at an arm's length basis for the period commencing from the date of this Annual General Meeting and continuing until the next Annual General Meeting."

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

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions with regard to the powers herein conferred to, without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

ITEM NO: 8 APPROVE THE MATERIAL RELATED PARTY TRANSACTION(S)/ CONTRACT(S) ROTEC TRANSMISSIONS PRIVATE LIMITED IN THE ORDINARY COURSE OF BUSINESS

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

"RESOLVED THAT pursuant to provisions of Section 188 of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, to the extent applicable, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions and as recommended by Audit Committee and approved by Board of Directors, approval of the Members be and is hereby accorded for the Company to continue with the existing contract(s) / arrangement(s) / agreement(s)/ transaction(s) and/or enter into / proposed to be entered into contract(s) / arrangement(s) / agreement(s) / transaction(s) with **Rotec Transmissions Private Limited** a related party under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), up to maximum aggregate value of Rs 1,500.00/- Millions (One thousand five hundred Millions only), in the nature of transactions including but not limited to sale, purchase or supply of any goods or services or other business transactions, loans or advances (other than trade advances) or inter-corporate deposits, investment by the Company or its subsidiary(ies), if any", giving or receiving of guarantees including performance guarantees, indemnities, sureties, or comfort letters, borrowings, sale, lease or disposal of assets of subsidiary(ies) or of units, if any, divisions or undertakings of the Company or of shares of subsidiary(ies) or associate(s), if any, royalty payments, leasing of property, rendering or availing of services, or any other transactions of a similar nature as may fall within the ambit of Section 188 of the Act and/or Regulation 23 of SEBI LODR, to the extent applicable, on such terms and conditions as may be mutually agreed between the Company and the said related party, subject to such contract(s) / arrangement(s) / agreement(s)/ transaction(s) being carried out in the ordinary course of business and at an arm's length basis for the period commencing from the date of this Annual General Meeting and continuing until the next Annual General Meeting."

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

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"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions with regard to the powers herein conferred to, without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

ITEM NO: 9 APPROVE THE MATERIAL RELATED PARTY TRANSACTION(S)/ CONTRACT(S) ARUN KAPITAL NETWORKS IN THE ORDINARY COURSE OF BUSINESS

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

"RESOLVED THAT pursuant to provisions of Section 188 of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, to the extent applicable, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions and as recommended by Audit Committee and approved by Board of Directors, approval of the Members be and is hereby accorded for the Company to continue with the existing contract(s) / arrangement(s) / agreement(s)/ transaction(s) and/or enter into / proposed to be entered into contract(s) / arrangement(s) / agreement(s) / transaction(s) with **Arun Kapital Networks** a related party under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), up to maximum aggregate value of Rs 1,000.00/- Millions (One Thousand millions only), in the nature of transactions including but not limited to sale, purchase or supply of any goods or services or other business transactions, loans or advances (other than trade advances) or inter-corporate deposits, investment by the Company or its subsidiary(ies), if any", giving or receiving of guarantees including performance guarantees, indemnities, sureties, or comfort letters, borrowings, sale, lease or disposal of assets of subsidiary(ies) or of units, if any, divisions or undertakings of the Company or of shares of subsidiary(ies) or associate(s), if any, royalty payments, leasing of property, rendering or availing of services, or any other transactions of a similar nature as may fall within the ambit of Section 188 of the Act and/or Regulation 23 of SEBI LODR, to the extent applicable, on such terms and conditions as may be mutually agreed between the Company and the said related party, subject to such contract(s) / arrangement(s) / agreement(s)/ transaction(s) being carried out in the ordinary course of business and at an arm's length basis for the period commencing from the date of this Annual General Meeting and continuing until the next Annual General Meeting."

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

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions with regard to the powers herein conferred to, without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

ITEM NO.10: INCREASE IN BORROWING LIMITS OF THE COMPANY FROM 7,500 MILLION TO RS 9,500 MILLION UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013.

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the special resolution passed by the members of the Company at the Extra Ordinary General Meeting of the Company held on April 15,2025 and pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s)

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or re-enactment thereof, for the time being in force) and all other enabling provisions if any, and the Articles of Association of the Company, the consent and approval of the members be and is hereby accorded to the Board of Directors

("hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof authorized by the Board ") to borrow any sum(s) of money, from time to time, including by way of issuance of debentures/bonds (including FCCBs), from bank(s), financial institution(s), any other lending institution(s) or any other person(s) on such security and on such terms and conditions as may be considered suitable by the Board of Directors up to a limit not exceeding an aggregate of Rs 9,500 Millions (Rupees Nine thousand five hundred millions Only), notwithstanding that the money to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed, at any time, the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

"RESOLVED FURTHER for the purpose of giving effect to this resolution, the Board (including any Committee of the Board) be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to resolve any question, difficulty or doubt that may arise in relation thereto, without being required to seek any further consent or approval of the Members and to delegate all or any of the powers or authorities herein conferred to any director(s) or other officer(s) of the Company, and to engage any advisor, consultant, agent or intermediary, as may be deemed necessary in the best interest of the Company."

ITEM NO.11: APPROVAL FOR INCREASE IN THRESHOLD LIMITS TO PROVIDE LOANS/ GUARANTEES, PROVIDING OF SECURITIES AND MAKING OF INVESTMENTS IN SECURITIES UNDER SECTION 185 AND 186 OF THE COMPANIES ACT, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 185 and 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof) to:

- (a) give any loan, including any loan represented by a book debt, and/or provide any guarantee or security in connection with any loan made to any entity in which any of the directors of the Company may be deemed to be interested, provided that such loans are utilised by the borrowing entity for its principal business activities, in accordance with Section 185(2) of the Act.
- (b) give any loan, or acquire by way of subscription, purchase or otherwise the securities of any body corporate, and to provide guarantees or securities in connection with any loan made to any person or body corporate, including by way of inter-corporate guarantee, letter of comfort or undertaking in accordance with Section 186 of the Act;

from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs. 7,000 Millions (Rupees Seven Thousand Millions only), notwithstanding that such investments, outstanding loans given or to be given and guarantees and/or security provided may collectively exceed the limits prescribed under Section 186(2) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide and finalise the terms and conditions while making investment(s) within the aforesaid limits including the power to transfer, lien and dispose of the investment(s) so made, from time-to-time, giving loan(s) to any person or body corporate or giving guarantee(s) or providing security in connection with a loan(s) to any other person or body corporate as they may deem fit and in the best interest of the Company and to execute all deeds, documents and other writings.

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RESOLVED FURTHER THAT the Board be and are hereby authorized to do all such acts, deeds, matters and things to the extent it may be desirable and expedient to give effect to the aforesaid resolution including the power to settle any and all the questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the members of the Company".

By Order Of The Board
For Ardee Engineering Limited

Place: Hyderabad
Date: September 26,2025



Mr. Chandra Sekhar Moturu

Chandra Sekhar Moturu
Chairman And Managing Director
DIN: 02010969

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NOTES:

1. **Proxy:** A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the company. Proxies should be deposited at the registered office of the company not less than 48 hours before the date of the extra-ordinary general meeting. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority letter, as applicable.
2. **Limitation on Proxy Appointments:** A person can act as a proxy on behalf of Shareholders not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
3. **Inspection of Documents:** All relevant documents referred to in the Notice and the accompanying Explanatory Statement shall be available for inspection by the Shareholders at the Registered Office of the Company on all working days (excluding Saturdays, Sundays, and public holidays) during business hours, up to and including the date of the Meeting.
4. **Explanatory Statement:** The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning the Special Business to be transacted at the AGM, is annexed hereto and forms part of this Notice.
5. **Corporate Representation:** Corporate Shareholders intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution or authorization letter, authorizing such representative(s) to attend and vote on their behalf at the Meeting.
6. **Mode of Sending AGM Notice:** The Notice of the Annual General Meeting (AGM) is being sent electronically to those Members whose e-mail addresses are registered with the Company or with the Depositories, unless any Member has specifically requested a physical copy. For Members who have not registered their e-mail addresses, physical copies of the AGM Notice are being sent by permitted modes of dispatch, as per applicable regulatory guidelines.
7. **Electronic Communication:** Pursuant to Section 20(2) of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014, the Company may send documents, notices, and other communications to Shareholders in electronic form at the email addresses registered with the Company or Depository Participants.
8. **Route Map:** As required under Secretarial Standard-2 (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the route map to the venue of the Meeting is annexed to this Notice.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, sets out all material facts relating to the business under Items of the accompanying Notice.

ITEM NO: 5: RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY

As per the provisions of Companies (Cost Records and Audit) Rules, 2014, as amended Company's activities fall within the purview of the Cost Audit requirement. Accordingly, the Board at its meeting held on June 4, 2025 on the recommendation of Audit Committee, approved the appointment of Cost Auditors, M/s Gopala Krishna Jasti, Cost Accountants (Membership No - 005712), appointed by the Board to conduct the audit of the Cost Records of the Company for the financial year 2025-26 at a remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty-Five Thousand Only) plus Reimbursement of Out-of-pocket expenses incurred, if any, for conducting the Cost Audit of the Cost records of the Company.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the shareholders of the Company.

Proposed Resolution

Accordingly, consent and approval of the shareholders is being sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of remuneration payable to Cost Auditors for the financial year 2025-26.

Interest of Directors and KMP

None of the Directors, Key Managerial Personnel or their relatives, except to the extent of their directorship/shareholding in the borrowing entities (if any), are concerned or interested in the resolution.

ITEM NO: 6 to 9: APPROVE THE MATERIAL TRANSACTION(S)/ CONTRACT(S) WITH RELATED PARTIES IN THE ORDINARY COURSE OF BUSINESS

The proposed transactions with a party that qualifies as a "related party" in accordance with the provisions of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In accordance with section 2(76) of the Companies Act, 2013, related party", with reference to a company, means (i) a director or his relative; (ii) a key managerial personnel or his relative (iii) a firm, in which a director, manager or his relative is a partner (iv) a private company in which a director or manager [or his relative] is a member or director; (v) a public company in which a director or manager [and holds] is a director or holds along with his relatives, more than two per cent of its paid-up share capital; (vi) anybody whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act; (viii) any company which is—(A) a holding, subsidiary or an associate company of such company; or (B) a subsidiary of a holding company to which it is also a subsidiary; (C) an investing company or the venturer of the company;"

Further, under the SEBI LODR Regulations, any person or entity forming part of the promoter or promoter group, or holding equity shares amounting to ten per cent or more, or twenty per cent or more in the preceding financial year, either directly or on a beneficial interest basis, is also deemed to be a related party.

Given the nature and scope of its business, the Company regularly engages with its related parties to meet operational requirements and strategic objectives. These transactions are undertaken from time to time in the ordinary course of business and on an arm's length basis.

Among these, the estimated value of transactions with Ardee Drives Private Limited, Rotec Transmissions Private Limited, Ingwenya Mineral Tech Private Limited, and Arun Kapital Networks (referred to as "Related Parties") is likely to exceed the prescribed materiality thresholds as per Section 188 of the Companies Act, 2013 and/or Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has historically entered into similar

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transactions with these entities after obtaining the necessary approval of the Audit Committee, and such transactions have always been conducted in a transparent and compliant manner.

The estimated maximum annual value of these transactions is based on current business volumes and anticipated growth, and such transactions are considered critical to the Company's operations. Therefore, in order to ensure continuity and operational flexibility, approval of the shareholders is being sought for entering into transactions with the said related parties during the proposed period.

The Audit Committee, including its Independent Directors, has reviewed the relevant documents, commercial terms, and pricing basis provided by the Management and has granted its approval for these transactions, subject to the shareholders' approval. The Committee has noted that the transactions are commercially justified, benchmarked where necessary, and are being undertaken at arm's length and in the ordinary course of business.

Sno	Name of the Related Party	ARDEE DRIVES PRIVATE LIMITED	INGWENYA MINERAL TECH PRIVATE LIMITED	ROTEC TRANSMISSIONS PRIVATE LIMITED	ARUN KAPITAL NETWORKS
1	nature of the relationship, including nature of its concern or interest (financial or otherwise)	An entity with common directorship that has a significant influence/control	An entity with common directorship that has a significant influence/control	An entity with common directorship that has a significant influence/control	a firm, in which a director, manager or his relative is a partner
2	Name of the Directors or KMP who are related, if any	Mr. Chandra Sekhar Moturu, Mr. Ragdeep Moturu, Mr. Sundararama Sarma Gorrepati	Mr. Chandra Sekhar Moturu	Mr. Chandra Sekhar Moturu, Mr. Ragdeep Moturu, Mr. Sundararama Sarma Gorrepati	Ms. Sailaja Moturu Mr. Ragdeep Moturu Mr. Arun Moturu
3	Nature of the proposed Transactions, material terms and particulars, its tenure	<p>sale, purchase or supply of any goods or services or other business transactions, loans or advances (other than trade advances) or inter-corporate deposits, investment by the Company or its subsidiary(ies), if any", giving or receiving of guarantees including performance guarantees, indemnities, sureties, or comfort letters, borrowings, sale, lease or disposal of assets of subsidiary(ies) or of units, if any, divisions or undertakings of the Company or of shares of subsidiary(ies) or associate(s), if any, royalty payments, leasing of property, rendering or availing of services, or any other transactions of a similar nature as may fall within the ambit of Section 188 of the Act and/or Regulation 23 of SEBI LODR.</p> <p>Material terms and conditions are based on the contracts/agreements, which inter alia include the rates based on prevailing / extant market conditions and other standard commercial terms shall apply as per the agreement/contract entered into between the parties.</p> <p>The tenure is from this AGM to the next AGM of the Company.</p>			
4	Amount of Proposed Transactions	Rs. 2,000 Millions	Rs. 3,000 Millions	Rs. 1,500 Millions	Rs. 1,000 Millions
5	% of the entity's annual consolidated turnover, for FY 2024-25, that is represented by the value of the proposed transaction	25.68%	38.52%	19.26%	12.84%
6	Details of Previous transactions with	FY 2025: Rs. 131.59 Millions FY 2024: Rs. 97.12	FY 2025: Rs. 240.10 Millions FY 2024: Rs. 40.73	FY 2025: Rs. 100.17 Millions FY 2024: Rs. 54.64	FY 2025: Rs. 182.59 Millions FY 2024: Rs.

ARDEE ENGINEERING LIMITED**(FORMELY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED)****CIN: U29100TG2020PLC141953 (Previous: U29100TG2020PTC141953)****Registered office address: 8-2-334/K/1, Flat Nos. 101, 102 & 103 Aditya Court,****Road No. 5, Banjara Hills,****Hyderabad, Telangana, India, 500034**

	related entities (FY 2025, 2024, 2023)	Millions FY 2023: Rs. 39.47 Millions	Millions FY 2023: NIL	Millions FY 2023: Rs. 27.80 Millions	390.92 Millions FY 2023: Rs. 21.84 Millions
7	Details about pricing/ valuation/ arm's length and ordinary course of business	All the transactions are in the ordinary course of business of the Company and at arm's length basis. The pricing for all related party transactions, including other RPTs are established generally considering the market price for comparable transactions with unrelated parties where available or on a cost-plus reasonable margin basis or an alternative pricing method of relevant materials and/or services. In the case of reimbursements/recoveries, the amount would be based on the actual cost incurred.			
8	Rationale, benefit/ justification as to why the transaction with respective related parties are in the interest of the Company	All the Related Party Transactions are based on routine and ordinary business requirements. All RPTs mentioned bring operational efficiencies, synergies and are aligned with long-standing business practices. They also help the Company to achieve an optimum cost structure and maximize profitability. Engaging with such related parties ensures business continuity, operational efficiency, cost optimization, and access to reliable services or resources. The terms of the transactions have been reviewed and found to be fair and in the best interest of the Company."			
9	Any other information that may be relevant	All relevant/important information forms part of this statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013			

Proposed Resolution

The Board of Directors proposes to seek prior approval of the Members for entering into contract(s), arrangement(s), and transaction(s) with the related parties as listed under Agenda Items 6 to 9, which may be undertaken through multiple transactions over time, in the ordinary course of business and on an arm's length basis.

These transactions may be entered into, and renewed from time to time, with the mutual consent of the respective parties for ensuring operational continuity and for supporting the Company's long-term business objectives and growth plans.

In line with the Company's governance practices, the Chief Financial Officer has reviewed the financial aspects of the proposed transactions and has confirmed that the terms are fair, reasonable, and in the interest of the Company, and that the transactions comply with applicable regulatory and accounting standards.

Except for the Directors and Key Managerial Personnel (KMPs) whose names and relationships are disclosed in the accompanying table, none of the other Directors or KMPs or their relatives are, financially or otherwise, concerned or interested in the said resolution.

ITEM NO 10: INCREASE IN BORROWING LIMITS OF THE COMPANY FROM RS 7500 MILLIONS TO RS 9,500 MILLIONS UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013.

The Members of the Company had earlier, at the Extra Ordinary General Meeting held on April 15, 2025, accorded their consent by way of a Special Resolution under Section 180(1)(C) of the Companies Act, 2013, authorizing the Board of Directors ("the Board") to borrow monies up to an aggregate limit of Rs. 7,500 millions (Rupees Seven thousand five hundred million only).

In view of the Company's anticipated business growth, expansion plans, future funding requirements, and to enhance its financial flexibility, it is considered necessary to increase the existing borrowing limits from Rs. 7,500 millions to Rs 9,500 million (Rupees Nine thousand five hundred millions Only). To effectively pursue strategic opportunities, it is crucial for the

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company to have access to funding options within a specified timeframe. Enhanced borrowing capacity will enable the company to pursue, finance, and successfully complete transactions that are in the best interest of its stakeholders.

As per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting by passing a Special Resolution, borrow monies in excess of the aggregate of the paid-up share capital, free reserves and securities premium of the Company.

Proposed Resolution

Accordingly, the shareholder's approval is being sought for increasing the borrowing limits from Rs 7,500 Millions to Rs 9,500 Millions under section 180(1)(c). It would be in the interest of the Company to enhance the borrowing limits for the Board and authorise the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves and securities premium but that shall not to exceed Rs 9,500 millions (Rupees Nine thousand five hundred millions Only). The borrowings of the Company are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and/ or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s).

Interest of Directors and KMP

None of the Directors, Key Managerial Personnel or their relatives, except to the extent of their directorship/shareholding in the borrowing entities (if any), are concerned or interested in the resolution.

The Board recommends the resolution for the approval of the shareholders as a Special Resolution.

ITEM NO 11: APPROVAL FOR INCREASE IN THRESHOLD LIMITS TO PROVIDE LOANS/ GUARANTEES, PROVIDING OF SECURITIES AND MAKING OF INVESTMENTS IN SECURITIES UNDER SECTION 185 AND 186 OF THE COMPANIES ACT, 2013

As per Section 186 of the Companies Act, 2013, a company is required to obtain prior approval of the shareholders by way of a special resolution if the aggregate of loans, guarantees, securities, and investments exceeds 60% of its paid-up share capital, free reserves and securities premium account, or 100% of its free reserves and securities premium account, whichever is higher.

Further, Section 185 of the Act restricts companies from providing loans, guarantees or securities to certain entities in which Directors are interested, unless such transactions are approved by the shareholders through a special resolution and the loan is utilised by the borrowing company for its principal business activities.

To facilitate strategic investments opportunities, business expansion, funding support to group companies/associates, and to provide financial assistance as may be required from time to time, the Board proposes to seek authorisation to provide loans, guarantees, securities and to make investments up to an aggregate limit of Rs. 7,000 Millions, including to such entities where Directors may be interested, subject to the conditions specified in the Act.

This resolution, upon being passed, shall supersede any previous resolution(s) passed by the shareholders under Sections 185 and/or 186 of the Companies Act, 2013, to the extent of such earlier approvals, and the authority granted under this resolution shall remain in force unless revoked or modified by a fresh resolution.

Interest of Directors and KMP

None of the Directors, Key Managerial Personnel or their relatives, except to the extent of their directorship/shareholding in the borrowing entities (if any), are concerned or interested in the resolution.

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The Board recommends the resolution for the approval of the shareholders as a Special Resolution.

By Order Of The Board
For Ardee Engineering Limited

Place: Hyderabad
Date: September 26, 2025



H. Chandra Sekhar

Chandra Sekhar Moturu
Chairman And Managing Director
DIN: 02010969

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ANNEXURE -A

Details of Directors seeking reappointment at the 5th Annual General Meeting in pursuance of provisions of the Companies Act, 2013

Name of the Director	Mr. Ragdeep Moturu	Mrs. Krishna Kumari Moturu
DIN	07587747	10376709
Date of Birth	27.07.1989	18.04.1990
Nationality	Indian	Indian
Date of Appointment on the Board	20.07.2020	25.08.2024
Designation	Whole Time Director	Director and CFO
Terms & Conditions of Re-Appointment along with Remuneration sought to be paid	Being reappointed as a Director liable to retire by rotation and all other terms of his appointment including remuneration as Executive Director shall remain same.	Being reappointed as a Director liable to retire by rotation and all other terms of his appointment including remuneration as Executive Director shall remain same.
Remuneration paid for FY 2024-25	Rs 48,00,000/-	Rs 14,45,000/-
Qualification	He holds a bachelor's degree in technology (information technology) from VIT University and a master's degree in science from Rochester Institute of Technology, United States	She holds a bachelor's degree in technology (computer science and engineering) from Jawaharlal Nehru Technological University, Hyderabad. She also holds a master's degree in science (computer science) from the University of Missouri. She has also completed a postgraduate programme in management from the Indian School of Business
List of Directorships in other companies	1.Ardee Drives Private Limited.. 2.Rotec Transmissions Private Limited	Aitas Tech Labs Private Limited
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company.	He is the son of Mr. Chandra Sekhar Moturu, Chairman and Managing Director, spouse of Mrs. Krishna Kumari Moturu, Director and CFO, and the brother of Mr. Arundeeep Moturu, Director of the Company.	She is the spouse of Mr. Ragdeep Moturu, Whole-time Director; daughter-in-law of Mr. Chandra Sekhar Moturu, Chairman and Managing Director; and sister-in-law of Mr. Arundeeep Moturu, Director of the company.
Chairman/Member of the Committee of the Board of Directors of the Company	Corporate Social Responsibility Committee, IPO Committee (Chairman), Risk Management Committee	Audit Committee, IPO Committee
Chairman/Member of the Committee of the Board of Directors in other Companies as on March 31, 2025.	NIL	NIL
No. of Equity Shares of ₹5/- held in the Company as on 31.03.2025	40,00,000 equity shares of Rs 5/-	20 equity shares of Rs 5/-
Number of Board Meeting Attended	27/27	14/14
Names of Listed Entities from which the director has resigned during last three years	Nil	Nil

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Road No. 5, Banjara Hills,
Hyderabad, Telangana, India, 500034****ANNEXURE-B****Table-1** (Amounts in Millions)

Nature of transaction	Name of the related party	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of Goods	Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	46.73	81.83	13.42
Revenue from Contracts	Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	31.44	12.00	12.55
Corporate Guarantee Given	Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	52.50	-	-
Advances from Customers	Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	-	3.29	13.50
Advance to Suppliers	Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	0.92	-	-

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Table-2

(Amounts in Millions)

Nature of transaction	Name of the related party	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of Goods	Rotec Transmissions Private Limited	15.80	14.57	24.08
Revenue from Contracts	Rotec Transmissions Private Limited	80.57	40.07	3.72
Other expenses	Rotec Transmissions Private Limited	3.80	-	-

Table-3

(Amounts in Millions)

Nature of transaction	Name of the related party	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of Goods	Ingwenya Mineral Tech Private Limited	138.62	-	-
Revenue from Contracts	Ingwenya Mineral Tech Private Limited	-	31.78	-
Advance to suppliers	Ingwenya Mineral Tech Private Limited	-	3.50	-
Investment in Associates	Ingwenya Mineral Tech Private Limited	-	5.45	-
Inter corporate deposits taken	Ingwenya Mineral Tech Private Limited	50.74	-	-
Inter corporate deposits repaid	Ingwenya Mineral Tech Private Limited	50.74	-	-

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Table-4

(Amounts in Millions)

Nature of transaction	Name of the related party	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of Goods	Arun Kapital Networks	3.70	379.58	1.52
Purchase of property, plant & equipment and Intangible assets	Arun Kapital Networks	0.96	-	0.10
Revenue from Contracts	Arun Kapital Networks	-	11.34	20.22
Other expenses	Arun Kapital Networks	9.51	-	-
Retention Money Paid	Arun Kapital Networks	56.42	-	-
Advance to suppliers	Arun Kapital Networks	56.00	-	-
Advance to suppliers	Arun Kapital Networks	56.00	-	-

By Order Of The Board
For Ardee Engineering Limited

Place: Hyderabad
Date: September 26, 2025



H. Chandra Sekhar Moturu

Chandra Sekhar Moturu
Chairman And Managing Director
DIN: 02010969

ARDEE ENGINEERING LIMITED**(FORMELY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED)****CIN: U29100TG2020PLC141953 (Previous: U29100TG2020PTC141953)****Registered office address: 8-2-334/K/1, Flat Nos. 101, 102 & 103 Aditya Court,
Road No. 5, Banjara Hills,
Hyderabad, Telangana, India, 500034****Proxy form***[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]***ARDEE ENGINEERING LTD****CIN: - U29100TG2020PLC141953****8-2-334/K/1, FLAT NOS. 101, 102 & 103****ADITYA COURT, ROAD NO. 5,****BANJARA HILLS HYDERABAD-500034**

Name of the member (s):

Registered address:

E-mail Id:

I/We, being the member (s) of shares of ARDEE ENGINEERING LTD, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:, or failing him

2. Name:

Address:

E-mail Id:

Signature:, or failing him

3. Name:

Address:

E-mail Id:

Signature:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 5th Annual General Meeting of the company, to be held on Tuesday 30th September 2025 at 2:00 PM at the Registered Office of the Company situated at 8-2-334/K/1, Flat Nos. 101, 102 & 103 Aditya Court, Road No. 5, Banjara Hills Hyderabad-500034, Telangana, and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	For	Against
1.	ADOPTION OF STANDALONE FINANCIAL STATEMENTS FOR THE F.Y 2024-25		
2.	ADOPTION OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE F.Y 2024-25		
3.	RE-APPOINTMENT OF MR. RAGDEEP MOTURU (DIN: 07587747)		
4.	RE-APPOINTMENT OF MRS. KRISHNA KUMARI MOTURU (DIN: 10376709)		
5.	RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY		
6.	TO APPROVE THE MATERIAL RELATED PARTY TRANSACTION(S)/ CONTRACT(S) WITH ARDEE DRIVES PRIVATE LIMITED IN THE ORDINARY COURSE OF BUSINESS		
7.	TO APPROVE THE MATERIAL RELATED PARTY TRANSACTION(S)/ CONTRACT(S) WITH ROTEC TRANSMISSIONS PRIVATE LIMITED IN THE ORDINARY COURSE OF BUSINESS		
8.	TO APPROVE THE MATERIAL RELATED PARTY TRANSACTION(S)/ CONTRACT(S) WITH INGWENYA MINERAL TECH PRIVATE LIMITED IN THE		

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	ORDINARY COURSE OF BUSINESS		
9.	TO APPROVE THE MATERIAL RELATED PARTY TRANSACTION(S)/ CONTRACT(S) ARUN KAPITAL NETWORKS IN THE ORDINARY COURSE OF BUSINESS		
10.	INCREASE IN BORROWING LIMITS OF THE COMPANY FROM RS 7,500 MILLIONS TO RS 9,500 MILLIONS UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013		
11.	APPROVAL FOR INCREASE IN THRESHOLD LIMITS TO PROVIDE LOANS/ GUARANTEES, PROVIDING OF SECURITIES AND MAKING OF INVESTMENTS IN SECURITIES UNDER SECTION 185 AND 186 OF THE COMPANIES ACT, 2013		

Signed this..... day of..... 2025

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

ARDEE ENGINEERING LIMITED

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ATTENDANCE SLIP

ARDEE ENGINEERING LTD

CIN: - U29100TG2020PLC141953

8-2-334/K/1, FLAT NOS. 101, 102 & 103

ADITYA COURT, ROAD NO. 5,

BANJARA HILLS HYDERABAD-500034

Folio No.		Name of the shareholder	
No. of Shares		Registered Address	

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 5th Annual General Meeting of the company, to be held Tuesday, 30th September 2025 at 2:00 PM at the Registered Office of the Company situated at 8-2-334/K/1, Flat Nos. 101, 102 & 103 Aditya Court, Road No. 5, Banjara Hills, Hyderabad-500034, Telangana.

SIGNATURE

Note: Please complete this and hand it over at the entrance of the venue.

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Route Map of AGM venue:



ARDEE ENGINEERING LIMITED

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FINANCIAL STATEMENTS

C. Venkat Krishna & Co
Chartered Accountants

4th Floor, Owners Pride Plot No 1717
Road No. 12, Banjara Hills,
Hyderabad - 500 034.

M S K C & Associates LLP
(formerly known as M S K C & Associates)
Chartered Accountants
1101/B, Manjeera Trinity Corporate,
JNTU-Hitech City Road, Kukatpally,
Hyderabad- 500 072.

INDEPENDENT AUDITORS' REPORT

To the Members of Ardee Engineering Limited [formerly known as Ardee Engineering Private Limited]

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Ardee Engineering Limited [formerly known as Ardee Engineering Private Limited] ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditors responsibilities relating to other information'.



Responsibilities of Management and Board of Directors 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

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 "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow 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.



- (e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025, 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - 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.
 - (1) 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, 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.
 - (2) 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, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
 - v. The Company has neither declared nor paid any dividend during the year.



- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year, has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the in prior year as explained in Note 42 to the financial statements.
3. In our opinion, according to information, explanations given to us, the remuneration paid / provided by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.



For C. Venkat Krishna & Co
Chartered Accountants
ICAI Firm Registration Number: 045995




P.V.N Sastry
Partner
Membership No. 029098
UDIN: 25029098BMIUNR1102

Place: Hyderabad
Date: August 29, 2025

For M S K C & Associates LLP
(formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number: 001595S/S000168



Tarun Kumar Jain
Partner
Membership No. 231741
UDIN: 25231741BMLKZZ3825

Place: Hyderabad
Date: August 29, 2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ARDEE ENGINEERING LIMITED [FORMERLY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED]

Auditor's Responsibilities for the Audit of the 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 standalone 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 and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For C. Venkat Krishna & Co
Chartered Accountants

ICAI Firm Registration Number: 045995



P.V.N Sastry
Partner
Membership No. 029098
UDIN: 25029098BMLIUNR1102

Place: Hyderabad
Date: August 29, 2025



For M S K C & Associates LLP
(formerly known as M S K C & Associates)
Chartered Accountants

ICAI Firm Registration Number: 001595S/S000168



Tarun Kumar Jain
Partner
Membership No. 231741
UDIN: 25231741BMLKZZ3825

Place: Hyderabad
Date: August 29, 2025



ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ARDEE ENGINEERING LIMITED (FORMERLY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED) FOR THE YEAR ENDED MARCH 31, 2025

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- B The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment and right-of-use assets were physically verified by the management according to a phased programme designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, Plant and Equipment and right-of-use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements included in property, plant and equipment and capital work-in-progress are held in the name of the Company except for below one immovable property aggregating to Rs. 631.51 million as at March 31, 2025. The title deeds of immovable properties aggregating to Rs. 524.70 Mn as at March 31, 2025, are pledged with the banks/financial institutions and original copies are not available with the Company. The same has been independently confirmed by the banks/financial institutions to us and verified by us.

Sr. No.	Description of Property	Gross carrying value (Amount ₹ in Mn)	Held in the name of	Whether title deed holder is a promoter, director or their relative or employee	Period held - Indicate range, where appropriate	Reason for not being held in name of Company
1	Land in Telangana	631.51	Telangana Industrial Infrastructure Corporation Limited [TGILC Ltd]	No	From March 2025 to till date.	This Land was allotted to the Company by TGILC Ltd and Agreement of Sale is executed - where the transfer of title is subject to precedent conditions agreed between the parties - Refer Note 5A to the standalone financial statements.



- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceedings has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks with third parties and stocks-in-transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and in respect of goods in transit, the goods have been received subsequent to the year end. The discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores rupees in aggregate from banks on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly statements filed with such banks are in agreement with the books of accounts of the Company.
- iii. (a) According to the information and explanations provided to us, the Company has provided guarantee to other entity.

(A) The details of such guarantee to party other than associates are as follows:

Particulars	Guarantees (Amount ₹ in Mn)
Aggregate amount granted / provided during the year	
- Others (Refer Note 35)	52.50
Balance Outstanding as at balance sheet date in respect of above cases	
- Others (Refer Note 35)	52.50

(B) During the year the Company has not provided any loans or advances (in the nature of loans) or provided security to any other entity.

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided and terms and conditions in relation to investments made, guarantees provided are not prejudicial to the interest of the Company.
- (c) The Company has not provided any loans or advances in the nature of loans to any other entity during the year. Accordingly, provisions stated under clause 3(iii) (c), (d), (e) and (f) of the Order is not applicable.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of investments and guarantees provided. Further there are no loans and security made, accordingly the provisions stated under clause 3(iv) of the Order to that extent is not applicable to the Company.



- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its product supplies. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2025, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its associates.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate companies. Accordingly, the requirement to report under Clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.



- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year in the course of our audit.
- (b) During the year no report under Section 143(12) of the Act, 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. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(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 during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.
- (d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.




- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 38 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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, the Company has transferred unspent amount to a Fund specified in Schedule VII of the Act within a period of six months of the expiry of the financial year in compliance with second proviso to Section 135(5) of the Act as explained in Note 32 to the standalone financial statements.
- (b) In respect of ongoing projects, the Company has transferred unspent amount to a special account within a period of thirty days from the end of the financial year in compliance with Section 135(6) of the Act, as explained in Note 32 to the standalone financial statements.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For C. Venkat Krishna & Co
Chartered Accountants
ICAI Firm Registration Number: 045995


P.V.N Sastry
Partner
Membership No. 029098
UDIN: 25029098BMLIUNR1102

Place: Hyderabad
Date: August 29, 2025

For M S K C & Associates LLP
(formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number: 0015955/S000168


Tarun Kumar Jain
Partner
Membership No. 231741
UDIN: 25231741BMLKZZ3825



Place: Hyderabad
Date: August 29, 2025

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ARDEE ENGINEERING LIMITED [ARDEE ENGINEERING PRIVATE LIMITED]

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Ardee Engineering Limited [Ardee Engineering Private Limited] on the Financial Statements for the year ended March 31, 2025]

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 Ardee Engineering Limited [Formerly Known as Ardee Engineering Private Limited] ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

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

Management's and Board of Director's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud 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 Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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.


For C. Venkat Krishna & Co
Chartered Accountants
ICAI Firm Registration Number: 045995


P.V.N Sastry
Partner
Membership No. 029098
UDIN: 25029098BMIUNR1102

Place: Hyderabad
Date: August 29, 2025



For M S K C & Associates LLP
(formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number: 001595S/S000168


Tarun Kumar Jain
Partner
Membership No. 231741
UDIN: 25231741BMLKZZ3825

Place: Hyderabad
Date: August 29, 2025



Standalone Balance Sheet as at March 31, 2025

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
a) Property, plant and equipment	5	1,058.98	757.51
b) Capital work-in-progress	5A	804.01	-
c) Right-of-use assets	6	41.51	19.46
d) Intangible assets	7	1.66	1.84
e) Financial assets			
(i) Investments	8	5.65	5.45
(ii) Trade receivables	12	142.71	80.65
(iii) Other financial assets	9	125.19	24.28
f) Other assets	10	2.07	-
g) Deferred tax assets (net)	31	38.73	28.89
Total non-current assets		2,220.51	918.08
Current assets			
a) Inventories	11	1,212.28	683.53
b) Financial assets			
(i) Investments	8	8.63	7.96
(ii) Trade receivables	12	2,216.06	1,477.98
(iii) Cash and cash equivalents	13	1.54	1.08
(iv) Bank balances other than (iii) above	14	166.71	242.27
(v) Other financial assets	9	941.76	1,029.21
c) Other assets	10	335.95	260.12
Total current assets		4,882.93	3,702.15
Total assets		7,103.44	4,620.23
Equity and liabilities			
Equity			
a) Equity share capital	15	200.00	200.00
b) Other equity	16	1,168.36	671.70
Total equity		1,368.36	871.70
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	17	903.50	371.71
(ii) Lease liabilities	6	28.11	10.26
b) Provisions	21	17.30	13.03
Total non-current liabilities		948.91	395.00
Current liabilities			
a) Financial liabilities			
(i) Borrowings	17	2,228.22	1,478.88
(ii) Lease liabilities	6	15.10	11.52
(iii) Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		258.24	1,028.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,896.83	670.00
(iv) Other financial liabilities	19	28.13	77.98
b) Provisions	21	2.41	1.91
c) Other current liabilities	20	335.54	79.90
d) Current tax liabilities (net)	22	21.70	4.97
Total current liabilities		4,786.17	3,353.53
Total liabilities		5,735.08	3,748.53
Total equity and liabilities		7,103.44	4,620.23

See accompanying notes forming part of the standalone financial statements

1-47

As per our report of even date attached

For C Venkat Krishna & Co

Chartered Accountants

ICAI Firm Registration No.: 004599S

For M S K C & Associates LLP

(formerly known as M S K C & Associates)

Chartered Accountants

ICAI Firm Registration No.: 001595S/S000168

For and on behalf of the Board of Directors

Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)



P.V.N Sastry
Partner
Membership No. 029098



Tarun Kumar Jain
Partner
Membership No. 231741





Chandra Sekhar Moturu
Chairman and Managing Director
DIN 02010969



Ragdeep Moturu
Whole-time Director
DIN 07587747



Place: Hyderabad
Date: August 29, 2025



Krishna Kumari Moturu
Executive Director and
Chief Financial Officer
DIN 10376709

Place: Hyderabad
Date: August 29, 2025



Disha Jindal
Company Secretary and
Compliance Officer
Membership No. A65058



Ardee Engineering Limited
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)
Standalone Statement of Profit and Loss for the year ended March 31, 2025
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	23	7,789.03	6,209.90
Other income	24	38.11	18.47
Total Income (I)		7,827.14	6,228.37
Expenses			
Cost of materials consumed	25	4,886.41	4,080.48
Changes in inventories of work-in-progress	26	191.68	4.92
Employee benefits expense	27	352.28	272.56
Finance costs	28	271.96	156.01
Depreciation and amortisation expense	29	60.54	35.85
Other expenses	30	1,398.28	1,265.33
Total expenses (II)		7,161.15	5,815.15
Profit before tax (I-II=III)		665.99	413.22
Tax expense	31		
Current tax		179.68	101.20
Adjustment of income tax relating to earlier years (net)		-	16.12
Deferred tax		(9.97)	6.26
Total tax expense (IV)		169.71	123.58
Profit after tax (III-IV=V)		496.28	289.64
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability		0.51	1.00
Deferred tax relating to these items		(0.13)	(0.25)
Total other comprehensive income, net of tax (VI)		0.38	0.75
Total comprehensive income for the year (V+VI=VII)		496.66	290.39
Earnings per equity share (Face value of Rs.5 each)	34		
Basic (In INR)		12.41	7.62
Diluted (In INR)		12.41	7.62

See accompanying notes forming part of the standalone financial statements 1-47

As per our report of even date attached

For C Venkat Krishna & Co
Chartered Accountants

ICAI Firm Registration No.: 004599S

For M S K C & Associates LLP
(formerly known as M S K C & Associates)

Chartered Accountants

ICAI Firm Registration No.: 001595S/S000168

For and on behalf of the Board of Directors
Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

P.V.N Sastry
Partner
Membership No. 029098

Tarun Kumar Jain
Partner
Membership No. 231741



Chandra Sekhar Moturu
Chairman and Managing Director
DIN 02010969

Ragdeep Moturu
Whole-time Director
DIN 07587747

Krishna Kumari Moturu
Executive Director and
Chief Financial Officer
DIN 10376709

Disha Jindal
Company Secretary and
Compliance Officer
Membership No. A65058

Place: Hyderabad
Date: August 29, 2025

Place: Hyderabad
Date: August 29, 2025



Ardee Engineering Limited
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)
Standalone Statement of Changes in Equity for the year ended March 31, 2025
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

A. Equity share capital	Note	Number of shares	Amount
As at April 1, 2023 (Face Value of Rs. 10 each)		1,90,00,000	190.00
Change during the year	15	10,00,000	10.00
As at March 31, 2024 (Face Value of Rs. 10 each)		2,00,00,000	200.00
Sub-division of equity shares*	15	2,00,00,000	-
As at March 31, 2025 (Face Value of Rs. 5 each)		4,00,00,000	200.00

*Refer note 15 on Sub-division of equity shares

Particulars	Reserves and Surplus			Other comprehensive income	Total
	Securities premium	Retained earnings	Debt redemption Reserve	Remeasurement of defined benefit obligations routed through OCI	
Balance as at April 1, 2023	-	139.91	-	1.40	141.31
Profit for the year	-	289.64	-	-	289.64
Other comprehensive income, net of tax	-	-	-	0.75	0.75
Securities premium on issue of equity shares	240.00	-	-	-	240.00
Balance as at March 31, 2024	240.00	429.55	-	2.15	671.70
Profit for the year	-	496.28	-	-	496.28
Other comprehensive income, net of tax	-	-	-	0.38	0.38
Debt redemption reserve created	-	(15.00)	15.00	-	-
Balance as at March 31, 2025	240.00	910.83	15.00	2.53	1,168.36

See accompanying notes forming part of the standalone financial statements

1-47

As per our report of even date attached
For C Venkat Krishna & Co
Chartered Accountants
ICAI Firm Registration No.: 004599S

[Signature]

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Place: Hyderabad
Date: August 29, 2025



Ardee Engineering Limited
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)
Standalone Statement of Cash flow for the year ended March 31, 2025
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	
A. Cash flow from operating activities			
Profit before tax	665.99	413.22	
Adjustments for:			
Depreciation and amortisation expense	60.54	35.85	
Interest expense on borrowings measured at amortised cost	254.93	142.37	
Interest expense on lease liabilities	2.32	2.32	
Interest income on security deposits	(0.18)	(0.12)	
Interest income on fixed deposits	(19.17)	(8.97)	
Gain on sale of Property, plant and equipment	(0.24)	-	
Net gain on financial assets designated on FVTPL	(0.67)	(0.46)	
Liabilities no longer required written back	(17.79)	(8.92)	
Other borrowing costs	12.16	6.49	
Provision for credit impaired trade receivables	45.55	24.07	
Advance impaired written off	19.16	-	
Operating profit before working capital changes	1,022.60	605.85	
Changes in working capital			
Adjustments for (increase) / decrease in operating assets:			
Trade receivables	(845.69)	(742.95)	
Inventories	(528.75)	(236.97)	
Other financial assets	87.16	(543.45)	
Other assets	(29.99)	(156.54)	
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	431.63	901.37	
Provision	5.28	4.34	
Other financial liabilities	(49.85)	62.23	
Other liabilities	255.64	(267.55)	
Cash flows from/(used in) operations	348.03	(373.67)	
Income tax paid (net of refund)	(162.95)	(111.45)	
Net cash flow from/(used in) operating activities	A	185.08	(485.13)
B. Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advance)	(1,157.61)	(482.49)	
Proceeds from sale of property, plant and equipment	1.58	1.80	
Investment in associate	(0.20)	(5.45)	
Investment in mutual funds	-	(7.50)	
Movement in bank balances other than cash and cash equivalent	(24.88)	(186.73)	
Interest received on fixed deposits	19.17	8.97	
Net cash flows (used in) investing activities	B	(1,161.94)	(671.40)
C. Cash flow from financing activities			
Proceeds from issuance of equity share capital including securities premium	-	250.00	
Share issue expenses	(22.18)	-	
Proceeds from long term borrowings	1,070.21	403.51	
Repayment of long term borrowings	(241.98)	(71.26)	
Proceeds from short term borrowings (net)	452.90	479.72	
Interest paid on borrowings	(254.93)	(136.67)	
Other borrowing costs	(12.16)	(6.49)	
Payment towards principal portion of lease liability	(12.22)	(9.47)	
Interest paid on lease liabilities	(2.32)	(2.32)	
Net cash flows generated from financing activities	C	977.32	907.02
Net Increase/(decrease) in cash and cash equivalents	A+B+C	0.46	(249.51)
Cash and cash equivalents at the beginning of the year	1.08	250.59	
Cash and cash equivalents at the end of the year (Refer Note 13)	1.54	1.08	250.59

See accompanying notes forming part of the standalone financial statements

1-47

As per our report of even date attached
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Executive Director and
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Place: Hyderabad
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Randeep Moturu
Whole-time Director
DIN 07587747



Disha Jindal
Company Secretary and
Compliance Officer
Membership No. A65058



Place: Hyderabad
Date: August 29, 2025

Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

1 Corporate information

Ardee Engineering Limited (formerly known as Ardee Engineering Private Limited) ('the Company'/'Ardee') is a design, engineering and manufacturing entity formed in year 2008 as a partnership firm. On July 20, 2020, the Partnership firm was converted into private limited company under the provisions of the Companies Act, 2013. Later, the Company was converted from private limited company to public limited company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on June 5, 2024 and consequently the name of the Company was changed to Ardee Engineering Limited w.e.f August 05, 2024. The registered office is located at H. No. 8-2-334/K/1, Flat Nos. 101, 102 & 103, Aditya Court, Road No. 5, Banjara Hills, Hyderabad - 500034, Telangana, India.

The Company is engaged in turnkey PEB projects, material handling and processing solutions, electrical and automation solutions, heavy structural and precision engineering solutions, Infrastructure, Irrigation, Mining and Minerals, Ports, Power and Oil and Gas, are the major sectors where Ardee has operated in.

2 Summary of Material accounting policies

2.1 Basis of preparation

(a) Statement of compliance with Ind AS

The standalone financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under section 133 of the Companies Act, 2013 ("the Act"), read with Rule 3 of the Companies (Indian Accounting standards) Rules, 2015, and other relevant provisions of the Act as amended from time to time and presentation requirements of Division II of Schedule III to the Act, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

This standalone financial statements has been prepared on accrual basis and under historical cost convention, except for the following items (refer to individual accounting policies for detail):

- i. Certain financial instruments - Fair value through profit or loss
- ii. Net defined benefit asset / (liability) - Present value of defined benefit obligations

The Company has prepared the standalone financial information on the basis that it will continue to operate as a going concern.

(c) Functional and presentation currency

The standalone financial statements is presented in Indian Rupees (Rs.) which is also the functional and presentation currency of the Company. All the amounts disclosed in the standalone financial statements which also include the accompanying notes have been rounded off to the nearest millions except for share and per share data and where otherwise stated, up to two decimal places as per the requirement of Schedule III to the Companies Act, 2013.

(d) Use of estimates

The preparation of standalone financial statements in conformity with principles of Ind AS requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

In particular, information about the significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements are disclosed in note no 3.

(e) Classification between - Current and Non-current

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.

The Company classifies all other liabilities as non-current.

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

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has determined its operating cycle as 12 months for the purpose of its assets and liabilities as current and non-current.



2.2 Property, plant and equipment

Property, plant and equipment ("PPE") are stated at cost, less accumulated depreciation and accumulated impairment loss, if any. The cost comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any expenditure directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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

Depreciation methods, estimated useful lives

Depreciation on property, plant and equipment is provided on a pro-rata basis on the Straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The estimated useful life, residual values and the depreciation method are reviewed at the end of each reporting period, with effect of any change in estimate accounted for on a prospective basis.

The useful life of assets are as follows:

Tangible assets	Useful life as per Schedule II	Useful life estimated by the management based on technical assessment
Buildings	30 years	15 - 30 years
Plant and machinery	15 years	3 - 15 years
Furniture and fixtures	10 years	10 years
Computers	3 years	3 years
Office equipments	5 years	5 - 10 years
Vehicles	8 years	8-15 years

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values are not more than 5% of the original cost of the asset.

In case of a revision of useful lives, the unamortized depreciable amount is charged over the revised remaining useful life.

2.3 Intangible assets

Intangible assets acquired are reported at cost less accumulated amortisation and accumulated impairment losses, if any. The cost comprises its purchase price and directly attributable cost of preparing the asset for its intended use. Amortisation is recognised on a Straight line method basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and the amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

The useful life of asset is as follows:

Asset	Useful lives
Software	5 years



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2.4 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest Company of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or Group of assets (the "cash-generating unit").

2.5 Leases

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

Company as a lessee:

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

Right-of-use assets

The Company recognises right-of-use asset at the lease commencement date (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.4 Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the year in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

2.6 Fair value measurement

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

- 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.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized 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 recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (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.



2.7 Inventories

Inventories are valued at the lower of cost and net realisable value.

i Raw materials, components and stores and spares:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average method. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

ii Work-in-progress:

Lower of cost and net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a moving weighted average basis.

iii Scrap:

Scrap is valued at net realizable value.

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

2.8 Revenue from contract with customers

Revenue is recognised to the extent that it is highly probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Contract with customers include pre-engineered building, material handling and engineering contracts along with erection and installation services. All the supplies and services are considered as one performance obligation as the Company believes underlying goods and services are single performance obligation, single commercial objective or the consideration in one contract depends on another.

In respect of the contracts, revenue is recognised over a period of time using the input method (equivalent to percentage of completion method POCM) of accounting with contract costs incurred determining the degree of completion of the performance obligation.

Percentage of completion is determined on the basis of proportion of the costs of shipment made and cost of erection incurred as against the total estimated cost of shipment and erection.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of a third party. Payment terms agreed with a customer are as per business practice, and there is no financing component involved in the transaction price.

Liquidated damages (LD) represents the expected claim which the Company may need to pay for non-fulfilment of certain commitments as per the terms of respective sales contract. These are determined on case to case basis considering the dynamics of each contract and the factors relevant to that sale.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs. Due to the uncertainties attached, the revenue on account of extra claims are accounted for at the time of acceptance / settlement by the customers.

The Company typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Interest income

Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty of realisation.

Contract balances

a. Contract Assets:

Revenue earned but not billed to customers against contract with customers is reflected as unbilled revenue under "Other financial assets" because the receipt of consideration is conditional on Company's performance under the contract (i.e., transfer control of related goods or services to the customer). Upon completion of the installation and acceptance by the customer, the amount recognised as unbilled revenue is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to the accounting policies on impairment of financial assets in note 2.12 Financial instruments – initial recognition and subsequent measurement.

b. Trade Receivables:

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 the accounting policies of financial assets in note 2.12 (Financial instruments – initial recognition and subsequent measurement).

c. Contract Liabilities:

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. These amounts are reflected as Advance from customers under "Other liabilities". Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).



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2.9 Retirement and other employee benefits

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Defined benefit Plan

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

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense/ (income) on the net defined benefit liability/ (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability/(asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972 which entitles an employee, who has rendered at least five years of continuous service, to gratuity payable on termination of his employment at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

2.10 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in determination of the net profit or loss for the year.

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered 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 year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in standalone financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.11 Provisions, contingent liabilities and contingent assets

Provisions are recognized when there is 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. 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 recognized as a finance cost.

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or is a present obligation that arises from past event but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each reporting date.



2.12 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:

All financial assets are recognised initially at fair value plus, (in the case of financial assets not recorded at fair value through statement of profit and loss) transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed off in the statement of profit & loss. Trade receivable that does not contain a significant financing component are measured at transaction price.

Classification and subsequent measurement:

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition and impairment losses (if any) are recognised directly in profit or loss.

The Company's financial assets at amortised cost includes trade receivables and security deposit.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Company has not designated any financial asset (debt instruments) at FVOCI.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss.

The Company has designated investments in mutual funds (debt instruments) in this category.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's summary statements of assets and liabilities) 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.

Impairment of financial assets

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

For trade receivables 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 and equity

An instrument issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement:

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

Financial liabilities at fair value through profit or loss: Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost: Financial liabilities are subsequently carried at amortised cost using the effective interest method.

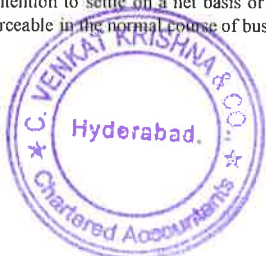
This category generally applies to borrowings. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition:

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

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.



Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

2.13 Investments in the nature of equity in Associate

Investment in associate are valued at Cost. Dividend Income from Associates is recognized when its right to receive the dividend is established.

2.14 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 year.

The weighted average number of equity shares outstanding during the year adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.15 Segment Reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors monitors the operating results as a single segment considering activities of manufacturing, supply, erection and installation of pre-engineered buildings, material handling solutions and related services as one single operating segment. The analysis of geographical segments is based on the location in which the customers are situated.

3 Significant accounting judgments, estimates and assumptions

The preparation of standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, 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 years.

3.1 Judgements / estimates

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial information:

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 financial year, are described below:

a. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared.

b. 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.

(a) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the revenue to be recognized in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

Determining the expected losses, which are recognized in the period in which such losses become probable based on the expected total contract cost as of the reporting date.

(b) Useful lives of property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful lives of the assets.

(c) Contingent liabilities

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(d) Provision for expected credit losses of trade receivables and contract assets

The Company makes provision of expected credit losses on trade receivables using a provision matrix. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and the Company makes appropriate provision wherever outstanding is for longer period and involves higher risk.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(e) 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, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. The mortality table tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(f) Deferred tax recognition

Deferred tax asset (DTA) is recognized only when and to the extent there is convincing evidence that the Company will have sufficient taxable profits in future against which such assets can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, recent business performance and developments.



4 Recent accounting pronouncements

The Ministry of Corporate Affairs has notified amendments to various Indian Accounting Standards through the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 as under:

• Amendments to Ind AS 1 and Ind AS 10: Classification of Liabilities as Current or Non-current

These amendments are introduced to clarify the requirements on determining whether a liability is current or non-current and require new disclosures for non-current liabilities that are subject to future covenants. These amendments apply for the annual reporting periods beginning on or after April 1, 2025, while certain amendments are effective for annual reporting periods beginning on or after April 1, 2026. The Company is in the process of assessing the impact of these amendments, which will be applied retrospectively in accordance with Ind AS 8. These amendments may particularly affect the classification and disclosures relating to non-current borrowings subject to future covenant compliance.

• Amendments to Ind AS 107 and Ind AS 7: Supplier Finance Arrangements

These amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for the annual reporting periods beginning on or after April 1, 2025.

The Company is in the process of assessing whether any of its supplier related financing arrangements fall within the scope of these amendments and, if so, will provide the required disclosures.

• Amendments to Ind AS 21: The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)

These amendments require assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable and also requires specific disclosures viz. the nature and financial effects of the currency not being exchangeable, the spot exchange rates used, the estimation process, and the risks to which the entity is exposed because of the currency not being exchangeable. The amendment also lays down transition requirements, while specifically stating that an entity shall not restate comparative information in applying Lack of Exchangeability. These amendments are effective from April 1, 2025; however, these amendments are not expected to have a material impact on the Company's financial statements as the Company's transactions are limited to currencies that are freely convertible and exchangeable, and management has assessed that no significant restrictions apply to its operations.

• Amendments to Ind AS 12: International tax reform—Pillar Two model rules

The amendments to Ind AS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation.

These amendments have no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules.



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Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

5 Property, plant and equipment

Gross Carrying value (at cost or deemed cost)	Land	Buildings	Plant and machinery	Furniture and fixtures	Computers	Office equipment	Vehicles	Total
Balance as at April 1, 2023	98.06	61.00	69.65	1.72	3.33	3.70	87.72	325.18
Additions	179.25	63.61	153.40	0.55	2.67	5.63	75.50	480.61
Disposals	-	-	-	-	-	-	2.01	2.01
Balance as at March 31, 2024	277.31	124.61	223.05	2.27	6.00	9.33	161.21	803.78
Additions	247.39	-	41.51	0.47	2.18	10.00	49.06	350.61
Disposals	-	-	1.45	-	-	-	-	1.45
Balance as at March 31, 2025	524.70	124.61	263.11	2.74	8.18	19.33	210.27	1,152.94
Accumulated depreciation								
Balance as at April 1, 2023	-	2.44	4.88	0.12	1.19	0.48	11.57	20.68
Depreciation for the year	-	3.64	6.33	0.22	1.64	0.86	13.11	25.80
Disposals	-	-	-	-	-	-	0.21	0.21
Balance as at March 31, 2024	-	6.08	11.21	0.34	2.83	1.34	24.47	46.27
Depreciation for the year	-	5.00	16.65	0.25	1.80	2.58	21.52	47.80
Disposals	-	-	0.11	-	-	-	-	0.11
Balance as at March 31, 2025	-	11.08	27.75	0.59	4.63	3.92	45.99	93.96
Net carrying amount as at March 31, 2024	277.31	118.53	211.84	1.93	3.17	7.99	136.74	757.51
Net carrying amount as at March 31, 2025	524.70	113.53	235.36	2.15	3.55	15.41	164.28	1,058.98

Notes:

- (i) The Company has not revalued its property, plant and equipment
(ii) Refer Note 17.1 for details on property, plant and equipment subject to charge on secured borrowings.



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5A Capital work-in-progress

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	-	-
Additions during the year	804.01	-
Capitalised during the year	-	-
Closing balance	804.01	-

Ageing schedule

Particulars	As at March 31, 2025		
	Less than 1 year	1-2 years	More than 3 years
Projects in progress (Refer notes below)	804.01	-	-
Projects temporarily suspended	-	-	-

As at March 31, 2024

Particulars	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	More than 3 years
Projects in progress	-	-	-
Projects temporarily suspended	-	-	-

Notes:

1. Project execution plans are reviewed periodically on the basis of Management's judgement and estimates w.r.t future business, technological developments / economy / industry / regulatory environment and all the projects are assessed as per periodic plan. There are no capital work-in progress projects, whose completion is overdue or has exceed its cost compared with its original plan as at March 31, 2025.
2. Refer Note 17.1 for details on property, plant and equipment subject to charge on secured borrowings.
3. Project in progress includes below:

Description of Property	Gross carrying value (Rs. in Mn)	Held in name of	Whether it is in name of promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Land at Seccharampur	631.51	Telangana Industrial Infrastructure Corporation Limited (TIGIC Ltd)	No	From October 2024 to till date	The land was acquired by the Company pursuant to the agreement of sale dated March 11, 2025 entered between TIGIC Ltd and the Company. The allotted land shall be utilised for setting up of "new manufacturing facility" as per Detailed project report. The transfer of title/Execution of Sale deed is subject to conditions stipulated in final allotment letter dated March 07, 2025. The entity has not incurred any amount for setting up of the new manufacturing facility as of the reporting date. The management is of the view that all the conditions stipulated are likely to be fulfilled.



6 Right of use assets and Lease liabilities

Right-of-use assets:

Description	Buildings	Plant and machinery	Total
Cost as at April 1, 2023	19.31	8.20	27.51
Additions	9.27	-	9.27
Deletions	-	-	-
Cost as at March 31, 2024	28.58	8.20	36.78
Additions	34.34	-	34.34
Deletions	-	-	-
Cost as at March 31, 2025	62.92	8.20	71.12
Accumulated depreciation as at April 1, 2023	5.60	1.89	7.49
Depreciation for the year	7.93	1.90	9.83
Deletions	-	-	-
Accumulated depreciation as at March 31, 2024	13.53	3.79	17.32
Depreciation for the year	10.40	1.89	12.29
Deletions	-	-	-
Accumulated depreciation as at March 31, 2025	23.93	5.68	29.61
Net carrying amount as at March 31, 2024	15.05	4.41	19.46
Net carrying amount as at March 31, 2025	38.99	2.52	41.51

Lease liabilities:

(i) Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning	21.78	22.27
Additions during the year	33.65	8.98
Accrual of interest	2.32	2.32
Interest paid on lease liabilities	(2.32)	(2.32)
Payment of lease liabilities	(12.22)	(9.47)
Closing balance	43.21	21.78
Less: Current lease liabilities	15.10	11.52
Non-current lease liabilities	28.11	10.26

(ii) Payments recognised as expenses:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term leases and low value assets (refer Note 30)	157.32	105.23

Notes:

(i) Leases where Company is a lessee

The Company has lease contracts for buildings and Industrial property which has lease term between 3 to 6 years. The Company also has lease contracts for plant and machinery, which has lease term of 6 years.

The Company also has certain leases of equipment, machinery and commercial space with lease term up to 12 months. The Company applies the recognition exemptions relating to short-term leases.

(ii) Contractual maturities of lease liabilities on undiscounted basis are disclosed in Note 37.



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Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

(CIN: U29100TG2020PLC141953)

Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

7 Intangible assets

Description	Computer Software
Cost as at April 1, 2023	0.52
Additions	1.59
Disposals	-
Cost as at March 31, 2024	2.11
Additions	0.27
Disposals	-
Cost as at March 31, 2025	2.38
Accumulated amortisation as at April 1, 2023	0.05
Amortisation for the year	0.22
Disposals	-
Accumulated amortisation as at March 31, 2024	0.27
Amortisation for the year	0.45
Disposals	-
Accumulated amortisation as at March 31, 2025	0.72
Net carrying amount as at March 31, 2024	1.84
Net carrying amount as at March 31, 2025	1.66

Note:

The Company has not revalued its intangible assets.

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Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

(CIN: U29100TG2020PLC141953)

Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

8 Investments

	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Non-current				
Investment in Associate				
In unquoted equity shares (fully paid up)				
(i) Ingwenya Mineral Tech Private limited - Equity shares having face value of Rs.100 each	90,870	5.45	90,870	5.45
(ii) Ardee Yantrik Private limited - Equity shares having face value of Rs.10 each*	20,000	0.20	-	-
		5.65		5.45

*The Company acquired 20,000 equity shares at face value Rs. 10 each amounting to Rs.0.20 Mn as subscriber to the memorandum of Ardee Yantrik Private Limited, incorporated on November 27, 2024 representing 40.00% of the total equity share capital.

Current**Investments in unquoted mutual funds (carried at fair value through profit and loss)**

HDFC Short Term Debt-G	2,75,693.13	8.63	2,75,693.13	7.96
		8.63		7.96

Notes:

- (a) Aggregate value of unquoted investments in equity shares 5.65 5.45
(b) Aggregate value of unquoted investments in mutual funds 8.63 7.96
(c) Change in fair value of the investments in mutual funds during the year 0.67 0.46
(d) Refer Note 36 for fair value measurements and Note 37 for information about the Company's exposure to financial risks.
(e) Refer Note 17.1 for details on investments subject to charge on secured borrowings.

9 Other financial assets (Unsecured, considered good)

	As at March 31, 2025	As at March 31, 2024
Non-current		
Security deposits	1.44	0.97
Deposits with maturity more than 12 months		
Margin money deposits with banks*	123.75	23.31
	125.19	24.28
Current		
Security deposits	30.98	8.37
Interest accrued on fixed deposits with bank	6.10	10.73
Unbilled revenue	898.78	1,005.74
Other receivables	5.90	4.37
	941.76	1,029.21

* Margin money deposits held against issuance of bank guarantees and letter of credits provided in favour of customers and suppliers.

10 Other assets

	As at March 31, 2025	As at March 31, 2024
Non-current		
Capital Advance	2.07	-
	2.07	-
Current		
Advances recoverable in kind or for value to be received	127.54	100.25
Prepaid expenses	9.73	2.46
Balance with government authorities	133.68	157.41
Share issue expenses*	65.00	-
	335.95	260.12

*During the year ended March 31, 2025, the Company incurred expenses in connection with the proposed Initial Public Offer (IPO) of equity shares of the Company by way of fresh issue and an offer for sale by the existing shareholders. In relation to the IPO expenses incurred till date, except for listing fees which shall be solely borne by the Company, all other expenses will be shared between the Company and the Selling Shareholders on a pro-rata basis, in proportion to the equity shares issued and allotted by the Company in the fresh issue and the offered shares sold by the selling shareholders in the offer for sale.

11 Inventories

	As at March 31, 2025	As at March 31, 2024
<i>All inventories except for scrap are valued at the lower of cost or net realisable value and scrap is valued at net realisable value</i>		
Raw material*	1,043.19	329.21
Work-in-progress	90.38	330.45
Store and spares	28.40	21.95
Scrap	50.31	1.92
	1,212.28	683.53

*includes goods-in-transit amounting to Rs. 11.58 Mn (March 31, 2024: Rs. 171.32 Mn)

Refer Note 17.1 for details on Inventories subject to charge on secured borrowings



Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

(CIN: U29100TG2020PLC141953)

Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

12 Trade receivables

	As at March 31, 2025	As at March 31, 2024
Non-Current		
Unsecured		
- Considered good	142.71	80.65
	142.71	80.65
Current		
Unsecured		
- Considered good	2,216.06	1,477.98
- Credit impaired	182.33	141.15
	2,398.39	1,619.13
Less: Allowance for credit impaired trade receivables (refer note g below)	(182.33)	(141.15)
	2,216.06	1,477.98

Notes:

(a) Amounts due from related parties out of the above trade receivables (refer note 35)

(b) Trade receivables are non-interest bearing and are generally on credit terms of 0 to 90 days from date of invoicing other than retention money which is due upon expiry of defect liability period. The Company does not hold any collateral security.

(c) Trade receivables includes retention money aggregating to Rs. 238.57 Mn (March 31, 2024: Rs. 90.88 Mn).

(d) Refer Note 37 for information about the Company exposure to financial risks, and details of impairment losses for trade receivables and fair values.

(e) Refer Note 17.1 for details on trade receivables subject to charge on secured borrowings.

(f) No Trade receivables are due from directors or officers of the company.

(g) Ageing of Trade receivables**As at March 31, 2025**

Particulars	Non-current but not Due	Current but not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 Months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- considered good	142.71	1,538.68	267.14	367.00	42.32	0.92	-	2,358.77
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	1.96	29.31	67.26	28.77	55.03	182.33
Disputed trade receivables								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Subtotal	142.71	1,538.68	269.10	396.31	109.58	29.69	55.03	2,541.10
Less: Allowance for credit impaired trade receivables	-	-	(1.96)	(29.31)	(67.26)	(28.77)	(55.03)	(182.33)
Total	142.71	1,538.68	267.14	367.00	42.32	0.92	-	2,358.77

As at March 31, 2024

Particulars	Non-current but not Due	Current but not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 Months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- considered good	80.65	965.42	226.86	73.68	159.22	52.80	-	1,558.63
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	141.15	-	141.15
Disputed trade receivables								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Subtotal	80.65	965.42	226.86	73.68	159.22	193.95	-	1,699.78
Less: Allowance for credit impaired trade receivables	-	-	-	-	-	(141.15)	-	(141.15)
Total	80.65	965.42	226.86	73.68	159.22	52.80	-	1,558.63



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Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

(h) Expected credit loss (ECL)

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit in the normal course of business. Before accepting any new customer, the Company assesses the potential customer's credit quality.

The movement in the allowance for credit loss:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	141.15	149.30
Less: Written off during the year	(4.37)	(32.21)
Add: Provision created during the year	45.55	24.06
Closing balance	182.33	141.15

(i) Of the trade receivables balance of Rs. 1,785.45 Mn for the year ended March 31, 2025 (March 31, 2024: Rs 896.12 Mn) is due from Company's largest customers individually representing more than 5% of total trade receivables balance.

13 Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.12	0.31
Balances with banks:		
In current accounts	1.42	0.77
	1.54	1.08

14 Bank balances other than cash and cash equivalent

	As at March 31, 2025	As at March 31, 2024
Deposits with remaining maturity less than 12 months		
Margin money deposits with banks*	166.71	242.27
	166.71	242.27

* Margin money deposits held against issuance of bank guarantees and letter of credits provided in favour of customers and suppliers.



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15 Equity share capital

	As at March 31, 2025	As at March 31, 2024
Authorized share capital		
7,00,00,000 equity shares of Rs. 5 each* (March 31, 2024: 3,50,00,000 equity shares of Rs. 10 each)	350.00	350.00
Issued, subscribed and fully paid up		
4,00,00,000 equity shares of Rs. 5 each* (March 31, 2024: 2,00,00,000 equity shares of Rs. 10 each)	200.00	200.00
	200.00	200.00

(i) Shareholders vide the Extra-ordinary general meeting dated March 30, 2024 have approved increase in Authorised Equity Share Capital of the Company from Rs. 200.00 Mn divided into 20,00,00,000 Equity shares of Rs. 10 each to Rs. 350.00 Mn divided into 3,50,00,000 Equity shares of Rs. 10 each by addition of 1,50,00,000 equity shares of Rs. 10 each, ranking pari-passu with existing shares of the Company.

(ii) Sub-division of equity shares*

Pursuant to resolution passed by the Board of Directors on January 28, 2025 and resolution passed by the Shareholders on January 29, 2025, the company has made Sub-division of 1 (one) equity share of nominal/face value of Rs. 10 into 2 (two) equity shares of nominal/face value of Rs. 5 each, fully paid-up w.e.f. January 31, 2025. Accordingly, the authorised share capital of our Company was sub-divided from 3,50,00,000 equity shares of face value of ₹10 each to 7,00,00,000 Equity Shares of face value of Rs. 5 each.

Notes:

i) Reconciliation of Authorised equity shares at the beginning and at the end of the year:

Particulars	March 31, 2025		March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	3,50,00,000	350.00	2,00,00,000	200.00
Add: Increase in Authorised Share Capital (Refer note below)	-	-	1,50,00,000	150.00
Add: Sub-division of equity shares*	3,50,00,000	-	-	-
Balance at the end of the year	7,00,00,000	350.00	3,50,00,000	350.00

Note:

*Refer note above on Sub-division of equity shares.

ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	2,00,00,000	200.00	1,90,00,000	190.00
Add: Issue during the year (Refer note below)	-	-	10,00,000	10.00
Add: Sub-division of equity shares*	2,00,00,000	-	-	-
Outstanding at the end of the year	4,00,00,000	200.00	2,00,00,000	200.00

Note:

During FY 2023-24 vide board resolution dated March 28, 2024, the Company has issued 10,00,000 Equity shares with a face value of Rs. 10 each at issue price of Rs. 250 per equity share with premium of Rs. 240 per share.

*Refer note above on Sub-division of equity shares.

iii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5 per share (post split- Refer note above for details). Each shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv) Shares held by shareholders holding more than 5% shares of the aggregate shares of the Company:

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares#	% holding	No. of shares	% holding
Mr. Chandra Sekhar Moturu*	3,59,99,900	90.00%	1,79,99,950	90.00%
Mr. Ragdeep Moturu	40,00,000	10.00%	20,00,000	10.00%

* % holding as of March 31, 2025 and March 31, 2024 - 89.9998% are rounded off to 90.00%.

#Refer note above on Sub-division of equity shares.

v) Shareholding of promoters

Name of promoter	As at March 31, 2025		As at March 31, 2024		% change during the year
	No. of shares**	% holding	No. of shares	% holding	
Mr. Chandra Sekhar Moturu*	3,59,99,900	90.00%	1,79,99,950	90.00%	-
Mr. Ragdeep Moturu	40,00,000	10.00%	20,00,000	10.00%	-
Mrs. Krishna Kumari Moturu#	20	0.00%	-	-	100.00%
Mr. Arundee Moturu#	20	0.00%	-	-	100.00%

* % holding as of March 31, 2025 and March 31, 2024 - 89.9998% are rounded off to 90.00%.

Shares are transferred during FY 2023-24 vide resolution March 28, 2024 to the respective shareholders as indicate above, however the shareholders are categorised in the capacity of promoters vide board resolution dated September 17, 2024.

Refer note 17.1 for the details of promoters shares pledged

**Refer note above on Sub-division of equity shares.

Name of promoter	As at March 31, 2024		As at March 31, 2023		% change during the year
	No. of shares	% holding	No. of shares	% holding	
Mr. Chandra Sekhar Moturu*	1,79,99,950	90.00%	1,71,00,000	90.00%	0.00%
Mr. Ragdeep Moturu	20,00,000	10.00%	19,00,000	10.00%	-

* % holding as of March 31, 2024 - 89.9998% are rounded off to 90.00%.



16 Other equity

	As at March 31, 2025	As at March 31, 2024
Reserves and surplus		
Securities premium [Refer Note (i) below]	240.00	240.00
Retained earnings [Refer Note (ii) below]	910.83	429.55
Debenture redemption reserve [Refer Note (iii) below]	15.00	-
Other comprehensive income		
Remeasurement of net defined benefit plan [Refer Note (iv) below]	2.53	2.15
Total other equity	1,168.36	671.70

Notes:

Movement in reserves and surplus	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Securities premium		
Balance at the beginning of the year	240.00	-
Add: Issue of equity shares (refer note 15)	-	240.00
Balance at the end of the year	240.00	240.00
(ii) Retained earnings		
Balance at the beginning of the year	429.55	139.91
Less: Transfer to Debenture redemption reserve	(15.00)	-
Add: Net profit for the year	496.28	289.64
Balance at the end of the year	910.83	429.55
(iii) Debenture redemption reserve		
Balance at the beginning of the year	-	-
Add: Transfer from retained earnings	15.00	-
Balance at the end of the year	15.00	-
(iv) Other comprehensive income (OCI)		
Remeasurement of defined benefit obligations (liability net of tax)		
Balance at the beginning of the year	2.15	1.40
Add: Changes during the year	0.38	0.75
Balance at the end of the year	2.53	2.15

Nature of reserves:

(a) Securities premium

Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the section 52 of the Act.

(b) Retained earnings

Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Act.

(c) Debenture Redemption Reserve

Represents the amount transferred to separate reserve on account of issue of Redeemable non-convertible debentures and should be utilised in accordance with the provisions of the Act.

(d) Other comprehensive income (OCI)

Remeasurement of defined benefit plan include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to profit and loss.



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Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

(CIN: U29100TG2020PLC141953)

Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

17 Borrowings

	As at March 31, 2025	As at March 31, 2024
Non current (at amortised cost)		
<u>Secured</u>		
a. Term loans		
(i) From banks	320.87	189.73
(ii) From non-banking financial companies	364.54	28.19
b. Vehicle and equipment loans		
(i) From banks	133.51	101.53
(ii) From non-banking financial companies	25.69	32.96
c. Business loan		
From banks	18.71	18.69
d. Redeemable non-convertible debentures		
From others	147.37	-
<u>Unsecured</u>		
a. Term loans		
(i) From non-banking financial companies	261.12	15.22
b. Working Capital - Business loans		
(i) From banks	-	6.55
(ii) From non-banking financial companies	45.67	36.89
c. Loan from others		
(i) Inter-corporate loan	-	59.49
Less: Current maturities of long-term borrowings	(413.98)	(117.54)
Total non current borrowings	903.50	371.71
Current (at amortised cost)		
<u>Secured</u>		
a. Loans repayable on demand from banks		
(i) Working capital demand loans	205.57	213.31
(ii) Cash credit facilities	469.20	453.40
b. Working capital facility - Channel finance		
(i) From non-banking financial companies	118.35	106.89
<u>Unsecured</u>		
a. Working capital facility - Channel finance		
(i) From non-banking financial companies	138.26	155.15
(ii) Through TReDs platform	868.83	431.19
b. Repayable on demand		
(i) From related parties	11.82	1.40
(ii) From others	2.21	-
Add: Current maturities of long-term borrowings	413.98	117.54
Total current borrowings	2,228.22	1,478.88

Refer Note 36 for fair value measurements and Note 37 for information about the Company's exposure to financial risks.



Ardee Engineering Limited
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Notes forming part of Standalone Financial Statements
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

17.1 Summary of borrowing terms:

The repayment terms and maturity terms of borrowings as stated below

Non current borrowings					
Particulars	Rate of interest (%)	Number of equal Instalments	Maturity year	As at March 31, 2025	As at March 31, 2024
Secured					
a. Term loans					
(i) From banks (Refer Note 1 below)					
HDFC Bank Limited	9.00%	21 to 69 months	January 2025 to April 2027	26.24	43.77
ICICI Bank Limited	10.00%	84-114 months	October 2031 to October 2033	294.63	145.96
(ii) From non-banking financial companies (Refer Note 2 below)					
Tata Capital Financial Services Limited	11.00%	60 months	August 2028	21.38	28.19
Aditya Birla Capital Limited	12.50%	72 months	February 2031	343.16	-
b. Vehicle and Equipment Loans (Refer Note 3 below)					
(i) From banks					
HDFC Bank Limited	8.55% to 10.25%	12 to 39 months	November 2023 to February 2028	62.05	67.57
Yes Bank Limited	9.09% to 11.12%	36 to 46 months	May 2025 to February 2028	34.24	33.96
Axis Bank Limited	10.10%	35 months	October 2027 to November 2027	37.22	-
(ii) From non-banking financial companies					
Sundaram Finance Limited	11.25% to 12.48%	23 to 60 months	December 2026 to July 2028	25.69	25.57
Toyota Financial Services Private	6.99%	36 months	December 2026	-	7.39
c. Business loan- Equipment refinance (Refer Note 11 below)					
Yes Bank Limited	11.00%	37 months	January 2028	18.71	18.69
d. Redeemable non-convertible debentures (Refer Note 10 below)					
RevX Capital	15.25%	12 months and 1 day	March 2026	147.37	-
Unsecured					
a. Term loans from NBFC					
Tata Capital Financial Services Limited	11.25% to 11.80%	36 months	May 2026 to July 2026	8.55	15.22
IKF Finance Limited (Refer Note 2 below)	17.00%	36 months	January 2028	252.57	-
b. Working capital - Business Loans					
(i) From banks					
Axis Bank Limited	16.00%	36 months	February 2025	-	1.51
HDFC Bank Limited	15.00%	36 months	March 2025	-	2.88
Unity Small finance Bank limited	17.50%	36 months	March 2025	-	1.96
IDFC First Bank (Capital First Limited)	9.25% to 17.50%	36 to 48 months	December 2022 to August 2024	-	0.20
(ii) From non-banking financial companies					
Oxyzo financial services Private Limited	14.50%	18 months	October 2023 to March 2026	45.67	32.66
Other NBFCs	11.25% to 19.00%	18 to 48 months	December 2021 to March 2025	-	4.23
c. Loan from others- (Refer note 8 below)					
Inter-corporate loan*(EIR- 9.5%)	6.00% *	36 months	April 2025 to March 2027	-	59.49
Less: Current maturities of long-term borrowings				(413.98)	(117.54)
Total				903.50	371.71



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Ardee Engineering Limited

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(CIN: U29100TG2020PLC141953)

Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

Current borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
a. Loans repayable on demand from banks		
(i) Working Capital Demand Loan (WC DL) (Refer Note 1 below)		
WC DL from HDFC Bank Limited	205.57	213.31
(ii) Cash Credit (Refer Note 1 and 4 below)		
HDFC Bank Limited	99.39	116.34
ICICI Bank Limited	56.58	37.77
State Bank of India	313.23	299.29
b. Working capital - Channel Finance (Refer Note 5 below)		
Tata Capital Financial Services Limited	118.35	106.89
Unsecured		
a. Working capital - Channel Finance- (Refer Note 6 below)		
(i) From non-banking financial companies		
Aditya Birla Capital Limited	28.33	54.97
Oxyzo Financial Services Private Limited	109.93	100.18
(ii) Through TredS platform		
Receivables Exchange of India Limited	653.98	293.36
A TREDS Limited	214.85	137.83
b. Repayable on demand		
From related parties- (Refer note 7 below)	11.82	1.40
From others - (Refer note 8 below)	2.21	-
Add: Current maturities of long-term borrowings	413.98	117.54
Total	2,228.22	1,478.88



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Ardee Engineering Limited

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Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

Notes:**1. Term Loan/Working Capital Demand Loan/Cash Credit****(i) Term Loan/Working Capital Demand Loan/Cash Credit from HDFC Bank Limited**

(a) Primary Security: Current Assets (Stock, Book Debtors), Plant & Machinery, Fixed deposit for Letter of credit, Bank guarantee, personal guarantee from directors and relative of directors.

(b) Collateral Security: One Immovable property owned by relative of director and additional three immovable properties given as co-collateral along with ICICI Bank Limited owned by Directors of the Company.

(c) Working capital demand loan and cash credit carry interest rate of 9.35% p.a. each and repayable on demand and the tenure ranging upto 365 days.

(d) Personal guarantee has been provided by directors and relatives of directors of the company.

(ii) Term Loan/Cash Credit from ICICI Bank Limited

(a) Exclusive charge on movable fixed assets, Company's immovable property located at Visakhapatnam, Andhra Pradesh, India and first pari passu on current assets and

(b) Collateral Security: Three immovable properties given as co-collateral along with HDFC Bank Limited owned by Directors of the Company.

(c) Cash credit facility carry interest at repo rate 6.50% plus spread of 3.25% p.a. and repayable on demand and the tenure ranging upto 365 days.

(d) Personal guarantee has been provided by directors and relatives of directors of the company.

2. Term loan from NBFC- (Secured)

(i) Tata Capital loan is secured under the mortgage of Industrial property situated at IDA Patancheru, Sangareddy District, Telangana.

(ii) Aditya Birla Capital Finance Limited Loan

(a) Primary Security: Mortgage of Land and building to be constructed on the land located in Seetharampur, Hyderabad.

Exclusive charge created by way of hypothecation on moveable fixed assets of the company. Current Assets hypothecated as second pari passu charge.

(b) Personal guarantee has been provided by directors of the company.

(c) Equity Shares of promoter Mr. Chandra Sekhar Moturu are pledged for the loan facility.

Unsecured Term loan from NBFC

(iii) JKF Finance Limited: Loan is secured under the collateral of the following:

(a) Three properties owned by relative of directors of the company.

(b) Personal guarantee has been provided by directors of the company.

3. Vehicle and Equipment loan from Bank and NBFC (Secured):

Security provided for the vehicle and equipment loans are the underlying assets for which loan has been obtained. First and exclusive charge through hypothecation on the assets purchased from loan proceeds.

4. Credit facility from SBI Bank (Secured)

(i) First pari passu charge on stock and receivables

(ii) Collateral security on equitable mortgage of industrial land with sheds constructed thereon at Pashamylaram, Sangareddy.

(iii) Interest rate of 10.14% p.a. and repayable on demand and the tenure ranging upto 365 days.

(iv) Personal guarantee has been provided by directors of the company.

5. Working Capital/Channel Finance (Secured):

(i) Primary charge on stocks and receivables funded out of Tata Capital Financial Services Limited. Collateral - Security on liquid funds i.e. mutual funds.

(ii) Tata Capital loan is secured under the mortgage of Industrial property situated at IDA Patancheru, Sangareddy District, Telangana

(iii) Personal guarantee has been provided by directors of the company.

6. Facility through TreDs platform / other NBFCs:

Interest ranging from 9.50% p.a. to 14.50% p.a., with a credit period ranging from 45 to 120 days.

7. Loan from related parties

Interest free loan from related parties are repayable on demand.

8. Inter Corporate loan

Inter Corporate loan are obtained at the rate of interest of 6.00% per annum for a period extending upto 3 years and repayable along with interest. Interest is repayable as and when demanded by the lender.

9. Non-fund facilities from HDFC Bank Limited/ICICI Bank Limited/State Bank of India

(i) The tenure of bank guarantees typically ranges from 3 months to 36 months, while the maximum tenor for letter of credit upto 180 days.

(ii) Commissions on bank guarantees typically ranges from 0.75% p.a. to 2.75% p.a., while commissions for letters of credit ranges from 0.70% p.a. to 1.40% p.a.

10. Non convertible redeemable debentures

The tenure of the Debenture are 12 months and 1 days from the date of disbursement i.e., March 01, 2026 and carry fixed rate of interest at 15.25% p.a.

The debentures are secured as follows:

(i) Total Security 1.10- times debentures Subscription Amount.

(ii) Secondary ranking, charge on all existing and future cashflows of the issuer, existing and future fixed and current assets, other assets, including but not limited to inventory (if any), receivables, rental deposits, intangible assets including brand and intellectual property, uncalled share capital etc of the company.

(iii) Personal guarantee provided by directors of the company.

11. Business loan- Equipment refinance

Security provided for the business loans obtained through refinance of equipments are the underlying assets for which loan has been obtained. First and exclusive charge through hypothecation on the assets.

12. The Company has not defaulted on working capital loan or any other loan payables.

13. Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such borrowings were taken.

14. Details of borrowings guaranteed by Directors and others:

Particulars	As at March 31, 2025	As at March 31, 2024
Directors	1,312.94	721.08
Directors and Relative of Directors	682.44	440.81



Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

(CIN: U29100TG2020PLC141953)

Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

17.2 Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	Borrowings		Lease liabilities		Total
	Non-current	Current	Non-current	Current	
As at March 31, 2023	154.81	878.11	12.95	9.32	1,055.19
Cash flows:					
Principal paid on lease liabilities	-	-	-	(9.47)	(9.47)
Interest paid on lease liabilities	-	-	-	(2.32)	(2.32)
Proceeds from long term borrowings	403.51	-	-	-	403.51
Repayment of long term borrowings	(71.26)	-	-	-	(71.26)
Proceeds from short term borrowings, net	-	479.72	-	-	479.72
Interest paid on borrowings	(31.21)	(105.45)	-	-	(136.66)
Non-cash flows:					
Movement from non-current to current	(117.54)	117.54	(11.67)	11.67	-
New leases	-	-	8.98	-	8.98
Interest expense during the year	33.40	108.96	-	2.32	144.68
As at March 31, 2024	371.71	1,478.88	10.26	11.52	1,872.37
Cash flows:					
Principal paid on lease liabilities	-	-	-	(12.22)	(12.22)
Interest paid on lease liabilities	-	-	-	(2.32)	(2.32)
Proceeds from long term borrowings	1,070.21	-	-	-	1,070.21
Repayment of long term borrowings	(124.44)	(117.54)	-	-	(241.98)
Proceeds from short term borrowings, net	-	452.90	-	-	452.90
Interest paid on borrowings	(78.78)	(176.15)	-	-	(254.93)
Non-cash flows:					
Movement from non-current to current	(413.98)	413.98	(15.80)	15.80	-
New leases	-	-	33.65	-	33.65
Interest expense during the year	78.78	176.15	-	2.32	257.25
As at March 31, 2025	903.50	2,228.22	28.11	15.10	3,174.93

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18 Trade payables

	As at March 31, 2025	As at March 31, 2024
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (MSME)*	258.24	1,028.37
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,896.83	670.00
Total trade payables	2,155.07	1,698.37

Notes:

Amounts due to related parties out of the above trade payable (refer note 35)

Refer Note 37 for information about the Company's exposure to financial risks

Trade payables are non-interest bearing and are normally settled within 0 to 90 days.

*Includes Interest on delayed payment to MSMEs amounting to Rs. 1.03 Mn for the FY 2024-25 (FY 2023-24: NIL)

18.1 Trade payables ageing schedule

March 31, 2025						
Particulars	Payables Not Due	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	200.77	57.44	0.03	-	-	258.24
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	1,330.36	528.52	28.65	8.45	0.85	1,896.83
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1,531.13	585.96	28.68	8.45	0.85	2,155.07

March 31, 2024						
Particulars	Payables Not Due	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	976.46	51.91	-	-	-	1,028.37
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	494.25	112.13	39.49	23.36	0.77	670.00
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1,470.71	164.04	39.49	23.36	0.77	1,698.37

- 18.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006: The following are amounts due to micro and small enterprises as defined in the 'Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Principal amount remaining unpaid to any supplier at the end of year*	257.21	1,028.37
(ii) Interest due thereon remaining unpaid to any supplier at the end of year	1.03	-
(iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii)+(vi)	1.03	-

* includes payables not due



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Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

(CIN: U29100TG2020PLC141953)

Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

19 Other financial liabilities

	As at March 31, 2025	As at March 31, 2024
Current		
Employee dues (refer Note 35)	27.43	21.56
Retention money	0.04	56.42
Payables on purchase of property, plant and equipment	0.66	-
	28.13	77.98

20 Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	13.66	20.76
Advance from customers	320.02	59.14
Liability towards Corporate social responsibility (refer Note 32)	1.86	-
	335.54	79.90

21 Provisions

	As at March 31, 2025	As at March 31, 2024
Non-current		
Employee benefit obligation (refer Note 33)		
Provision for gratuity	17.30	13.03
	17.30	13.03
Current		
Employee benefit obligation (refer Note 33)		
Provision for gratuity	2.41	1.91
	2.41	1.91

22 Income tax (assets) / liabilities, net

	As at March 31, 2025	As at March 31, 2024
Provision for taxes	179.81	108.64
Less: Advance tax / TDS (net of refund)	(158.11)	(103.67)
	21.70	4.97

Refer Note 31 for tax expense details.

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Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

(CIN: U29100TG2020PLC141953)

Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

23	Revenue from operations	For the year ended March 31, 2025	For the year ended March 31, 2024
	Revenue from contract with customers	7,767.20	6,205.07
	Other operating revenue		
	Scrap sale	21.83	4.83
		7,789.03	6,209.90
23.1	Disaggregated revenue information		
	In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major revenue streams and timing of revenue recognition.		
		For the year ended March 31, 2025	For the year ended March 31, 2024
	Primary geographical market		
	In India	7,789.03	6,209.90
	Outside India	-	-
		7,789.03	6,209.90
	Major revenue streams		
	Pre-engineered building	3,948.16	3,111.75
	Material handling systems	2,414.77	1,221.21
	Engineering Services	1,404.27	1,872.11
	Other	21.83	4.83
		7,789.03	6,209.90
	Timing of revenue recognition		
	At a point in time	21.83	4.83
	Over time	7,767.20	6,205.07
		7,789.03	6,209.90
23.2	Information about major customers (from external customers)		
	For the year ended March 31, 2025 the Company has derived revenue from 3 customers totalling to Rs. 3,822.88 Mn (For the year ended March 31, 2024- 3 customers totalling to Rs. 3,370.57 Mn) contributing individually 10% or more of the total revenue.		
23.3	Contract balances	As at March 31, 2025	As at March 31, 2024
	Trade receivables (refer Note 12)	2,358.77	1,558.63
	Contract assets (refer Note 9)	898.78	1,005.74
	Contract liabilities (refer Note 20)	320.02	59.14
24	Other income	For the year ended March 31, 2025	For the year ended March 31, 2024
	Interest income earned on financial assets		
	- Bank deposits	19.17	8.97
	- Other interest income	0.18	0.12
	Net gain on financial assets designated on FVTPL	0.67	0.46
	Liabilities no longer required written back	17.79	8.92
	Gain on sale of property, plant and equipment	0.24	-
	Miscellaneous income	0.06	-
		38.11	18.47
25	Cost of materials consumed	For the year ended March 31, 2025	For the year ended March 31, 2024
	Inventory at the beginning of the year	329.21	102.87
	Add: Purchases	5,600.39	4,306.82
	Less: Inventory at the end of the year	(1,043.19)	(329.21)
		4,886.41	4,080.48
26	Changes in inventories of work-in-progress	For the year ended March 31, 2025	For the year ended March 31, 2024
	Inventories at the beginning of the year		
	Work-in-progress	330.45	335.52
	Scrap	1.92	1.77
	Inventories at the ending of the year		
	Work-in-progress	(90.38)	(330.45)
	Scrap	(50.31)	(1.92)
	Net decrease/ (increase)	191.68	4.92



27 Employee benefits expense	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	309.60	232.56
Contribution to provident and other funds (refer Note 33)	16.06	12.65
Gratuity (refer Note 33)	7.12	5.27
Staff welfare expenses	19.50	22.08
	352.28	272.56
28 Finance costs	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on		
Borrowings measured at amortised cost	254.93	144.13
Lease liabilities	2.32	2.32
Income tax	2.55	3.07
Other borrowing costs	12.16	6.49
	271.96	156.01
29 Depreciation and amortisation expense	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment (refer Note 5)	47.80	25.80
Depreciation on right-of-use assets (refer Note 6)	12.29	9.83
Amortisation of intangible assets (refer Note 7)	0.45	0.22
	60.54	35.85
30 Other expenses	For the year ended March 31, 2025	For the year ended March 31, 2024
Job work, installation and erection charges	558.62	546.91
Labour charges	269.67	295.84
Freight charges	108.76	120.16
Rent	157.32	105.23
Loading and unloading Charges	2.83	4.03
Material testing charges	10.83	2.17
Sand blasting charges	9.36	11.27
Site civil works	45.27	29.27
Security charges	11.39	7.18
Stores and spares consumption	1.94	5.08
Power and fuel	66.06	24.93
Transportation charges	5.32	6.70
Repair and maintenance	20.80	19.75
Legal and professional charges	7.80	8.70
Travelling and conveyance expenses	8.93	7.24
Bank charges	1.37	5.52
Auditor's remuneration (Refer below)	3.85	3.85
Rates and taxes	16.75	10.92
Expenditure for corporate social responsibility (Refer note 32)	4.56	2.18
Provision for credit impaired trade receivables	45.55	24.07
Advances impaired written off	19.16	-
Miscellaneous expenses	22.14	24.33
	1,398.28	1,265.33
30.1 Auditor's remuneration	For the year ended March 31, 2025	For the year ended March 31, 2024
Statutory audit	2.75	2.75
Tax audit	0.10	0.10
Other services*	13.74	1.00
	16.59	3.85

Note: Amount given above excluding Goods and Service tax.

* for the year ended March 31, 2025 included in Share issue expenses receivable under note 10



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31 Tax expense

(A) Income tax expense recognised in the Statement of profit and loss:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax:		
Current tax for the year	179.68	101.20
Adjustment of income tax relating to earlier years (net)	-	16.12
Deferred tax:		
Deferred tax for the year	(9.97)	6.26
Income tax expense recognised in the statement of profit or loss	169.71	123.58

(B) Income tax expense charged to other comprehensive income (OCI):

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Income tax impact on re-measurement of defined benefit plans	(0.13)	(0.25)
Income tax charged to OCI	(0.13)	(0.25)

(C) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	665.99	413.22
Tax rate applicable to the Company	25.17%	25.17%
Estimated tax expense on profit	167.62	104.00
Adjustment of income tax relating to earlier years (net)	-	16.12
Tax effect of expenditure disallowed under income tax	3.28	3.08
Others	(1.19)	0.38
Income tax expense	169.71	123.58

(D) Movement in deferred tax assets and deferred tax liabilities from March 31, 2024 to March 31, 2025:

Particulars	As at March 31, 2024	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in OCI	As at March 31, 2025
Property, plant and equipment and intangible assets	(10.41)	(6.18)	-	(16.59)
Right-of-use assets	(4.90)	(5.55)	-	(10.45)
Provision for credit impaired trade receivables	35.52	10.37	-	45.89
Provision for employee benefits	3.76	1.20	-	4.96
Lease liabilities	5.48	5.53	(0.13)	10.88
Others	(0.56)	4.60	-	4.04
Deferred tax assets (net)	28.89	9.97	(0.13)	38.73

Movement in deferred tax assets and deferred tax liabilities from March 31, 2023 to March 31, 2024:

Particulars	As at April 1, 2023	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in OCI	As at March 31, 2024
Property, plant and equipment and intangible assets	(4.84)	(5.58)	-	(10.41)
Right-of-use assets	(5.04)	0.14	-	(4.90)
Provision for credit impaired trade receivables	37.58	(2.06)	-	35.52
Provision for employee benefits	2.92	1.09	(0.25)	3.76
Lease liabilities	5.60	(0.12)	-	5.48
Others	(0.81)	0.25	-	(0.56)
Deferred tax assets (net)	35.41	(6.26)	(0.25)	28.89



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- 32 As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The focus areas of Company's CSR activities are eradication of hunger and malnutrition, promoting education, measures for reducing inequalities faced by socially and economically backward groups and PM relief fund. The CSR activities of the Company are in line with the specified in Schedule VII of the Companies Act, 2013.

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Gross amount required to be spent by the Company during the year	4.56	2.18
(b) Amount of expenditure incurred during the year		
(i) Construction/ acquisition of any asset		
-In cash	-	-
-Yet to be paid in cash	-	-
(ii) On purposes other than (i) above		
-In cash	2.70	2.31
-Yet to be paid in cash	1.86	-
(c) Details of spent/unspent obligations		
(i) Contribution to charitable trust or PM relief fund	2.70	2.31
(ii) Unspent amount in relation to:		
-Ongoing project	1.51	-
-Other than ongoing project	0.35	-

Details of ongoing and other than ongoing project

For the FY 2024-25

In case of Section 135(5) of the Companies Act, 2013 (Ongoing project)

Amount of shortfall as at April 01, 2024		Amount required to be spent during the year	Amount spent during the year		Amount of shortfall as at March 31, 2025
With Company	In separate CSR unspent account		From Company's bank account	from separate CSR unspent account	With Company*
-	-	1.51	-	-	1.51

*The Company has deposited the above shortfall of CSR expenditure amounting to Rs. 1.51 Mn to a separate account called "Unspent CSR account" dated April 29, 2025 to be spent as per the provisions of the Act.

In case of Section 135(5) of the Companies Act, 2013 (Other than ongoing project)

Opening balance as at April 01, 2024	Amount deposited In specified fund of schedule VII withing 6	Amount required to be spent during the year	Amount spent during the year	Closing balance as at March 31, 2025	Remarks
-	-	3.05	2.70	0.35	The Closing balance as at March 31, 2025 amounting to Rs. 0.35 is deposited in PM CARES Fund on August 11, 2025.

For the FY 2023-24

Details of ongoing and other than ongoing project

In case of Section 135(5) of the Companies Act, 2013 (Ongoing project)

Amount of shortfall as at April 01, 2023		Amount required to be spent during the year	Amount spent during the year		Amount of shortfall as at March 31, 2024
With Company	In separate CSR unspent account		From Company's bank account	from separate CSR unspent account	With Company
-	-	-	-	-	-

In case of Section 135(5) of the Companies Act, 2013 (Other than ongoing project)

Opening balance as at April 01, 2023	Amount deposited In specified fund of schedule VII withing 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance as at March 31, 2024	Remarks
0.13	0.13	2.18	2.18	-	



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33 Employee benefit obligations

33.1 Post retirement benefit - Defined contribution

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The Company has recognised as an expense aggregating for the year ended March 31, 2025: Rs 16.06 Mn; (March 31, 2024: Rs 12.65 Mn) in respect of the defined contribution plans.

33.2 Post-employment benefit - Defined benefit

(a) Gratuity (unfunded)

Particulars

Net defined benefit liability - Gratuity plan		
Non-current	Current	Total
As at March 31, 2025	17.30	2.41
As at March 31, 2024	13.03	1.91
		19.71
		14.94

(b) The Company has a defined benefit gratuity plan in India (Gratuity plan). The Gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under this Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The plan was unfunded.

The plans are exposed to a number of risks, including:

- Interest rate risk: decreases/increases in the Discount rate used will Increase/decrease the defined benefit obligation
- Attrition risk: Changes in the estimation of mortality rates of Current and former employees.
- Salary risk: increases in future salaries Increase the gross defined benefit obligation.

Gratuity cost for the year ended March 31, 2025- Rs. 7.12 Mn (March 31, 2024- Rs. 5.27 Mn) has been included in Note 27 under employee benefits expense. The Company's gratuity plan is unfunded.

(c) Amount recognised in statement of profit and loss in respect of these defined benefit i.e. Gratuity plans are as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	6.11	4.44
Interest cost	1.01	0.83
Components of defined benefit costs recognised in statement of profit and loss	7.12	5.27
Remeasurement loss/(gain):		
Actuarial loss / (gain) arising from:		
Changes in demographic assumptions	(2.29)	0.53
Changes in financial assumptions	3.35	0.40
Experience adjustments	(1.57)	(1.93)
Components of defined benefit costs recognised in other comprehensive income	(0.51)	(1.00)
Balance as at the end of the year	6.61	4.27

(d) Reconciliation of net defined benefit obligation

	Year ended March 31, 2025	Year ended March 31, 2024
Balance as at the beginning of the year	14.94	11.60
Current service cost	6.11	4.44
Interest cost	1.01	0.83
Included in profit and loss (refer note 27)	7.12	5.27
Remeasurement loss/(gain):		
Actuarial loss / (gain) arising from:		
Changes in demographic assumptions	(2.29)	0.53
Changes in financial assumptions	3.35	0.40
Experience adjustments	(1.57)	(1.93)
Included in OCI	(0.51)	(1.00)
Benefits paid	(1.83)	(0.93)
Other movements	(1.83)	(0.93)
Balance as at the end of the year	19.71	14.94

(e) Actuarial assumptions

The principal actuarial assumptions used in determining the present value of the defined benefit obligations include:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount rate	7.02%	7.24%
Future salary growth	10.00%	8.00%
Attrition rate	10.00%	6.00%
Retirement age	60 years	60 years
Mortality rates	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)

The weighted-average duration of the defined benefit obligation as at March 31, 2025 is 10 years (March 31, 2024- 11 years) for gratuity plan.



(f) **Maturity analysis**

The expected maturity analysis of undiscounted gratuity obligations are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	2.47	1.96
2 to 5 years	5.52	3.51
6 to 10 years	8.76	6.08
> 10 years	26.93	27.28
Total	43.68	38.83

(g) **Sensitivity analysis**

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Defined benefit obligation

Actuarial assumptions	Discount rate		Future salary growth	
	(+ 1%)	(- 1%)	(+ 1%)	(- 1%)
	Increase	Decrease	Increase	Decrease
As at March 31, 2025	18.11	21.58	21.53	18.08
As at March 31, 2024	13.55	16.57	16.56	13.52

Actuarial assumptions	Attrition rate		Future mortality rates	
	(+ 1%)	(- 1%)	(+ 1%)	(- 1%)
	Increase	Decrease	Increase	Decrease
As at March 31, 2025	19.27	20.19	19.70	19.72
As at March 31, 2024	14.75	15.13	14.93	14.93

34 **Earnings per share**

The following reflects the income and share data used in the basic and diluted earnings per equity share computations:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after tax	496.28	289.64
Weighted average number of equity shares	4,00,00,000	3,80,21,918
Face value per share (Rs.)	5.00	5.00
Basic and Diluted earnings per equity share	12.41	7.62

Notes:

1. Pursuant to sub-division of equity shares [Refer note 15 for details] the Basic and Diluted earnings per equity share presented are calculated reflecting such changes in the number of shares after considering the effect of sub-division on the outstanding numbers of equity shares for the current and previous years.

2. No potential equity shares are outstanding as on March 31, 2025 and March 31, 2024 and there are no items giving rise to dilutive equity shares. Hence basic EPS is considered as diluted EPS.



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Ardee Engineering Limited
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)
Notes forming part of Standalone Financial Statements
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

35 Related party transactions

Names of related parties and description of relationship as identified by the Company:	
A Nature of Relationship	Name of the Party
i) Associate	Ardee Yantrik Private Limited (w.e.f November 27, 2024) Ingwenya Mineral Tech Private Limited (w.e.f June 15, 2023)
ii) Directors/ Key Managerial Personnel	Chandra Sekhar Moturu, Chairman and Managing Director Ragdeep Moturu, Whole-time Director Sundarama Sama Gorepati, Executive Director Arundee Moturu, Executive Director (Appointed w.e.f. August 25, 2024) Krishna Kumari Moturu, Executive Director and Chief Financial Officer (Appointed w.e.f. August 25, 2024) Ravikanth Mallina, Independent Director (Appointed w.e.f August 12, 2024) Visweswara Prasad Yalamanchili, Independent Director (Appointed w.e.f August 12, 2024) Ravinder Komaragiri, Independent Director (Appointed w.e.f August 12, 2024) Srinivas Aravapalli, Independent Director (Appointed w.e.f August 12, 2024) Anjaneyulu Krothapalli, Independent Director (Appointed w.e.f September 17, 2024) Sneha Sunkara, Independent Director (Appointed w.e.f January 27, 2025) Disha Jindal, Company Secretary (Appointed w.e.f. June 05, 2024) also appointed as Compliance officer w.e.f. October 23, 2024)
iii) Entities in which Directors and Key Management Personnel ("KMP") have a significant influence / control with whom Company have made transactions during the reporting period/years	Ardee Drives Private Limited (formerly Balaji Drives Private Limited) Rotec Transmissions Private Limited Anvizen Consultants Private Limited Arun Kapital Networks Arun Computers Arun Infotech M/s ARCS Arovan Logistics ACS Engineering Solutions Blue Ocean Biotech Private Limited
Relative of Directors of Company	Krishna Kumari Moturu (Upto August 24, 2024) Arundee Moturu (Upto August 24, 2024)

B Transactions during the year with related parties

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of Goods		
Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	46.73	81.83
Rotec Transmissions Private Limited	15.80	14.57
Arun Kapital Networks	3.70	379.58
Ingwenya Mineral Tech Private Limited	138.62	-
M/s ARCS	-	0.04
ACS Engineering Solutions	-	13.88
Purchase of property, plant & equipment and Intangible assets		
Arun Computers	0.19	0.56
Arun Infotech	0.32	-
Arun Kapital Networks	0.96	-
Revenue from Contracts		
Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	31.44	12.00
Rotec Transmissions Private Limited	80.57	40.07
Arun Kapital Networks	-	11.34
Ingwenya Mineral Tech Private Limited	-	31.78
Blue Ocean Biotech Private Limited	6.17	-
Rent expense		
M/s ARCS	3.47	3.29
Interest Expense		
Anvizen Consultants Private Limited	2.10	-



Ardee Engineering Limited

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Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Other expenses		
Arun Computers	0.34	1.32
Arun Kapital Networks	9.51	-
M/s ARCS	6.56	3.94
Arovan Logistics	19.41	25.57
Arun Infotech	1.04	-
Rotec Transmissions Private Limited	3.80	-
Proceeds from Borrowings_Unsecured Loan		
Mr. Chandra Sekhar Moturu	41.50	143.30
Mr. Ragdeep Moturu	4.57	59.05
Corporate Guarantee Given		
Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	52.50	-
Repayments of borrowings_Unsecured Loan		
Mr. Chandra Sekhar Moturu	30.29	246.22
Mr. Ragdeep Moturu	3.96	72.35
Retention Money Paid		
Arun Kapital Networks	56.42	-
Advances from Customers		
Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	-	3.29



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(CIN: U29100TG2020PLC141953)

Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Advance to suppliers		
Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	0.92	-
Ingwenya Mineral Tech Private Limited	-	3.50
Advance taken		
Arun Kapital Networks	56.00	-
Advance repaid		
Arun Kapital Networks	56.00	-
Staff Advance Given		
Mr. Arundee Moturu	2.40	1.86
Mr. Sundararama Sarma Gorrepati	-	0.15
Expenses reimbursed		
Mr. Sundararama Sarma Gorrepati	0.77	-
Staff Advance repaid		
Mr. Arundee Moturu	7.47	-
Investment in Associates		
Ardee Yantrik Private Limited	0.20	-
Ingwenya Mineral Tech Private Limited	-	5.45
Proceeds from issue of equity shares including securities premium		
Mr. Chandra Sekhar Moturu	-	225.00
Mr. Ragdeep Moturu	-	25.00
Inter corporate deposits taken		
Ingwenya Mineral Tech Private Limited	50.74	-
Blue Ocean Biotech Private Limited	130.00	-
Anvizen Consultants Private Limited	100.00	-
Inter corporate deposits repaid		
Ingwenya Mineral Tech Private Limited	50.74	-
Blue Ocean Biotech Private Limited	130.00	-
Anvizen Consultants Private Limited	100.00	-
Reimbursement of expenses		
Arovan Logistics	0.86	-
ACS Engineering Solutions	0.20	-
Mr. Chandra Sekhar Moturu	0.75	-
Mr. Ragdeep Moturu	0.60	-
Mrs. Krishna Kumari Moturu	0.65	-
Ms. Disha Jindal	0.08	-
Employee benefits expense		
Mrs. Krishna Kumari Moturu	0.95	2.40
Mr. Arundee Moturu	0.95	2.40
Managerial Remuneration (Refer note iii below)		
Mr. Chandra Sekhar Moturu	3.98	3.30
Mr. Ragdeep Moturu	4.80	4.80
Mr. Sundararama Sarma Gorrepati	3.72	2.99
Mrs. Krishna Kumari Moturu	1.45	-
Mr. Arundee Moturu	1.45	-
Ms. Disha Jindal	0.91	-



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Ardee Engineering Limited
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)
Notes forming part of Standalone Financial Statements
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

C Amount due to/from related parties :

Name of the related party	As at March 31, 2025	As at March 31, 2024
Trade Payables		
Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	-	115.07
Arun Computers	1.45	1.23
Arun Kapital Networks	2.65	-
Rotec Transmissions Private Limited	3.02	-
Ingwenya Mineral Tech Private Limited	4.05	-
M/s ARCS	2.21	2.60
ACS Engineering Solutions	8.74	11.41
Arovan Logistics	1.60	2.86
Investment in Associates		
Ingwenya Mineral Tech Private Limited	5.45	5.45
Ardee Yantrik Private Limited	0.20	-
Trade Receivables		
Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	3.78	-
Rotec Transmissions Private Limited	24.97	31.69
Arun Kapital Networks	-	31.28
Ingwenya Mineral Tech Private Limited	-	14.43
Blue Ocean Biotech Private Limited	0.23	-
Borrowings-Unsecured loan		
Mr. Chandra Sekhar Moturu	11.26	0.74
Mr. Ragdeep Moturu	0.56	0.66
Managerial Remuneration Payable		
Mr. Chandra Sekhar Moturu	0.68	-
Mr. Ragdeep Moturu	0.71	-
Mr. Sundararama Sarma Gorepati	0.22	-
Mrs. Krishna Kumari Moturu	0.16	-
Mr. Arundeeep Moturu	0.16	-
Ms. Disha Jindal	0.09	-
Retention Money Payable		
Arun Kapital Networks	-	56.42
Advances received from customer		
Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	-	3.29
Advance to suppliers		
Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	0.92	-
Arun Infotech	-	1.61
Ingwenya Mineral Tech Private Limited	-	3.50
Reimbursement of expenses payable		
Mrs. Krishna Kumari Moturu	0.65	-
Ms. Disha Jindal	0.00	-
Staff Advance		
Mr. Arundeeep Moturu	0.05	5.12
Mr. Sundararama Sarma Gorepati	-	0.77
Share Issue Expenses Receivable		
Mr. Chandta Sekhar Moturu	8.97	-
Corporate Guarantee Given		
Ardee Drives Private Limited (formerly Balaji Drives Private Limited)	52.50	-

Notes :

- Personal guarantees were provided by Chandra Sekhar Moturu and Ragdeep Moturu towards borrowings facilities availed by the Company, where applicable. (refer Note 17.1)
- All the related party transactions entered during the year were in ordinary course of business and on arm length basis.
- Liability for gratuity on actuarial valuation basis are provided for the Company as a whole. Accordingly, amount pertaining to key managerial personnel are not included.



Ardee Engineering Limited

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Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

36 Fair value measurements**36.1 The carrying amounts of financial assets and financial liabilities by categories were as follows:**

Particulars	Notes	FVTPL	FVTOCI	Amortised cost
As at March 31, 2025				
Financial assets				
Investments*	8	8.63	-	5.65
Trade receivables	12	-	-	2,358.77
Cash and cash equivalents	13	-	-	1.54
Bank balances other than cash and cash equivalents	14	-	-	166.71
Other financial assets	9	-	-	1,066.95
Total financial assets		8.63	-	3,599.62
Financial liabilities				
Borrowings	17	-	-	3,131.72
Trade payables	18	-	-	2,155.07
Other financial liabilities	19	-	-	28.13
Total financial liabilities		-	-	5,314.92

*Investments in associate are valued at cost

As at March 31, 2024

Financial assets				
Investments*	8	7.96	-	5.45
Trade receivables	12	-	-	1,558.63
Cash and cash equivalents	13	-	-	1.08
Bank balances other than cash and cash equivalents	14	-	-	242.27
Other financial assets	9	-	-	1,053.49
Total financial assets		7.96	-	2,860.92
Financial liabilities				
Borrowings	17	-	-	1,850.59
Trade payables	18	-	-	1,698.37
Other financial liabilities	19	-	-	77.98
Total financial liabilities		-	-	3,626.94

*Investments in associate are valued at cost



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Ardee Engineering Limited

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Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

36.2 Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data)

Particulars	Notes	Level 1	Level 2	Level 3	Total
As at March 31, 2025					
Financial assets measured at fair value - recurring fair value measurements					
At FVTPL					
Investment in mutual funds	8	8.63	-	-	8.63
Financial assets measured at amortised cost for which fair values are disclosed					
Security deposits	9	-	-	32.42	32.42
Total financial assets		8.63	-	32.42	41.05
Financial liabilities measured at amortised cost for which fair values are disclosed					
Borrowings	17	-	-	3,131.72	3,131.72
Total financial liabilities		-	-	3,131.72	3,131.72
As at March 31, 2024					
Financial assets measured at fair value - recurring fair value measurements					
At FVTPL					
Investment in mutual funds	8	7.96	-	-	7.96
Financial assets measured at amortised cost for which fair values are disclosed					
Security deposits	9	-	-	9.34	9.34
Total financial assets		7.96	-	9.34	17.30
Financial liabilities measured at amortised cost for which fair values are disclosed					
Borrowings	17	-	-	1,850.59	1,850.59
Total financial liabilities		-	-	1,850.59	1,850.59

There have been no transfers between Level 1, Level 2 and Level 3 during the current year and previous year.

36.3 Methods and assumptions

The following methods and assumptions were used to estimate the fair values:

- The fair value of borrowings is estimated by discounting the future contractual cash flows at the current market interest rates. The own non performance risk as at year end was assessed to be insignificant. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.
- The fair value of security deposits were calculated based on future cash flows using a current lending rate. These are based on discounted cash flow analysis. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The Company has not disclosed the fair values of financial instruments such as trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents and trade payables, because their carrying amounts are a reasonable approximation of fair value.
- The mutual funds are valued using the closing NAV. These instruments are classified as level 1 fair values in the fair value hierarchy.



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Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

37 Financial risk management

37.1 General objectives, policies and processes

The Company is exposed through its operations to the following financial risks: (i) Credit risk; (ii) Market risk comprising of interest rate risk, foreign exchange risk and other price risk; and (iii) Liquidity risk.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous year unless otherwise stated in this note.

The Board has the overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

37.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's trade receivables, security deposits, bank balances and other financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2025 and March 31, 2024 is the carrying amounts of financial assets as per Note 36.

None of the Company's cash equivalents, other bank balances and security deposits were past due or impaired as at March 31, 2025 and March 31, 2024.

Trade receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and location in which customers operate. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period.

The Company makes provision of expected credit losses on trade receivables using a provision matrix. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and Company makes appropriate provision wherever outstanding is for longer period and involves higher risk. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10 and 13. The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The movement in provision for expected credit loss for trade receivables are as follows:

Particulars	Amount
Loss allowance as at April 1, 2023	149.30
Increase in loss allowance recognised in profit or loss during the year	24.06
Less: Utilised during the year	(32.21)
Loss allowance as at March 31, 2024	141.15
Increase in loss allowance recognised in profit or loss during the year	45.55
Less: Utilised during the year	(4.37)
Loss allowance as at March 31, 2025	182.33

37.3 Market risk

Market risk arises from the Company's use of interest-bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with variable interest rates.

(i) Exposure to interest rate risk

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings with variable rate of interest	1,970.32	1,549.52
Borrowings with fixed rate of interest	1,161.40	299.67

(ii) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of variable interest-bearing borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on such floating rate borrowings, as follows:

Particulars	Increase/ decrease in basis points	Balance	Effect on profit before tax
March 31, 2025	+100/-100	1,970.32	19.70
March 31, 2024	+100/-100	1,549.52	15.50



Ardee Engineering Limited

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(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

(b) Foreign exchange risk

The Company has no foreign currency receivables or payables as on March 31, 2025 and March 31, 2024 and therefore foreign exchange risk is not applicable.

37.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

a) Maturities of financial liabilities

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

As at March 31, 2025	Note	Carrying amount	Contractual cash flows					
			Total	Up to 3 Months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Lease liabilities	6	43.21	52.35	5.04	14.54	14.23	18.54	-
Borrowings	17	3,131.72	3,139.25	2,022.50	204.47	261.49	457.82	192.97
Trade payables	18	2,155.07	2,155.07	1,531.13	623.94	-	-	-
Other financial liabilities	19	28.13	28.13	27.43	0.70	-	-	-
Total		5,358.13	5,374.80	3,586.10	843.65	275.72	476.36	192.97

As at March 31, 2024	Note	Carrying amount	Contractual cash flows					
			Total	Up to 3 Months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Lease liabilities	6	21.78	24.50	3.21	8.31	9.49	3.49	-
Borrowings	17	1,850.59	1,856.76	746.25	736.47	98.27	197.67	78.10
Trade payables	18	1,698.37	1,698.37	1,171.85	526.52	-	-	-
Other financial liabilities	19	77.98	77.98	21.56	56.42	-	-	-
Total		3,648.72	3,657.61	1,942.87	1,327.72	107.76	201.16	78.10

The interest payments on variable interest rate borrowings in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on contingent consideration may be different from the amount in the above table as the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.



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S No.	Ratio	Times/%	Formula	Particulars		Ratio as on		Change March 31, 2025 Vs March 31, 2024	Reason for change more than 25%
				Numerator	Denominator	March 31, 2025	March 31, 2024		
(a)	Current Ratio	times	Current Assets / Current Liabilities	Current Assets	Current Liabilities	1.02	1.10	-7.59%	Not major variance
(b)	Debt-Equity Ratio	times	Debt / Equity	Debt= long term borrowing + Short-term borrowings	Equity= Share capital + Reserve and Surplus	2.29	2.12	7.81%	Not major variance
(c)	Debt Service Coverage Ratio	times	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	1.62	2.19	-26.05%	Variance on account of increase in interest cost were higher compared to the profitability during the year, mainly on account of increase in borrowing.
(d)	Return on Equity	%	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes	Average shareholder's equity	44.31	48.15	-7.98%	Not major variance
(e)	Inventory Turnover Ratio	times	Cost of Goods Sold / Average Inventory	Cost of goods sold	(Opening Inventory + Closing Inventory) / 2	5.36	7.23	-25.91%	Variance on account of increase in inventory as on March 31, 2025 compared to March 31, 2024
(f)	Trade Receivables Turnover Ratio	times	Net Credit Sales / Average Trade Receivables	Net credit sales	(Opening trade receivables + Closing trade receivable) / 2	3.98	5.18	-23.21%	Not major variance
(g)	Trade Payables Turnover Ratio	times	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables) / 2	2.91	3.44	-15.49%	Not major variance
(h)	Net Capital Turnover Ratio	times	Revenue / Working Capital	Revenue from operations	Working capital= Current assets - current liabilities	80.50	17.81	351.91%	Variance on account of increase in revenue and decrease in net working capital in FY25 compared to FY24
(i)	Net Profit	%	Net Profit / Net Sales	Net profit	Net sales	6.37	4.66	36.61%	Ratio has improved on account of increase in revenue and profit in current year.
(j)	Return on Capital Employed	%	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liability	20.84	20.91	-0.32%	Not major variance
(k)	Return on Investment	%	Investment income / Net investment	Income generated from invested funds	Average invested funds in treasury investments	11.27	3.44	227.20%	Increase on account of increase in investments in fixed deposits and interest earned on fixed deposits during FY25



39 Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker (CODM) to make decisions for which discrete consolidated financial statements is available. The Company is a design, engineering and manufacturing Company which is engaged in turnkey PEB projects, material handling and processing solutions, electrical and automation solutions, heavy structural and precision engineering solutions. The CODM identified entire business as a single reportable segment, hence segment reporting is not applicable.

40 Capital management

The Company's objectives when maintaining capital are:

- (a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (b) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the net debt to equity ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as the total borrowings and lease liabilities less cash and cash equivalents and other bank balances.

The debt-to-adjusted-capital ratios were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings and lease liabilities	3,174.93	1,872.37
Less: Cash and cash equivalents and other bank balances	(292.00)	(266.66)
Net debt	2,882.93	1,605.71
Equity share capital	200.00	200.00
Other equity	1,168.36	671.70
Total equity	1,368.36	871.70
Net debt to equity ratio (times)	2.11	1.84

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

41 Contingent liabilities and commitments

41.1 Contingent liabilities

- (a) There are no claims against the Company not acknowledged as debt as on March 31, 2025 and March 31, 2024.

(b) Guarantees excluding financial guarantees

Particulars	As at March 31, 2025	As at March 31, 2024
Corporate guarantee given to related party (Refer note 35)	52.50	-
Total	52.50	-

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related assets are recognised.

41.2 Commitments - There are Capital commitments amounting to Rs. 8.00 Mn as on March 31, 2025 (March 31, 2024- NIL)

42 Audit Trail

The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the transactions recorded in the software. Further, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of the preceding year, has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the accounting software.

43 Subsequent events

Pursuant to approval of Board and and Shareholders vide meetings dated July 4, 2025 and July 9, 2025 respectively, the company has issued 410,000 equity Shares on preferential basis at the issue price of Rs. 425/- per equity share having Face value of Rs. 5/- per equity share (i.e. including Securities Premium at Rs. 420/- per equity share).

The management has assessed the subsequent events to the reporting period and is of the view that there are no material events which require adjustment or disclosure in the financial statements except as disclosed in financial statements.

44 Other regulatory information

(i) Details of benami property held

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.

(ii) Borrowings secured against current assets

The Company has borrowings secured against current assets and statements of current assets filed by the Company with banks are in agreement with the books of accounts.



Ardee Engineering Limited

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(CIN: U29100TG2020PLC141953)

Notes forming part of Standalone Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

(iii) Wilful defaulter

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

(iv) Relationship with struck off companies

The Company does not have any relationship with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017.

(vi) Undisclosed income

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

(vii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current period or previous years.

(viii) Registration of charges or satisfaction with ROC

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

(ix) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact in the current or previous financial

(x) Utilisation of borrowed funds and share premium

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:

- 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 to or on behalf of the ultimate beneficiaries.

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:

- 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.

45 The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

46 Previous year figures have been regrouped/reclassified wherever necessary to correspond with current year's classification/disclosures.

47 These Standalone Financial Statements were approved for Issue in accordance with a resolution of the board of directors on August 29, 2025.

As per our report of even date attached

For C Venkat Krishna & Co

Chartered Accountants

ICAI Firm Registration No.: 004599S

For M S K C & Associates LLP

(formerly known as M S K C & Associates)

Chartered Accountants

ICAI Firm Registration No.: 001595S/S000168

For and on behalf of the Board of Directors

Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

P.V.N Sastry

Partner

Membership No. 029098

Tarun Kumar Jain

Partner

Membership No. 231741

Chandra Sekhar MoturuChairman and Managing Director
DIN 02010969**Ragdeep Moturu**Whole-time Director
DIN 07587747Place: Hyderabad
Date: August 29, 2025

Krishna Kumari Moturu
Executive Director and
Chief Financial Officer
DIN 10376709

Place: Hyderabad
Date: August 29, 2025

Disha Jindal
Company Secretary and
Compliance Officer
Membership No. A65058



C. Venkat Krishna & Co
Chartered Accountants

4th Floor, Owners Pride Plot No 1717
Road No. 12, Banjara Hills,
Hyderabad - 500 034.

M S K C & Associates LLP
(formerly known as M S K C & Associates)
Chartered Accountants
1101/B, Manjeera Trinity Corporate,
JNTU-Hitech City Road, Kukatpally,
Hyderabad- 500 072.

INDEPENDENT AUDITORS' REPORT

To the Members of Ardee Engineering Limited [Formerly known as Ardee Engineering Private Limited]

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Ardee Engineering Limited [Formerly known as Ardee Engineering Private Limited] (hereinafter referred to as the "the Company") and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information 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 consideration of reports of other auditors on separate financial statements and on the other financial information of associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Company and its associates as at March 31, 2025, and of consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

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 SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) & (b) of the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Director's 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditors responsibilities relating to other information'.



Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Company including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the Company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and of its associates for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Company, as aforesaid.

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

The respective Board of Directors of the Company and of its associates are responsible for overseeing the financial reporting process of each company.

Auditors' 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 Standards on Auditing ("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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matter:

- a) The consolidated financial statements include the Company's share of net profit (including other comprehensive income) of Rs. 6.61 million for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of the other auditor.



- b) The consolidated financial statements include the Company's share of net loss (including other comprehensive income) of Rs (0.03) million for the period November 27, 2024, to March 31, 2025, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by M S K C & Associates LLP. These financial statements have been audited by one of the joint auditor M/s. C. Venkat Krishna & Co., whose report have been furnished to M/s M S K C & Associates LLP, by the Management and M S K C & Associates LLP opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of the other joint auditor.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the associates referred to in the Other Matters section above we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion proper books of accounts as required by law relating to preparation of the aforesaid Consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Company as on March 31, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate companies incorporated in India, none of the directors of the company, its associate companies incorporated in India are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations which would impact the consolidated financial position of the Company and its associates.
 - ii. The Company and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.



iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, and its associate companies incorporated in India.

iv.

(1) The respective Managements of the Company and its associates 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 associates respectively that, to the best of their 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 or any of such associates to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The respective Managements of the Company and its associates 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 associates respectively that, to the best of their knowledge and belief, no funds have been received by the Company or any of such associates from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company or any of such associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(3) 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 associates which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company and its associate Companies which are incorporated in India, whose financial statements have been audited under the Act, have neither declared nor paid any dividend during the year.

vi. A. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year, has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the prior year as explained in Note 41 to the financial statements.

B. In respect of one associate, on consideration of the auditor's report issued by the other auditor, the company has used an accounting software for maintaining their books of accounts for the year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility, and the same has been enabled and operated throughout the year for all relevant transactions recorded in the accounting software. Further,



as reported by the other auditors there are no instances of audit trail feature being tampered with.

C. In respect of one associate, on consideration of the auditor's report issued by the one of the joint auditor, the company has not used any accounting software for maintaining its books of account for the period November 27, 2024, to March 31, 2025 [refer note 41 to the financial statements]. Hence, reporting under the Rule 11(g) of Companies (Audit and Auditors) Amendment Rules, 2021 read with sub-section 3 of Section 143 of the Companies Act, 2013, is not applicable to the associate company.

2. In our opinion, according to information and explanations given to us, the remuneration paid by the Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder, except in case of two associates, as the provision of the aforesaid section is not applicable to private companies.
3. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by us for the Company and on consideration of Companies (Auditor's Report) Order 2020 (CARO) reports issued by the respective auditors of the associates issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

Sr. No	Name of the Company	CIN	Type of Company (Holding /Subsidiary/ Associate)	Clause number of the CARO Report which is qualified or Adverse
1	Ardee Engineering Limited (formerly known as Ardee Engineering Private Limited)	U29100TG2020PLC141953	Company	Clause i(c)

For C. Venkat Krishna & Co
Chartered Accountants
ICAI Firm Registration Number: 045995



P.V.N Sastry
Partner
Membership No. 029098
UDIN: 25029098BMIUNS4245

Place: Hyderabad
Date: August 29, 2025



For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number: 001595S/S000168



Tarun Kumar Jain
Partner
Membership No. 231741
UDIN: 25231741BMLLAA7635

Place: Hyderabad
Date: August 29, 2025



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ARDEE ENGINEERING LIMITED [ARDEE ENGINEERING PRIVATE LIMITED]

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting 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 Company and its associates 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 Company and its associates 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 Company and its associates 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 or business activities 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 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.



C. Venkat Krishna & Co
Chartered Accountants

M S K C & Associates LLP
[formerly known as M S K C & Associates]
Chartered Accountants

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.

For C. Venkat Krishna & Co
Chartered Accountants

ICAI Firm Registration Number: 045995

P.V.N Sastry



P.V.N Sastry
Partner
Membership No. 029098
UDIN: 25029098BMIUNS4245

Place: Hyderabad
Date: August 29, 2025

For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants

ICAI Firm Registration Number: 001595S/S000168

Tarun Kumar Jain

Tarun Kumar Jain
Partner
Membership No. 231741
UDIN: 25231741BMLLAA7635

Place: Hyderabad
Date: August 29, 2025



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ARDEE ENGINEERING LIMITED [FORMERLY KNOWN AS ARDEE ENGINEERING PRIVATE LIMITED]

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Ardee Engineering Limited [formerly known as Ardee Engineering Private Limited] on the consolidated Financial Statements for the year ended March 31, 2025]

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls reference to consolidated financial statements of Ardee Engineering Limited [formerly known as Ardee Engineering Private Limited (hereinafter referred to as "the Company") which includes the internal financial controls over financial reporting of the Company.

Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to two associate companies incorporated in India namely Ingwenya Mineral Tech Private Limited & Ardee Yantrik Private Limited, pursuant to MCA notification GSR 583(E) dated 13th June 2017.

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

Management and Board of Director's Responsibility for Internal Financial Controls

The respective Management and the Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 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 consolidated 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 internal financial controls with reference to consolidated financial statements of the Company.


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 consolidated 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 control 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.

For C. Venkat Krishna & Co
Chartered Accountants
ICAI Firm Registration Number: 045995



P.V.N Sastry
Partner
Membership No. 029098
UDIN: 25029098BMIUNS4245

Place: Hyderabad
Date: August 29, 2025



For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number: 001595S/S000168



Tarun Kumar Jain
Partner
Membership No. 231741
UDIN: 25231741BMLLAA7635

Place: Hyderabad
Date: August 29, 2025



Consolidated Balance Sheet as at March 31, 2025

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
a) Property, plant and equipment	5	1,058.98	757.51
b) Capital work-in-progress	5A	804.01	-
c) Right-of-use assets	6	41.51	19.46
d) Intangible assets	7	1.66	1.84
e) Financial assets			
(i) Investments	8	13.64	6.86
(ii) Trade receivables	12	142.71	80.65
(iii) Other financial assets	9	125.19	24.28
f) Other assets	10	2.07	-
g) Deferred tax assets (net)	31	38.73	28.89
Total non-current assets		2,228.50	919.49
Current assets			
a) Inventories	11	1,212.28	683.53
b) Financial assets			
(i) Investments	8	8.63	7.96
(ii) Trade receivables	12	2,216.06	1,477.98
(iii) Cash and cash equivalents	13	1.54	1.08
(iv) Bank balances other than (iii) above	14	166.71	242.27
(v) Other financial assets	9	941.76	1,029.21
c) Other assets	10	335.95	260.12
Total current assets		4,882.93	3,702.15
Total assets		7,111.43	4,621.64
Equity and liabilities			
Equity			
a) Equity share capital	15	200.00	200.00
b) Other equity	16	1,176.35	673.11
Total equity		1,376.35	873.11
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	17	903.50	371.71
(ii) Lease liabilities	6	28.11	10.26
b) Provisions	21	17.30	13.03
Total non-current liabilities		948.91	395.00
Current liabilities			
a) Financial liabilities			
(i) Borrowings	17	2,228.22	1,478.88
(ii) Lease liabilities	6	15.10	11.52
Total outstanding dues of micro enterprises and small enterprises	18	258.24	1,028.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,896.83	670.00
(iii) Other financial liabilities	19	28.13	77.98
b) Provisions	21	2.41	1.91
c) Other current liabilities	20	335.54	79.90
d) Current tax liabilities (net)	22	21.70	4.97
Total current liabilities		4,786.17	3,353.53
Total liabilities		5,735.08	3,748.53
Total equity and liabilities		7,111.43	4,621.64

See accompanying notes forming part of the consolidated financial statements

1-46

As per our report of even date attached

For C Venkat Krishna & Co
Chartered Accountants

ICAI Firm Registration No.: 004599S

[Signature]

P.V.N Sastry
Partner
Membership No. 029098



Place: Hyderabad
Date: August 29, 2025

For M S K C & Associates LLP
(formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration No.: 001595S/S000168

[Signature]
Tarun Kumar Jain
Partner
Membership No. 231741



For and on behalf of the Board of Directors
Ardee Engineering Limited
(formerly known as Ardee Engineering Private Limited)

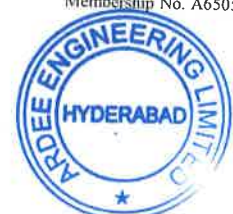
[Signature]
Chandra Sekhar Moturu
Chairman and Managing Director
DIN 02010969

[Signature]
Krishna Kumari Moturu
Executive Director and
Chief Financial Officer
DIN 10376709

Place: Hyderabad
Date: August 29, 2025

[Signature]
Ragdeep Moturu
Whole-time Director
DIN 07587747

[Signature]
Disha Jindal
Company Secretary and
Compliance Officer
Membership No. A65058



Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	23	7,789.03	6,209.90
Other income	24	38.11	18.47
Total Income (I)		7,827.14	6,228.37
Expenses			
Cost of materials consumed	25	4,886.41	4,080.48
Changes in inventories of work-in-progress	26	191.68	4.92
Employee benefits expense	27	352.28	272.56
Finance costs	28	271.96	156.01
Depreciation and amortisation expense	29	60.54	35.85
Other expenses	30	1,398.28	1,265.33
Total expenses (II)		7,161.15	5,815.15
Profit before share of profit from an associate and tax (I-II=III)		665.99	413.22
Share of profit from associates accounted using equity method (after tax) (IV)		6.58	1.41
Profit before tax (III+IV=V)		672.57	414.63
Tax expense	31		
Current tax		179.68	101.20
Adjustment of income tax relating to earlier years (net)		-	16.12
Deferred tax		(9.97)	6.26
Total tax expense (VI)		169.71	123.58
Profit after tax (V-VI=VII)		502.86	291.05
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability		0.51	1.00
Deferred tax relating to these items		(0.13)	(0.25)
Total other comprehensive income, net of tax (VIII)		0.38	0.75
Total comprehensive income for the year (VII+VIII=IX)		503.24	291.80
Earnings per equity share (Face value of Rs. 5 each)	33		
Basic (In INR)		12.57	7.65
Diluted (In INR)		12.57	7.65

See accompanying notes forming part of the consolidated financial statements 1-46

As per our report of even date attached
For C Venkat Krishna & Co
Chartered Accountants
ICAI Firm Registration No.: 004599S

For M S K C & Associates LLP
(formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration No.: 001595S/S000168

For and on behalf of the Board of Directors
Ardee Engineering Limited
(formerly known as Ardee Engineering Private Limited)

P.V.N Sastry

P.V.N Sastry
Partner
Membership No. 029098



Place: Hyderabad
Date: August 29, 2025

Tarun Kumar Jain

Tarun Kumar Jain
Partner
Membership No. 231741



Chandra Sekhar Moturu

Chandra Sekhar Moturu
Chairman and Managing Director
DIN 02010969

Krishna Kumari Moturu

Krishna Kumari Moturu
Executive Director and
Chief Financial Officer
DIN 10376709

Place: Hyderabad
Date: August 29, 2025

Ragdeep Moturu

Ragdeep Moturu
Whole-time Director
DIN 07587747

Disha Jindal

Disha Jindal
Company Secretary and
Compliance Officer
Membership No. A65058



Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

(CIN: U29100TG2020PLC141953)

Consolidated Statement of Changes in Equity for the year ended March 31, 2025

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

A. Equity share capital	Note	Number of shares	Amount
As at April 1, 2023 (Face Value of Rs. 10 each)		1,90,00,000	190.00
Change during the year	15	10,00,000	200.00
As at March 31, 2024 (Face Value of Rs. 10 each)		2,00,00,000	390.00
Sub-division of equity shares*	15	2,00,00,000	-
As at March 31, 2025 (Face Value of Rs. 5 each)		4,00,00,000	390.00

*Refer note 15 on Sub-division of equity shares

B. Other equity					
Particulars	Reserves and Surplus			Other comprehensive income	Total
	Securities premium	Retained earnings	Debenture Redemption Reserve	Remeasurement of defined benefit obligations routed through OCI	
Balance as at April 1, 2023	-	139.91	-	1.40	141.31
Profit for the year	-	291.05	-	-	291.05
Other comprehensive income, net of tax	-	-	-	0.75	0.75
Securities premium on issue of equity shares	240.00	-	-	-	240.00
Balance as at March 31, 2024	240.00	430.96	-	2.15	673.11
Profit for the year	-	502.86	-	-	502.86
Other comprehensive income, net of tax	-	-	-	0.38	0.38
Debenture Redemption reserve created	-	(15.00)	15.00	-	-
Balance as at March 31, 2025	240.00	918.82	15.00	2.53	1,176.35

See accompanying notes forming part of the consolidated financial statements

1-46

As per our report of even date attached

For C Venkat Krishna & Co

Chartered Accountants

ICAI Firm Registration No.: 004599S

For M S K C & Associates LLP

(formerly known as M S K C & Associates)

Chartered Accountants

ICAI Firm Registration No.: 001595S/S000168

For and on behalf of the Board of Directors

Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

P.V.N Sastry
Partner
Membership No. 029098



Place: Hyderabad
Date: August 29, 2025

Tarun Kumar Jain
Partner
Membership No. 231741



Chandra Sekhar Moturu
Chairman and Managing Director
DIN 02010969

Krishna Kumari Moturu
Executive Director and
Chief Financial Officer
DIN 10376709

Place: Hyderabad
Date: August 29, 2025

Ragdeep Moturu
Whole-time Director
DIN 07587747

Disha Jindal
Company Secretary and
Compliance Officer
Membership No. A65058



Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flow from operating activities		
Profit before tax	672.57	414.63
Adjustments for:		
Depreciation and amortisation expense	60.54	35.85
Interest expense on borrowings measured at amortised cost	254.93	142.37
Interest expense on lease liabilities	2.32	2.32
Interest income on security deposits	(0.18)	(0.12)
Interest income on fixed deposits	(19.17)	(8.97)
Gain on sale of Property, plant and equipment	(0.24)	-
Share of profit from an associate	(6.58)	(1.41)
Net gain on financial assets designated on FVTPL	(0.67)	(0.46)
Liabilities no longer required written back	(17.79)	(8.92)
Other borrowing costs	12.16	6.49
Provision for credit impaired trade receivables	45.55	24.07
Advance impaired written off	19.16	-
Operating profit before working capital changes	1,022.60	605.85
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(845.69)	(742.95)
Inventories	(528.75)	(236.97)
Other financial assets	87.16	(543.45)
Other assets	(29.99)	(156.54)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	431.63	901.37
Provision	5.28	4.34
Other financial liabilities	(49.85)	62.23
Other liabilities	255.64	(267.55)
Cash flows from/(used in) operations	348.03	(373.67)
Income tax paid (net of refund)	(162.95)	(111.45)
Net cash flow from/(used in) operating activities	A	(485.13)
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advance)	(1,157.61)	(482.49)
Proceeds from sale of property, plant and equipment	1.58	1.80
Investment in associate	(0.20)	(5.45)
Investment in mutual funds	-	(7.50)
Movement in bank balances other than cash and cash equivalent	(24.88)	(186.73)
Interest received on fixed deposits	19.17	8.97
Net cash flows (used in) investing activities	B	(1,161.40)
C. Cash flow from financing activities		
Proceeds from issuance of equity share capital including securities premium	-	250.00
Share issue expenses	(22.18)	-
Proceeds from long term borrowings	1,070.21	403.51
Repayment of long term borrowings	(241.98)	(71.26)
Proceeds from short term borrowings (net)	452.90	479.72
Interest paid on borrowings	(254.93)	(136.67)
Other borrowing costs	(12.16)	(6.49)
Payment towards principal portion of lease liability	(12.22)	(9.47)
Interest paid on lease liabilities	(2.32)	(2.32)
Net cash flows generated from financing activities	C	907.02
Net Increase/(decrease) in cash and cash equivalents	A+B+C	(249.51)
Cash and cash equivalents at the beginning of the year	1.08	250.59
Cash and cash equivalents at the end of the year (Refer Note 13)	1.54	1.08

See accompanying notes forming part of the consolidated financial statements

1-46

As per our report of even date attached
For C Venkat Krishna & Co
Chartered Accountants
ICAI Firm Registration No.: 0045995

For M S K C & Associates LLP
(formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration No.: 001595S/S000168

For and on behalf of the Board of Directors
Ardee Engineering Limited
(formerly known as Ardee Engineering Private Limited)

P. V. N. Sastry

P. V. N. Sastry
Partner
Membership No. 029098



Place: Hyderabad
Date: August 29, 2025

Tarun Kumar Jain
Tarun Kumar Jain
Partner
Membership No. 231741



Chandra Sekhar Moturu
Chandra Sekhar Moturu
Chairman and Managing Director
DIN 02010969

Krishna Kumari Moturu
Krishna Kumari Moturu
Executive Director and
Chief Financial Officer
DIN 10376709

Place: Hyderabad
Date: August 29, 2025

Ragdeep Moturu

Ragdeep Moturu
Whole-time Director
DIN 07587747

Disha Jindal

Disha Jindal
Company Secretary and
Compliance Officer
Membership No. A65058



1 Corporate information

Ardee Engineering Limited (formerly known as Ardee Engineering Private Limited) ('the Company'/'Ardee') is a design, engineering and manufacturing entity formed in year 2008 as a partnership firm. On July 20, 2020, the Partnership firm was converted into private limited company under the provisions of the Companies Act, 2013. Later, the Company was converted from private limited company to public limited company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on June 5, 2024 and consequently the name of the Company was changed to Ardee Engineering Limited w.e.f August 05, 2024. The registered office is located at H. No. 8-2-334/K/1, Flat Nos. 101, 102 & 103, Aditya Court, Road No. 5, Banjara Hills, Hyderabad - 500034, Telangana, India.

The Company is engaged in turnkey PEB projects, material handling and processing solutions, electrical and automation solutions, heavy structural and precision engineering solutions. Infrastructure, Irrigation, Mining and Minerals, Ports, Power and Oil and Gas, are the major sectors where Ardee has operated in.

The consolidated financial statements comprise the financial statements of the Company and its interest in associates (refer Note 37) for the year ended March 31, 2025 and for the year ended March 31, 2024

2 Summary of Material accounting policies

2.1 Basis of preparation

(a) Statement of compliance with Ind AS

The consolidated financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under section 133 of the Companies Act, 2013 ("the Act"), read with Rule 3 of the Companies (Indian Accounting standards) Rules, 2015, and other relevant provisions of the Act as amended from time to time and presentation requirements of Division II of Schedule III to the Act, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

This consolidated financial statements has been prepared on accrual basis and under historical cost convention, except for the following items (refer to individual accounting policies for detail):

- i. Certain financial instruments - Fair value through profit or loss
- ii. Net defined benefit asset / (liability) - Present value of defined benefit obligations

The Company has prepared the consolidated financial information on the basis that it will continue to operate as a going concern.

(c) Functional and presentation currency

The consolidated financial statements presented in Indian Rupees (Rs.) which is also the functional and presentation currency of the Company. All the amounts disclosed in the consolidated financial statements which also include the accompanying notes have been rounded off to the nearest millions except for share and per share data and where otherwise stated, up to two decimal places as per the requirement of Schedule III to the Companies Act, 2013.

(d) Use of estimates

The preparation of consolidated financial statements in conformity with principles of Ind AS requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

In particular, information about the significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are disclosed in note no 3.

(e) Classification between - Current and Non-current

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.

The Company classifies all other liabilities as non-current.

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

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has determined its operating cycle as 12 months for the purpose of its assets and liabilities as current and non-current.



Notes forming part of Consolidated Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

2.2 Basis of consolidation

The consolidated financial statements presented for the reporting years include the financial statements of the Company and its share in associates accounted in accordance with the relevant Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013.

Associates are entities over which the Company exercise significant influence but does not control. Significant influence is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Company in its capacity as an investor that provides it the power and consequential ability to direct the investee's activities and significantly affect the Company's returns from its investment. Such assessment requires the exercise of judgement and is disclosed by way of a note to the consolidated financial statements.

An investment in an associate is initially recognised at cost on the date of the investment, and inclusive of any goodwill/capital reserve embedded in the cost, in the Balance Sheet. The proportionate share of the associate in the net profits as also in the other comprehensive income is recognised in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount (referred as 'equity method').

The entities consolidated in consolidated financial statements for the year ended March 31, 2025 are listed below:

Particulars	Country of Incorporation	Relationship	Date of Incorporation or acquisition	% of effective ownership interest held (Directly/Indirectly)	
				March 31, 2025	March 31, 2024
Ardee Engineering Limited	India	Parent	July 20, 2020	-	-
Ingwenya Mineral Tech Private limited	India	Associate	February 02, 2008	21.63%	21.63%
Ardee Yantrik Private limited	India	Associate	November 27, 2024	40.00%	-

2.3 Property, plant and equipment

Property, plant and equipment ("PPE") are stated at cost, less accumulated depreciation and accumulated impairment loss, if any. The cost comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any expenditure directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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

Depreciation methods, estimated useful lives

Depreciation on property, plant and equipment is provided on a pro-rata basis on the Straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The estimated useful life, residual values and the depreciation method are reviewed at the end of each reporting period, with effect of any change in estimate accounted for on a prospective basis.

The useful life of assets are as follows:

Tangible assets	Useful life as per Schedule II	Useful life estimated by the management based on technical assessment
Buildings	30 years	15 - 30 years
Plant and machinery	15 years	3 - 15 years
Furniture and fixtures	10 years	10 years
Computers	3 years	3 years
Office equipments	5 years	5 - 10 years
Vehicles	8 years	8-15 years

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values are not more than 5% of the original cost of the asset.

In case of a revision of useful lives, the unamortized depreciable amount is charged over the revised remaining useful life.

2.4 Intangible assets

Intangible assets acquired are reported at cost less accumulated amortisation and accumulated impairment losses, if any. The cost comprises its purchase price and directly attributable cost of preparing the asset for its intended use. Amortisation is recognised on a Straight line method basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and the amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

The useful life of asset is as follows:

Asset	Useful lives
Software	5 years



2.5 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest Company of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or Group of assets (the "cash-generating unit").

2.6 Leases

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

Company as a lessee:

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

Right-of-use assets

The Company recognises right-of-use asset at the lease commencement date (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.5 Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the year in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

2.7 Fair value measurement

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

- 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.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized 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 recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (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.



Notes forming part of Consolidated Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

2.8 Inventories

Inventories are valued at the lower of cost and net realisable value.

i Raw materials, components and stores and spares:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average method. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

ii Work-in-progress:

Lower of cost and net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a moving weighted average basis.

iii Scrap:

Scrap is valued at net realizable value.

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

2.9 Revenue from contract with customers

Revenue is recognised to the extent that it is highly probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Contract with customers include pre-engineered building, material handling and engineering contracts along with erection and installation services. All the supplies and services are considered as one performance obligation as the Company believes underlying goods and services are single performance obligation, single commercial objective or the consideration in one contract depends on another.

In respect of the contracts, revenue is recognised over a period of time using the input method (equivalent to percentage of completion method POCM) of accounting with contract costs incurred determining the degree of completion of the performance obligation.

Percentage of completion is determined on the basis of proportion of the costs of shipment made and cost of erection incurred as against the total estimated cost of shipment and erection.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of a third party. Payment terms agreed with a customer are as per business practice, and there is no financing component involved in the transaction price.

Liquidated damages (LD) represents the expected claim which the Company may need to pay for non-fulfilment of certain commitments as per the terms of respective sales contract. These are determined on case to case basis considering the dynamics of each contract and the factors relevant to that sale.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs. Due to the uncertainties attached, the revenue on account of extra claims are accounted for at the time of acceptance / settlement by the customers.

The Company typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Interest income

Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty of realisation.

Contract balances

a. Contract Assets:

Revenue earned but not billed to customers against contract with customers is reflected as unbilled revenue under "Other financial assets" because the receipt of consideration is conditional on Company's performance under the contract (i.e. transfer control of related goods or services to the customer). Upon completion of the installation and acceptance by the customer, the amount recognised as unbilled revenue is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to the accounting policies on impairment of financial assets in note 2.13 Financial instruments – initial recognition and subsequent measurement.

b. Trade Receivables:

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 the accounting policies of financial assets in note 2.13 (Financial instruments – initial recognition and subsequent measurement).

c. Contract Liabilities:

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. These amounts are reflected as Advance from customers under "Other liabilities". Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).



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2.10 Retirement and other employee benefits

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Defined benefit Plan

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

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense/ (income) on the net defined benefit liability/ (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability/(asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972 which entitles an employee, who has rendered at least five years of continuous service, to gratuity payable on termination of his employment at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

2.11 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in determination of the net profit or loss for the year.

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered 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 year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in consolidated financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.12 Provisions, contingent liabilities and contingent assets

Provisions are recognized when there is 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. 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 recognized as a finance cost.

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or is a present obligation that arises from past event but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each reporting date.



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Notes forming part of Consolidated Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

2.13 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:

All financial assets are recognised initially at fair value plus, (in the case of financial assets not recorded at fair value through statement of profit and loss) transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed off in the statement of profit & loss. Trade receivable that does not contain a significant financing component are measured at transaction price.

Classification and subsequent measurement:

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition and impairment losses (if any) are recognised directly in profit or loss.

The Company's financial assets at amortised cost includes trade receivables and security deposit.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Company has not designated any financial asset (debt instruments) at FVOCI.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss.

The Company has designated investments in mutual funds (debt instruments) in this category.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's summary statements of assets and liabilities) 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.

Impairment of financial assets

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

For trade receivables 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 and equity

An instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement:

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

Financial liabilities at fair value through profit or loss: Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost: Financial liabilities are subsequently carried at amortised cost using the effective interest method.

This category generally applies to borrowings. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition:

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

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.



2.14 Investments in the nature of equity in Associate

Investment in associate are accounted for using the "equity method" less accumulated impairment, if any.

2.15 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 year.

The weighted average number of equity shares outstanding during the year adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.16 Segment Reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors monitors the operating results as a single segment considering activities of manufacturing, supply, erection and installation of pre-engineered buildings, material handling solutions and related services as one single operating segment. The analysis of geographical segments is based on the location in which the customers are situated.

3 Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, 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 years.

3.1 Judgements / estimates

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial information:

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 financial year, are described below:

a. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

b. 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.

(a) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the revenue to be recognized in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

Determining the expected losses, which are recognized in the period in which such losses become probable based on the expected total contract cost as of the reporting date.

(b) Useful lives of property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful lives of the assets.

(c) Contingent liabilities

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(d) Provision for expected credit losses of trade receivables and contract assets

The Company makes provision of expected credit losses on trade receivables using a provision matrix. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and the Company makes appropriate provision wherever outstanding is for longer period and involves higher risk.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(e) 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, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. The mortality table tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(f) Deferred tax recognition

Deferred tax asset (DTA) is recognized only when and to the extent there is convincing evidence that the Company will have sufficient taxable profits in future against which such assets can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, recent business performance and developments.



4 Recent accounting pronouncements

The Ministry of Corporate Affairs has notified amendments to various Indian Accounting Standards through the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 as under:

• Amendments to Ind AS 1 and Ind AS 10: Classification of Liabilities as Current or Non-current

These amendments are introduced to clarify the requirements on determining whether a liability is current or non-current and require new disclosures for non-current liabilities that are subject to future covenants. These amendments apply for the annual reporting periods beginning on or after April 1, 2025, while certain amendments are effective for annual reporting periods beginning on or after April 1, 2026. The Company is in the process of assessing the impact of these amendments, which will be applied retrospectively in accordance with Ind AS 8. These amendments may particularly affect the classification and disclosures relating to non-current borrowings subject to future covenant compliance.

• Amendments to Ind AS 107 and Ind AS 7: Supplier Finance Arrangements

These amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for the annual reporting periods beginning on or after April 1, 2025. The Company is in the process of assessing whether any of its supplier related financing arrangements fall within the scope of these amendments and, if so, will provide the required disclosures.

• Amendments to Ind AS 21: The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)

These amendments require assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable and also requires specific disclosures viz. the nature and financial effects of the currency not being exchangeable, the spot exchange rates used, the estimation process, and the risks to which the entity is exposed because of the currency not being exchangeable. The amendment also lays down transition requirements, while specifically stating that an entity shall not restate comparative information in applying Lack of Exchangeability. These amendments are effective from April 1, 2025; however, these amendments are not expected to have a material impact on the Company's financial statements as the Company's transactions are limited to currencies that are freely convertible and exchangeable, and management has assessed that no significant restrictions apply to its operations.

• Amendments to Ind AS 12: International tax reform—Pillar Two model rules

The amendments to Ind AS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation.

These amendments have no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules.



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Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

(CIN: U29100TG2020PLC141953)

Notes forming part of Consolidated Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

5 Property, plant and equipment

Gross Carrying value (at cost or deemed cost)									
	Land	Buildings	Plant and machinery	Furniture and fixtures	Computers	Office equipment	Vehicles	Total	
Balance as at April 1, 2023									
Additions	98.06	61.00	69.65	1.72	3.33	3.70	87.72	325.18	
Disposals	179.25	63.61	153.40	0.55	2.67	5.63	75.50	480.61	
Balance as at March 31, 2024									
Additions	277.31	124.61	223.05	2.27	6.00	9.33	161.21	803.78	
Disposals	247.39	-	41.51	0.47	2.18	10.00	49.06	350.61	
Balance as at March 31, 2025									
Accumulated depreciation	524.70	124.61	263.11	2.74	8.18	19.33	210.27	1,152.94	
Depreciation for the year	-	-	-	-	-	-	-	-	
Disposals	-	3.64	6.33	0.22	1.64	0.86	13.11	25.80	
Balance as at March 31, 2024									
Depreciation for the year	-	6.08	11.21	0.34	2.83	1.34	24.47	46.27	
Disposals	-	5.00	16.65	0.25	1.80	2.58	21.52	47.80	
Balance as at March 31, 2025									
Depreciation for the year	-	11.08	27.75	0.59	4.63	3.92	45.99	93.96	
Net carrying amount as at March 31, 2024									
Net carrying amount as at March 31, 2025	277.31	118.53	211.84	1.93	3.17	7.99	136.74	757.51	
	524.70	113.53	235.36	2.15	3.55	15.41	164.28	1,058.98	

Notes:

(i) The Company has not revalued its property, plant and equipment.

(ii) Refer Note 17.1 for details on property, plant and equipment subject to charge on secured borrowings.



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5A Capital work-in-progress

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	-	-
Additions during the year	804.01	-
Capitalised during the year	-	-
Closing balance	804.01	-

Ageing schedule

Particulars	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	2-3 years
Projects in progress (Refer notes below)	804.01	-	-
Projects temporarily suspended	-	-	-

As at March 31, 2024

Particulars	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	More than 3 years
Projects in progress	-	-	-
Projects temporarily suspended	-	-	-

Notes:

1. Project execution plans are reviewed periodically on the basis of Management's judgement and estimates w.r.t future business, technological developments / economy / industry / regulatory environment and all the projects are assessed as per periodic plan. There are no capital work-in progress projects, whose completion is overdue or has exceed its cost compared with its original plan as at March 31, 2025.
2. Refer Note 17.1 for details on property, plant and equipment subject to charge on secured borrowings.
3. Project in progress includes below:

Description of Property	Gross carrying value (Rs. in Mn)	Held in name of	Whether it is in name of promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Land at Seetharampur	631.51	Telangana Industrial Infrastructure Corporation Limited [TGILC Ltd]	No	From October 2024 to till date	The land was acquired by the Company pursuant to the agreement of sale dated March 11, 2025 entered between TGILC Ltd and the Company; The allotted land shall be utilised for setting up of "new manufacturing facility" as per Detailed project report. The transfer of title/Execution of Sale deed is subject to conditions stipulated in final allotment letter dated March 07, 2025. The entity has not incurred any amount for setting up of the new manufacturing facility as of the reporting date. The management is of the view that all the conditions stipulated are likely to be fulfilled.



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Notes forming part of Consolidated Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

6 Right of use assets and Lease liabilities
Right-of-use assets:

Description	Buildings	Plant and machinery	Total
Cost as at April 1, 2023	19.31	8.20	27.51
Additions	9.27	-	9.27
Deletions	-	-	-
Cost as at March 31, 2024	28.58	8.20	36.78
Additions	34.34	-	34.34
Deletions	-	-	-
Cost as at March 31, 2025	62.92	8.20	71.12
Accumulated depreciation as at April 1, 2023	5.60	1.89	7.49
Depreciation for the year	7.93	1.90	9.83
Deletions	-	-	-
Accumulated depreciation as at March 31, 2024	13.53	3.79	17.32
Depreciation for the year	10.40	1.89	12.29
Deletions	-	-	-
Accumulated depreciation as at March 31, 2025	23.93	5.68	29.61
Net carrying amount as at March 31, 2024	15.05	4.41	19.46
Net carrying amount as at March 31, 2025	38.99	2.52	41.51

Lease liabilities:

(i) Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning	21.78	22.27
Additions during the year	33.65	8.98
Accrual of interest	2.32	2.32
Interest paid on lease liabilities	(2.32)	(2.32)
Payment of lease liabilities	(12.22)	(9.47)
Closing balance	43.21	21.78
Less: Current lease liabilities	15.10	11.52
Non-current lease liabilities	28.11	10.26

(ii) Payments recognised as expenses:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term leases and low value assets (refer Note 30)	157.32	105.23

Notes:
(i) Leases where Company is a lessee

The Company has lease contracts for buildings and Industrial property which has lease term between 3 to 6 years. The Company also has lease contracts for plant and machinery, which has lease term of 6 years.

The Company also has certain leases of equipment, machinery and commercial space with lease term up to 12 months. The Company applies the recognition exemptions relating to short-term leases.

(ii) Contractual maturities of lease liabilities on undiscounted basis are disclosed in Note 36.



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Notes forming part of Consolidated Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

7 Intangible assets

Description	Computer Software
Cost as at April 1, 2023	0.52
Additions	1.59
Disposals	-
Cost as at March 31, 2024	2.11
Additions	0.27
Disposals	-
Cost as at March 31, 2025	2.38
Accumulated amortisation as at April 1, 2023	0.05
Amortisation for the year	0.22
Disposals	-
Accumulated amortisation as at March 31, 2024	0.27
Amortisation for the year	0.45
Disposals	-
Accumulated amortisation as at March 31, 2025	0.72
Net carrying amount as at March 31, 2024	1.84
Net carrying amount as at March 31, 2025	1.66

Note:

The Company has not revalued its intangible assets.

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8 Investments

	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Non-current				
Investment in Associate				
In unquoted equity shares (fully paid up) (accounted using equity method)				
(i) Ingwenya Mineral Tech Private limited - Equity shares having face value of Rs.100 each	90,870	13.47	90,870	6.86
(ii) Ardee Yantrik Private limited - Equity shares having face value of Rs.10 each*	20,000	0.17	-	-
		13.64		6.86

*The Company acquired 20,000 equity shares at face value Rs. 10 each amounting to Rs 0.20 Mn as subscriber to the memorandum of Ardee Yantrik Private Limited, incorporated on November 27, 2024 representing 40.00% of the total equity share capital.

Current

Investments in unquoted mutual funds (carried at fair value through profit and loss)

HDFC Short Term Debt-G	2,75,693.13	8.63	2,75,693.13	7.96
		8.63		7.96

Notes:

(a) Aggregate value of unquoted investments in equity shares	13.64	6.86
(b) Aggregate value of unquoted investments in mutual funds	8.63	7.96
(c) Change in fair value of the investments in mutual funds during the year	0.67	0.46
(d) Refer Note 35 for fair value measurements and Note 36 for information about the Company's exposure to financial risks.		
(e) Refer Note 17.1 for details on investments subject to charge on secured borrowings.		

9 Other financial assets (Unsecured, considered good)

	As at March 31, 2025	As at March 31, 2024
Non-current		
Security deposits	1.44	0.97
Deposits with maturity more than 12 months		
Margin money deposits with banks*	123.75	23.31
	125.19	24.28
Current		
Security deposits	30.98	8.37
Interest accrued on fixed deposits with bank	6.10	10.73
Unbilled revenue	898.78	1,005.74
Other receivables	5.90	4.37
	941.76	1,029.21

* Margin money deposits held against issuance of bank guarantees and letter of credits provided in favour of customers and suppliers.

10 Other assets

	As at March 31, 2025	As at March 31, 2024
Non-current		
Capital Advance	2.07	-
	2.07	-
Current		
Advances recoverable in kind or for value to be received	127.54	100.25
Prepaid expenses	9.73	2.46
Balance with government authorities	133.68	157.41
Share issue expenses*	65.00	-
	335.95	260.12

*During the year ended March 31, 2025, the Company incurred expenses in connection with the proposed Initial Public Offer (IPO) of equity shares of the Company by way of fresh issue and an offer for sale by the existing shareholders. In relation to the IPO expenses incurred till date, except for listing fees which shall be solely borne by the Company, all other expenses will be shared between the Company and the Selling Shareholders on a pro-rata basis, in proportion to the equity shares issued and allotted by the Company in the fresh issue and the offered shares sold by the selling shareholders in the offer for sale.

11 Inventories

	As at March 31, 2025	As at March 31, 2024
<i>All inventories except for scrap are valued at the lower of cost or net realisable value and scrap is valued at net realisable value</i>		
Raw material*	1,043.19	329.21
Work-in-progress	90.38	330.45
Store and spares	28.40	21.95
Scrap	50.31	1.92
	1,212.28	683.53

* includes goods-in-transit amounting to Rs. 11.58 Mn (March 31, 2024: Rs. 121.32 Mn)

Refer Note 37.1 for details on Inventories subject to charge on secured borrowings.



12 Trade receivables

	As at March 31, 2025	As at March 31, 2024
Non-Current		
Unsecured		
- Considered good	142.71	80.65
	142.71	80.65
Current		
Unsecured		
- Considered good	2,216.06	1,477.98
- Credit impaired	182.33	141.15
	2,398.39	1,619.13
Less: Allowance for credit impaired trade receivables (refer note g below)	(182.33)	(141.15)
	2,216.06	1,477.98

Notes:

- (a) Amounts due from related parties out of the above trade receivables (refer note 34)
(b) Trade receivables are non-interest bearing and are generally on credit terms of 0 to 90 days from date of invoicing other than retention money which is due upon expiry of defect liability period. The Company does not hold any collateral security.
(c) Trade receivables includes retention money aggregating to Rs. 238.57 Mn (March 31, 2024: Rs. 90.88 Mn).
(d) Refer Note 36 for information about the Company exposure to financial risks, and details of impairment losses for trade receivables and fair values.
(e) Refer Note 17.1 for details on trade receivables subject to charge on secured borrowings.
(f) No Trade receivables are due from directors or officers of the company.

(g) Ageing of Trade receivables

As at March 31, 2025								
Particulars	Non-current but not Due	Current but not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 Months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- considered good	142.71	1,538.68	267.14	367.00	42.32	0.92	-	2,358.77
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	1.96	29.31	67.26	28.77	55.03	182.33
Disputed trade receivables								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Subtotal	142.71	1,538.68	269.10	396.31	109.58	29.69	55.03	2,541.10
Less: Allowance for credit impaired trade receivables	-	-	(1.96)	(29.31)	(67.26)	(28.77)	(55.03)	(182.33)
Total	142.71	1,538.68	267.14	367.00	42.32	0.92	-	2,358.77

As at March 31, 2024								
Particulars	Non-current but not Due	Current but not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 Months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- considered good	80.65	965.42	226.86	73.68	159.22	52.80	-	1,558.63
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	141.15	-	141.15
Disputed trade receivables								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Subtotal	80.65	965.42	226.86	73.68	159.22	193.95	-	1,699.78
Less: Allowance for credit impaired trade receivables	-	-	-	-	-	(141.15)	-	(141.15)
Total	80.65	965.42	226.86	73.68	159.22	52.80	-	1,558.63



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(h) Expected credit loss (ECL)

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit in the normal course of business. Before accepting any new customer, the Company assesses the potential customer's credit quality.

The movement in the allowance for credit loss:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	141.15	149.30
Less: Written off during the year	(4.37)	(32.21)
Add: Provision created during the year	45.55	24.06
Closing balance	182.33	141.15

(i) Of the trade receivables balance of Rs. 1,785.45 Mn for the year ended March 31, 2025 (March 31, 2024: Rs 896.12 Mn) is due from Company's largest customers individually representing more than 5% of total trade receivables balance.

13 Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.12	0.31
Balances with banks:		
In current accounts	1.42	0.77
	1.54	1.08

14 Bank balances other than cash and cash equivalent

	As at March 31, 2025	As at March 31, 2024
Deposits with remaining maturity less than 12 months		
Margin money deposits with banks*	166.71	242.27
	166.71	242.27

* Margin money deposits held against issuance of bank guarantees and letter of credits provided in favour of customers and suppliers.



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15 Equity share capital

	As at March 31, 2025	As at March 31, 2024
Authorized share capital		
7,00,00,000 equity shares of Rs. 5 each* (March 31, 2024: 3,50,00,000 equity shares of Rs. 10 each)	350.00	350.00
Issued, subscribed and fully paid up		
4,00,00,000 equity shares of Rs. 5 each* (March 31, 2024: 2,00,00,000 equity shares of Rs. 10 each)	200.00	200.00
	200.00	200.00

(i) Shareholders vide the Extra-ordinary general meeting dated March 30, 2024 have approved increase in Authorised Equity Share Capital of the Company from Rs. 200.00 Mn divided into 20,00,00,000 Equity shares of Rs. 10 each to Rs. 350.00 Mn divided into 3,50,00,000 Equity shares of Rs. 10 each by addition of 1,50,00,000 equity shares of Rs. 10 each, ranking pari-passu with existing shares of the Company.

(ii) Sub-division of equity shares*

Pursuant to resolution passed by the Board of Directors on January 28, 2025 and resolution passed by the Shareholders on January 29, 2025, the company has made Sub-division of 1 (one) equity share of nominal/face value of Rs. 10 into 2 (two) equity shares of nominal/face value of Rs. 5 each, fully paid-up w.e.f. January 31, 2025. Accordingly, the authorised share capital of our Company was sub-divided from 3,50,00,000 equity shares of face value of ₹10 each to 7,00,00,000 Equity Shares of face value of Rs. 5 each.

Notes:

i) Reconciliation of Authorised equity shares at the beginning and at the end of the year:

Particulars	March 31, 2025		March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	3,50,00,000	350.00	2,00,00,000	200.00
Add: Increase in Authorised Share Capital (Refer note below)	-	-	1,50,00,000	150.00
Add: Sub-division of equity shares*	3,50,00,000	-	-	-
Balance at the end of the year	7,00,00,000	350.00	3,50,00,000	350.00

Note:

*Refer note above on Sub-division of equity shares.

ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	2,00,00,000	200.00	1,90,00,000	190.00
Add: Issue during the year (Refer note below)	-	-	10,00,000	10.00
Add: Sub-division of equity shares*	2,00,00,000	-	-	-
Outstanding at the end of the year	4,00,00,000	200.00	2,00,00,000	200.00

Note:

During FY 2023-24 vide board resolution dated March 28, 2024, the Company has issued 10,00,000 Equity shares with a face value of Rs. 10 each at issue price of Rs. 250 per equity share with premium of Rs. 240 per share.

*Refer note above on Sub-division of equity shares.

iii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5 per share (post split- Refer note above for details). Each shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv) Shares held by shareholders holding more than 5% shares of the aggregate shares of the Company:

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares#	% holding	No. of shares	% holding
Mr. Chandra Sekhar Moturu*	3,59,99,900	90.00%	1,79,99,950	90.00%
Mr. Ragdeep Moturu	40,00,000	10.00%	20,00,000	10.00%

* % holding as of March 31, 2025 and March 31, 2024 - 89.9998% are rounded off to 90.00%.

#Refer note above on Sub-division of equity shares.

v) Shareholding of promoters

Name of promoter	As at March 31, 2025		As at March 31, 2024		% change during the year
	No. of shares**	% holding	No. of shares	% holding	
Mr. Chandra Sekhar Moturu*	3,59,99,900	90.00%	1,79,99,950	90.00%	-
Mr. Ragdeep Moturu	40,00,000	10.00%	20,00,000	10.00%	-
Mrs. Krishna Kumari Moturu#	20	0.00%	-	-	100.00%
Mr. Arundee Moturu#	20	0.00%	-	-	100.00%

* % holding as of March 31, 2025 and March 31, 2024 - 89.9998% are rounded off to 90.00%.

Shares are transferred during FY 2023-24 vide resolution March 28, 2024 to the respective shareholders as indicate above, however the shareholders are categorised in the capacity of promoters vide board resolution dated September 17, 2024.
Refer note 17.1 for the details of promoters shares pledged

**Refer note above on Sub-division of equity shares.

Name of promoter	As at March 31, 2024		As at March 31, 2023		% change during the year
	No. of shares	% holding	No. of shares	% holding	
Mr. Chandra Sekhar Moturu*	1,79,99,950	90.00%	1,71,00,000	90.00%	0.00%
Mr. Ragdeep Moturu	20,00,000	10.00%	19,00,000	10.00%	-

* % holding as of March 31, 2024 - 89.9998% are rounded off to 90.00%.



16 **Other equity**

	As at March 31, 2025	As at March 31, 2024
Reserves and surplus		
Securities premium [Refer Note (i) below]	240.00	240.00
Retained earnings [Refer Note (ii) below]	918.82	430.96
Debenture redemption reserve [Refer Note (iii) below]	15.00	-
Other comprehensive income		
Remeasurement of net defined benefit plan [Refer Note (iv) below]	2.53	2.15
Total other equity	1,176.35	673.11

Notes:

Movement in reserves and surplus	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Securities premium		
Balance at the beginning of the year	240.00	-
Add: Issue of equity shares (refer note 15)	-	240.00
Balance at the end of the year	240.00	240.00
(ii) Retained earnings		
Balance at the beginning of the year	430.96	139.91
Less: Transfer to Debenture redemption reserve	(15.00)	-
Add: Net profit for the year	502.86	291.05
Balance at the end of the year	918.82	430.96
(iii) Debenture redemption reserve		
Balance at the beginning of the year	-	-
Add: Transfer from retained earnings	15.00	-
Balance at the end of the year	15.00	-
(iv) Other comprehensive income (OCI)		
Remeasurement of defined benefit obligations (liability net of tax)		
Balance at the beginning of the year	2.15	1.40
Add : Changes during the year	0.38	0.75
Balance at the end of the year	2.53	2.15

Nature of reserves:

(a) Securities premium

Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the section 52 of the Act.

(b) Retained earnings

Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Act.

(c) Debenture Redemption Reserve

Represents the amount transferred to separate reserve on account of issue of Redeemable non-convertible debentures and should be utilised in accordance with the provisions of the Act.

(d) Other comprehensive income (OCI)

Remeasurement of defined benefit plan include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to profit and loss.



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Ardee Engineering Limited

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(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

17 Borrowings

	As at March 31, 2025	As at March 31, 2024
Non current (at amortised cost)		
<u>Secured</u>		
a. Term loans		
(i) From banks	320.87	189.73
(ii) From non-banking financial companies	364.54	28.19
b. Vehicle and equipment loans		
(i) From banks	133.51	101.53
(ii) From non-banking financial companies	25.69	32.96
c. Business loan- Equipment refinance		
From banks	18.71	18.69
d. Redeemable non-convertible debentures		
From others	147.37	-
<u>Unsecured</u>		
a. Term loans		
(i) From non-banking financial companies	261.12	15.22
b. Working Capital - Business loans		
(i) From banks	-	6.55
(ii) From non-banking financial companies	45.67	36.89
c. Loan from others		
(i) Inter-corporate loan	-	59.49
Less: Current maturities of long-term borrowings	(413.98)	(117.54)
Total non current borrowings	903.50	371.71
Current (at amortised cost)		
<u>Secured</u>		
a. Loans repayable on demand from banks		
(i) Working capital demand loans	205.57	213.31
(ii) Cash credit facilities	469.20	453.40
b. Working capital facility - Channel finance		
(i) From non-banking financial companies	118.35	106.89
<u>Unsecured</u>		
a. Working capital facility - Channel finance		
(i) From non-banking financial companies	138.26	155.15
(ii) Through TReDs platform	868.83	431.19
b. Repayable on demand		
(i) From related parties	11.82	1.40
(ii) From others	2.21	-
Add: Current maturities of long-term borrowings	413.98	117.54
Total current borrowings	2,228.22	1,478.88

Refer Note 35 for fair value measurements and Note 36 for information about the Company's exposure to financial risks.



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17.1 Summary of borrowing terms:
The repayment terms and maturity terms of borrowings as stated below

<u>Non current borrowings</u>					
Particulars	Rate of interest (%)	Number of equal instalments	Maturity year	As at March 31, 2025	As at March 31, 2024
<u>Secured</u>					
<u>a. Term loans</u>					
(i) From banks (Refer Note 1 below)					
HDFC Bank Limited	9.00%	21 to 69 months	January 2025 to April 2027	26.24	43.77
ICICI Bank Limited	10.00%	84-114 months	October 2031 to October 2033	294.63	145.96
(ii) From non-banking financial companies (Refer Note 2 below)					
Tata Capital Financial Services Limited	11.00%	60 months	August 2028	21.38	28.19
Aditya Birla Capital Limited	12.50%	72 months	February 2031	343.16	-
<u>b. Vehicle and Equipment Loans (Refer Note 3 below)</u>					
(i) From banks					
HDFC Bank Limited	8.55% to 10.25%	12 to 39 months	November 2023 to February 2028	62.05	67.57
Yes Bank Limited	9.09% to 11.12%	36 to 46 months	May 2025 to February 2028	34.24	33.96
Axis Bank Limited	10.10%	35 months	October 2027 to November 2027	37.22	-
(ii) From non-banking financial companies					
Sundaram Finance Limited	11.25% to 12.48%	23 to 60 months	December 2026 to July 2028	25.69	25.57
Toyota Financial Services Private Limited	6.99%	36 months	December 2026	-	7.39
<u>c. Business loan- Equipment refinance (Refer Note 11 below)</u>					
Yes Bank Limited	11.00%	37 months	January 2028	18.71	18.69
<u>d. Redeemable non-convertible debentures (Refer Note 10 below)</u>					
RevX Capital	15.25%	12 months and 1 day	March 2026	147.37	-
<u>Unsecured</u>					
<u>a. Term loans from NBFC</u>					
Tata Capital Financial Services Limited	11.25% to 11.80%	36 months	May 2026 to July 2026	8.55	15.22
IKF Finance Limited	17.00%	36 months	January 2028	252.57	-
<u>b. Working capital - Business Loans</u>					
(i) From banks					
Axis Bank Limited	16.00%	36 months	February 2025	-	1.51
HDFC Bank Limited	15.00%	36 months	March 2025	-	2.88
Unity Small finance Bank limited	17.50%	36 months	March 2025	-	1.96
IDFC First Bank (Capital First Limited)	9.25% to 17.50%	36 to 48 months	December 2022 to August 2024	-	0.20
(ii) From non-banking financial companies					
Oxyzo financial services Private Limited	14.50%	18 months	October 2023 to March 2026	45.67	32.66
Other NBFCs	11.25% to 19.00%	18 to 48 months	December 2021 to March 2025	-	4.23
<u>c. Loan from others- (Refer note 8 below)</u>					
Inter-corporate loan*(EIR- 9.5%)	6.00% *	36 months	April 2025 to March 2027	-	59.49
Less: Current maturities of long-term borrowings				(413.98)	(117.54)
Total				903.50	371.71



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Current borrowings		
Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
a. Loans repayable on demand from banks		
(i) Working Capital Demand Loan (WC DL) (Refer Note 1 below)		
WC DL from HD FC Bank Limited	205.57	213.31
(ii) Cash Credit (Refer Note 1 and 4 below)		
HD FC Bank Limited	99.39	116.34
ICICI Bank Limited	56.58	37.77
State Bank of India	313.23	299.29
b. Working capital - Channel Finance (Refer Note 5 below)		
Tata Capital Financial Services Limited	118.35	106.89
Unsecured		
a. Working capital - Channel Finance- (Refer note 6 below)		
(i) From non-banking financial companies		
Aditya Birla Capital Limited	28.33	54.97
Oxyzo Financial Services Private Limited	109.93	100.18
(ii) Through TreDs platform		
Receivables Exchange of India Limited	653.98	293.36
A TREDS Limited	214.85	137.83
b. Repayable on demand		
From related parties- (Refer note 7 below)	11.82	1.40
From others - (Refer note 8 below)	2.21	-
Add: Current maturities of long-term borrowings	413.98	117.54
Total	2,228.22	1,478.88



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Notes:

1. Term Loan/Working Capital Demand Loan/Cash Credit

(i) Term Loan/Working Capital Demand Loan/Cash Credit from HDFC Bank Limited

- (a) Primary Security: Current Assets (Stock, Book Debtors), Plant & Machinery, Fixed deposit for Letter of credit, Bank guarantee, personal guarantee from directors and relative of directors
- (b) Collateral Security: One Immovable property owned by relative of director and additional three immovable properties given as co-collateral along with ICICI Bank Limited owned by Directors of the Company.
- (c) Working capital demand loan and cash credit carry interest rate of 9.35% p.a each and repayable on demand and the tenure ranging upto 365 days.
- (d) Personal guarantee has been provided by directors and relatives of directors of the company.

(ii) Term Loan/Cash Credit from ICICI Bank Limited

- (a) Exclusive charge on movable fixed assets, Company's immovable property located at Visakhapatnam, Andhra Pradesh, India and first pari passu on current assets and
- (b) Collateral Security: Three immovable properties given as co-collateral along with HDFC Bank Limited owned by Directors of the Company.
- (c) Cash credit facility carry interest at repo rate 6.50% plus spread of 3.25% p.a and repayable on demand and the tenure ranging upto 365 days.
- (d) Personal guarantee has been provided by directors and relatives of directors of the company.

2. Term loan from NBFC- (Secured)

- (i) Tata Capital loan is secured under the mortgage of Industrial property situated at IDA Patancheru, Sangareddy District, Telangana.
- (ii) Aditya Birla Capital Finance Limited Loan
- (a) Primary Security: Mortgage of Land and building to be constructed on the land located in Seetharampur, Hyderabad.
- (b) Exclusive charge created by way of hypothecation on moveable fixed assets of the company. Current Assets hypothecated as second pari passu charge
- (c) Personal guarantee has been provided by directors of the company.
- (d) Equity Shares of promoter Mr. Chandra Sekhar Moturu are pledged for the loan facility.

Unsecured Term loan from NBFC

- (iii) IKF Finance Limited: Loan is secured under the collateral of the following:
- a) Three properties owned by relative of directors of the company.
- (b) Personal guarantee has been provided by directors of the company.

3. Vehicle and Equipment loan from Bank and NBFC (Secured):

Security provided for the vehicle and equipment loans are the underlying assets for which loan has been obtained. First and exclusive charge through hypothecation on the assets purchased from loan proceeds.

4. Credit facility from SBI Bank (Secured)

- (i) First pari passu charge on stock and receivables
- (ii) Collateral security on equitable mortgage of industrial land with sheds constructed thereon at Pashamylaram, Sangareddy.
- (iii) Interest rate of 10.14% p.a and repayable on demand and the tenure ranging upto 365 days.
- (iv) Personal guarantee has been provided by directors of the company.

5. Working Capital/Channel Finance (Secured):

- (i) Primary charge on stocks and receivables funded out of Tata Capital Financial Services Limited. Collateral - Security on liquid funds i.e. mutual funds.
- (ii) Tata Capital loan is secured under the mortgage of Industrial property situated at IDA Patancheru, Sangareddy District, Telangana
- (iii) Personal guarantee has been provided by directors of the company.

6. Facility through TreDs platform / other NBFCs:

Interest ranging from 9.50% p.a to 14.50% p.a, with a credit period ranging from 45 to 120 days.

7. Loan from related parties

Interest free loan from related parties are repayable on demand.

8. Inter Corporate loan

Inter Corporate loan are obtained at the rate of interest of 6.00% per annum for a period extending upto 3 years and repayable along with interest. Interest is repayable as and when demanded by the lender.

9. Non-fund facilities from HDFC Bank Limited/ICICI Bank Limited/State Bank of India

- (i) The tenure of bank guarantees typically ranges from 3 months to 36 months, while the maximum tenor for letter of credit upto 180 days.
- (ii) Commissions on bank guarantees typically ranges from 0.75% p.a to 2.75% p.a, while commissions for letters of credit ranges from 0.70% p.a to 1.40% p.a.

10. Non convertible redeemable debentures

The tenure of the Debenture are 12 months and 1 days from the date of disbursement i.e., March 01, 2026 and carry fixed rate of interest at 15.25% p.a.

The debentures are secured as follows:

- (i) Total Security 1.10- times debentures Subscription Amount.
- (ii) Secondary ranking, charge on all existing and future cashflows of the issuer, existing and future fixed and current assets, other assets, including but not limited to inventory (if any), receivables, rental deposits, intangible assets including brand and intellectual property, uncalled share capital etc of the company.
- (iii) Personal guarantee has been provided by directors of the company.

11. Business loan- Equipment refinance

Security provided for the business loans obtained through refinance of equipments are the underlying assets for which loan has been obtained. First and exclusive charge through hypothecation on the assets.

12. The Company has not defaulted on working capital loan or any other loan payables.

13. Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such borrowings were taken.

14. Details of borrowings guaranteed by Directors and others:

Particulars	As at March 31, 2025	As at March 31, 2024
Directors	1,312.94	721.08
Directors and Relative of Directors	682.44	440.81



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17.2 Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	Borrowings		Lease liabilities		Total
	Non-current	Current	Non-current	Current	
As at March 31, 2023	154.81	878.11	12.95	9.32	1,055.19
Cash flows:					
Principal paid on lease liabilities	-	-	-	(9.47)	(9.47)
Interest paid on lease liabilities	-	-	-	(2.32)	(2.32)
Proceeds from long term borrowings	403.51	-	-	-	403.51
Repayment of long term borrowings	(71.26)	-	-	-	(71.26)
Proceeds from short term borrowings, net	-	479.72	-	-	479.72
Interest paid on borrowings	(31.21)	(105.45)	-	-	(136.66)
Non-cash flows:					
Movement from non-current to current	(117.54)	117.54	(11.67)	11.67	-
New leases	-	-	8.98	-	8.98
Interest expense during the year	33.40	108.96	-	2.32	144.68
As at March 31, 2024	371.71	1,478.88	10.26	11.52	1,872.37
Cash flows:					
Principal paid on lease liabilities	-	-	-	(12.22)	(12.22)
Interest paid on lease liabilities	-	-	-	(2.32)	(2.32)
Proceeds from long term borrowings	1,070.21	-	-	-	1,070.21
Repayment of long term borrowings	(124.44)	(117.54)	-	-	(241.98)
Proceeds from short term borrowings, net	-	452.90	-	-	452.90
Interest paid on borrowings	(78.78)	(176.15)	-	-	(254.93)
Non-cash flows:					
Movement from non-current to current	(413.98)	413.98	(15.80)	15.80	-
New leases	-	-	33.65	-	33.65
Interest expense during the year	78.78	176.15	-	2.32	257.25
As at March 31, 2025	903.50	2,228.22	28.11	15.10	3,174.93

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18 Trade payables

	As at March 31, 2025	As at March 31, 2024
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (MSME)*	258.24	1,028.37
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,896.83	670.00
Total trade payables	2,155.07	1,698.37

Notes:

Amounts due to related parties out of the above trade payable (refer note 34)

Refer Note 36 for information about the Company's exposure to financial risks.

Trade payables are non-interest bearing and are normally settled within 0 to 90 days.

*Includes Interest on delayed payment to MSMEs amounting to Rs. 1.03 Mn for the FY 2024-25 (FY 2023-24: NIL)

18.1 Trade payables ageing schedule

March 31, 2025

Particulars	Payables Not Due	Outstanding for following periods from due date of Payment					Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	200.77	57.44	0.03	-	-	258.24	
(ii) Disputed dues – MSME	-	-	-	-	-	-	
(iii) Others	1,330.36	528.52	28.65	8.45	0.85	1,896.83	
(iv) Disputed dues - Others	-	-	-	-	-	-	
Total	1,531.13	585.96	28.68	8.45	0.85	2,155.07	

March 31, 2024

Particulars	Payables Not Due	Outstanding for following periods from due date of Payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	976.46	51.91	-	-	-	1,028.37
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	494.25	112.13	39.49	23.36	0.77	670.00
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1,470.71	164.04	39.49	23.36	0.77	1,698.37



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19 Other financial liabilities

	As at March 31, 2025	As at March 31, 2024
Current		
Employee dues (refer Note 34)	27.43	21.56
Retention money	0.04	56.42
Payables on purchase of property, plant and equipment	0.66	-
	28.13	77.98

20 Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	13.66	20.76
Advance from customers	320.02	59.14
Liability towards corporate social responsibility	1.86	-
	335.54	79.90

21 Provisions

	As at March 31, 2025	As at March 31, 2024
Non-current		
Employee benefit obligation (refer Note 32)		
Provision for gratuity	17.30	13.03
	17.30	13.03
Current		
Employee benefit obligation (refer Note 32)		
Provision for gratuity	2.41	1.91
	2.41	1.91

22 Income tax (assets) / liabilities, net

	As at March 31, 2025	As at March 31, 2024
Provision for taxes	179.81	108.64
Less: Advance tax / TDS (net of refund)	(158.11)	(103.67)
	21.70	4.97

Refer Note 31 for tax expense details.

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23	Revenue from operations	For the year ended March 31, 2025	For the year ended March 31, 2024
	Revenue from contract with customers	7,767.20	6,205.07
	Other operating revenue		
	Scrap sale	21.83	4.83
		7,789.03	6,209.90
23.1	Disaggregated revenue information		
	In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major revenue streams and timing of revenue recognition.		
		For the year ended March 31, 2025	For the year ended March 31, 2024
	Primary geographical market		
	In India	7,789.03	6,209.90
	Outside India	-	-
		7,789.03	6,209.90
	Major revenue streams		
	Pre-engineered building	3,948.16	3,111.75
	Material handling systems	2,414.77	1,221.21
	Engineering Services	1,404.27	1,872.11
	Other	21.83	4.83
		7,789.03	6,209.90
	Timing of revenue recognition		
	At a point in time	21.83	4.83
	Over time	7,767.20	6,205.07
		7,789.03	6,209.90
23.2	Information about major customers (from external customers)		
	For the year ended March 31, 2025 the Company has derived revenue from 3 customers totalling to Rs. 3,822.88 Mn (For the year ended March 31, 2024- 3 customers totalling to Rs. 3,370.57 Mn) contributing individually 10% or more of the total revenue.		
23.3	Contract balances	As at March 31, 2025	As at March 31, 2024
	Trade receivables (refer Note 12)	2,358.77	1,558.63
	Contract assets (refer Note 9)	898.78	1,005.74
	Contract liabilities (refer Note 20)	320.02	59.14
24	Other income	For the year ended March 31, 2025	For the year ended March 31, 2024
	Interest income earned on financial assets		
	- Bank deposits	19.17	8.97
	- Other interest income	0.18	0.12
	Net gain on financial assets designated on FVTPL	0.67	0.46
	Liabilities no longer required written back	17.79	8.92
	Gain on sale of property, plant and equipment	0.24	-
	Miscellaneous income	0.06	-
		38.11	18.47
25	Cost of materials consumed	For the year ended March 31, 2025	For the year ended March 31, 2024
	Inventory at the beginning of the year	329.21	102.87
	Add: Purchases	5,600.39	4,306.82
	Less: Inventory at the end of the year	(1,043.19)	(329.21)
		4,886.41	4,080.48
26	Changes in inventories of work-in-progress	For the year ended March 31, 2025	For the year ended March 31, 2024
	Inventories at the beginning of the year		
	Work-in-progress	330.45	335.52
	Scrap	1.92	1.77
	Inventories at the ending of the year		
	Work-in-progress	(90.38)	(330.45)
	Scrap	(50.31)	(1.92)
	Net decrease/ (increase)	191.68	4.92



27	Employee benefits expense	For the year ended March 31, 2025	For the year ended March 31, 2024
	Salaries, wages and bonus	309.60	232.56
	Contribution to provident and other funds (refer Note 32)	16.06	12.65
	Gratuity (refer Note 32)	7.12	5.27
	Staff welfare expenses	19.50	22.08
		352.28	272.56
28	Finance costs	For the year ended March 31, 2025	For the year ended March 31, 2024
	Interest expense on		
	Borrowings measured at amortised cost	254.93	144.13
	Lease liabilities	2.32	2.32
	Income tax	2.55	3.07
	Other borrowing costs	12.16	6.49
		271.96	156.01
29	Depreciation and amortisation expense	For the year ended March 31, 2025	For the year ended March 31, 2024
	Depreciation on property, plant and equipment (refer Note 5)	47.80	25.80
	Depreciation on right-of-use assets (refer Note 6)	12.29	9.83
	Amortisation of intangible assets (refer Note 7)	0.45	0.22
		60.54	35.85
30	Other expenses	For the year ended March 31, 2025	For the year ended March 31, 2024
	Job work, installation and erection charges	558.62	546.91
	Labour charges	269.67	295.84
	Freight charges	108.76	120.16
	Rent	157.32	105.23
	Loading and unloading Charges	2.83	4.03
	Material testing charges	10.83	2.17
	Sand blasting charges	9.36	11.27
	Site civil works	45.27	29.27
	Security charges	11.39	7.18
	Stores and spares consumption	1.94	5.08
	Power and fuel	66.06	24.93
	Transportation charges	5.32	6.70
	Repair and maintenance	20.80	19.75
	Legal and professional charges	7.80	8.70
	Travelling and conveyance expenses	8.93	7.24
	Bank charges	1.37	5.52
	Auditor's remuneration	3.85	3.85
	Rates and taxes	16.75	10.92
	Expenditure for corporate social responsibility	4.56	2.18
	Provision for credit impaired trade receivables	45.55	24.07
	Advances impaired written off	19.16	-
	Miscellaneous expenses	22.14	24.33
		1,398.28	1,265.33



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31 Tax expense

(A) Income tax expense recognised in the Statement of profit and loss:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax:		
Current tax for the year	179.68	101.20
Adjustment of income tax relating to earlier years (net)	-	16.12
Deferred tax:		
Deferred tax for the year	(9.97)	6.26
Income tax expense recognised in the statement of profit or loss	169.71	123.58

(B) Income tax expense charged to other comprehensive income (OCI):

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Income tax impact on re-measurement of defined benefit plans	(0.13)	(0.25)
Income tax charged to OCI	(0.13)	(0.25)

(C) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	672.57	414.63
Tax rate applicable to the Company	25.17%	25.17%
Estimated tax expense on profit	169.27	104.35
Adjustment of income tax relating to earlier years (net)	-	16.12
Tax effect of expenditure disallowed under income tax	3.28	3.08
Others	(2.84)	0.03
Income tax expense	169.71	123.58

(D) Movement in deferred tax assets and deferred tax liabilities from March 31, 2024 to March 31, 2025:

Particulars	As at March 31, 2024	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in OCI	As at March 31, 2025
Property, plant and equipment and intangible assets	(10.41)	(6.18)	-	(16.59)
Right-of-use assets	(4.90)	(5.55)	-	(10.45)
Provision for credit impaired trade receivables	35.52	10.37	-	45.89
Provision for employee benefits	3.76	1.33	(0.13)	4.96
Lease liabilities	5.48	5.40	-	10.88
Others	(0.56)	4.60	-	4.04
Deferred tax assets (net)	28.89	9.97	(0.13)	38.73

Movement in deferred tax assets and deferred tax liabilities from March 31, 2023 to March 31, 2024:

Particulars	As at April 1, 2023	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in OCI	As at March 31, 2024
Property, plant and equipment and intangible assets	(4.84)	(5.58)	-	(10.41)
Right-of-use assets	(5.04)	0.14	-	(4.90)
Provision for credit impaired trade receivables	37.58	(2.06)	-	35.52
Provision for employee benefits	2.92	1.09	(0.25)	3.76
Lease liabilities	5.60	(0.12)	-	5.48
Others	(0.81)	0.25	-	(0.56)
Deferred tax assets (net)	35.41	(6.26)	(0.25)	28.89



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32 Employee benefit obligations

32.1 Post retirement benefit - Defined contribution

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The Company has recognised as an expense aggregating for the year ending March 31, 2025: Rs 16.06 Mn; (March 31, 2024: Rs 12.65 Mn) in respect of the defined contribution plans.

32.2 Post-employment benefit - Defined benefit

(a) Gratuity (unfunded)

Particulars

	Net defined benefit liability - Gratuity plan		
	Non-current	Current	Total
As at March 31, 2025	17.30	2.41	19.71
As at March 31, 2024	13.03	1.91	14.94

(b) The Company has a defined benefit gratuity plan in India (Gratuity plan). The Gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under this Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The plan was unfunded.

The plans are exposed to a number of risks, including:

- Interest rate risk: decreases/increases in the Discount rate used will increase/decrease the defined benefit obligation
- Attrition risk: Changes in the estimation of mortality rates of Current and former employees.
- Salary risk: increases in future salaries increase the gross defined benefit obligation.

Gratuity cost for the year ended March 31, 2025- Rs. 7.12 Mn (March 31, 2024- Rs. 5.27 Mn) has been included in Note 27 under employee benefits expense. The Company's gratuity plan is unfunded.

(c) Amount recognised in statement of profit and loss in respect of these defined benefit i.e. Gratuity plans are as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	6.11	4.44
Interest cost	1.01	0.83
Components of defined benefit costs recognised in statement of profit and loss	7.12	5.27
Remeasurement loss/(gain):		
Actuarial loss / (gain) arising from:		
Changes in demographic assumptions	(2.29)	0.53
Changes in financial assumptions	3.35	0.40
Experience adjustments	(1.57)	(1.93)
Components of defined benefit costs recognised in other comprehensive income	(0.51)	(1.00)
Balance as at the end of the year	6.61	4.27

(d) Reconciliation of net defined benefit obligation

	Year ended March 31, 2025	Year ended March 31, 2024
Balance as at the beginning of the year	14.94	11.60
Current service cost	6.11	4.44
Interest cost	1.01	0.83
Included in profit and loss (refer note 27)	7.12	5.27
Remeasurement loss/(gain):		
Actuarial loss / (gain) arising from:		
Changes in demographic assumptions	(2.29)	0.53
Changes in financial assumptions	3.35	0.40
Experience adjustments	(1.57)	(1.93)
Included in OCI	(0.51)	(1.00)
Benefits paid	(1.83)	(0.93)
Other movements	(1.83)	(0.93)
Balance as at the end of the year	19.71	14.94

(e) Actuarial assumptions

The principal actuarial assumptions used in determining the present value of the defined benefit obligations include:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount rate	7.02%	7.24%
Future salary growth	10.00%	8.00%
Attrition rate	10.00%	6.00%
Retirement age	60 years	60 years
Mortality rates	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)

The weighted-average duration of the defined benefit obligation as at March 31, 2025 is 10 years (March 31, 2024- 11 years) for gratuity plan.

(f) Maturity analysis

The expected maturity analysis of undiscounted gratuity obligations are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	2.47	1.96
2 to 5 years	5.52	3.51
6 to 10 years	8.76	6.08
> 10 years	26.93	27.28
Total	43.68	38.83



(g) Sensitivity analysis

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Defined benefit obligation

Actuarial assumptions	Discount rate		Future salary growth	
Reasonably possible change	(+ 1%)	(- 1%)	(+ 1%)	(- 1%)
	Increase	Decrease	Increase	Decrease
As at March 31, 2025	18.11	21.58	21.53	18.08
As at March 31, 2024	13.55	16.57	16.56	13.52

Actuarial assumptions	Attrition rate		Future mortality rates	
Reasonably possible change	(+ 1%)	(- 1%)	(+ 1%)	(- 1%)
	Increase	Decrease	Increase	Decrease
As at March 31, 2025	19.27	20.19	19.70	19.72
As at March 31, 2024	14.75	15.13	14.93	14.93

33 Earnings per share

The following reflects the income and share data used in the basic and diluted earnings per equity share computations:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after tax	502.86	291.05
Weighted average number of equity shares	4,00,00,000	3,80,21,918
Face value per share (Rs.)	5.00	5.00
Basic and Diluted earnings per equity share	12.57	7.65

Notes:

- Pursuant to sub-division of equity shares [Refer note 15 for details] the Basic and Diluted earnings per equity share presented are calculated reflecting such changes in the number of shares after considering the effect of sub-division on the outstanding numbers of equity shares for the current and previous years.
- No potential equity shares are outstanding as on March 31, 2025 and March 31, 2024 and there are no items giving rise to dilutive equity shares. Hence basic EPS is considered as diluted EPS.



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Ardee Engineering Limited
(formerly known as Ardee Engineering Private Limited)
(CIN: U29100TG2020PLC141953)
Notes forming part of Standalone Financial Statements
(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

34 Related party transactions

Names of related parties and description of relationship as identified by the Company:

A	Nature of Relationship	Name of the Party
	i) Associate	Ardee Yantrik Private Limited (w.e.f November 27, 2024) Ingwenya Mineral Tech Private Limited (w.e.f June 15, 2023)
	ii) Directors/ Key Managerial Personnel	Chandra Sekhar Moturu, Chairman and Managing Director Ragdeep Moturu, Whole-time Director Sundarama Sarma Gorrepati, Executive Director Arundee Moturu, Executive Director (Appointed w.e.f. August 25, 2024) Krishna Kumari Moturu, Executive Director and Chief Financial Officer (Appointed w.e.f. August 25, 2024) Ravikanth Mallina, Independent Director (Appointed w.e.f August 12, 2024) Visweswara Prasad Yalamanchili, Independent Director (Appointed w.e.f August 12, 2024) Ravinder Komaragiri, Independent Director (Appointed w.e.f August 12, 2024) Srinivas Aravapalli, Independent Director (Appointed w.e.f August 12, 2024) Anjaneyulu Krothapalli, Independent Director (Appointed w.e.f September 17, 2024) Sneha Sunkara, Independent Director (Appointed w.e.f January 27, 2025) Disha Jindal, Company Secretary (Appointed w.e.f. June 05, 2024) also appointed as Compliance officer w.e.f. October 23, 2024)
	iii) Entities in which Directors and Key Management Personnel ("KMP") have a significant influence / control with whom Company have made transactions during the reporting period/years	Ardee Drives Private Limited (formerly Balaji Drives Private Limited) Rotec Transmissions Private Limited Anvizen Consultants Private Limited Arun Kapital Networks Arun Computers Arun Infotech M/s ARCS Arovan Logistics ACS Engineering Solutions Blue Ocean Biotech Private Limited
	Relative of Directors of Company	Krishna Kumari Moturu (Upto August 24, 2024) Arundee Moturu (Upto August 24, 2024)



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B Transactions during the year with related parties

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of Goods		
Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited)	46.73	81.83
Rotec Transmissions Private Limited	15.80	14.57
Arun Kapital Networks	3.70	379.58
Ingwenya Mineral Tech Private Limited	138.62	-
M/s ARCS	-	0.04
ACS Engineering Solutions	-	13.88
Purchase of property, plant & equipment and Intangible assets		
Arun Computers	0.19	0.56
Arun Infotech	0.32	-
Arun Kapital Networks	0.96	-
Revenue from Contracts		
Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited)	31.44	12.00
Rotec Transmissions Private Limited	80.57	40.07
Arun Kapital Networks	-	11.34
Ingwenya Mineral Tech Private Limited	-	31.78
Blue Ocean Biotech Private Limited	6.17	-
Rent expense		
M/s ARCS	3.47	3.29
Interest Expense		
Anvizen Consultants Private Limited	2.10	-
Other expenses		
Arun Computers	0.34	1.32
Arun Kapital Networks	9.51	-
M/s ARCS	6.56	3.94
Arovan Logistics	19.41	25.57
Arun Infotech	1.04	-
Rotec Transmissions Private Limited	3.80	-
ICD taken		
Ingwenya Mineral Tech Private Limited	50.74	-
Blue Ocean Biotech Private Limited	130.00	-
Anvizen Consultants Private Limited	100.00	-
ICD repaid		
Ingwenya Mineral Tech Private Limited	50.74	-
Blue Ocean Biotech Private Limited	130.00	-
Anvizen Consultants Private Limited	100.00	-
Proceeds from Borrowings_Unsecured Loan		
Mr. Chandra Sekhar Moturu	41.50	143.30
Mr. Ragdeep Moturu	4.57	59.05
Corporate Guarantee Given		
Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited)	52.50	-
Repayments of borrowings_Unsecured Loan		
Mr. Chandra Sekhar Moturu	30.29	246.22
Mr. Ragdeep Moturu	3.96	72.35
Retention Money Paid		
Arun Kapital Networks	56.42	-
Advances from Customers		
Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited)	-	3.29



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Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Advance to suppliers		
Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited)	0.92	-
Ingwenya Mineral Tech Private Limited	-	3.50
Advance taken		
Arun Kapital Networks	56.00	-
Advance repaid		
Arun Kapital Networks	56.00	-
Staff Advance Given		
Mr. Arundee Moturu	2.40	1.86
Mr. Sundararama Sarma Gorrepati	-	0.15
Expenses reimbursed		
Mr. Sundararama Sarma Gorrepati	0.77	-
Staff Advance repaid		
Mr. Arundee Moturu	7.47	-
Investment in Associates		
Ardee Yantrik Private Limited	0.20	-
Ingwenya Mineral Tech Private Limited	-	5.45
Proceeds from issue of equity shares including securities premium		
Mr. Chandra Sekhar Moturu	-	225.00
Mr. Ragdeep Moturu	-	25.00
Reimbursement of expenses		
Arovan Logistics	0.86	-
ACS Engineering Solutions	0.20	-
Mr. Chandra Sekhar Moturu	0.75	-
Mr. Ragdeep Moturu	0.60	-
Mrs. Krishna Kumari Moturu	0.65	-
Ms. Disha Jindal	0.08	-
Employee benefits expense		
Mrs. Krishna Kumari Moturu	0.95	2.40
Mr. Arundee Moturu	0.95	2.40
Managerial Remuneration (Refer note iii below)		
Mr. Chandra Sekhar Moturu	3.98	3.30
Mr. Ragdeep Moturu	4.80	4.80
Mr. Sundararama Sarma Gorrepati	3.72	2.99
Mrs. Krishna Kumari Moturu	1.45	-
Mr. Arundee Moturu	1.45	-
Ms. Disha Jindal	0.91	-



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C Amount due to/from related parties :

Name of the related party	As at March 31, 2025	As at March 31, 2024
Trade Payables		
Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited)	-	115.07
Arun Computers	1.45	1.23
Arun Kapital Networks	2.65	-
Rotec Transmissions Private Limited	3.02	-
Ingwenya Mineral Tech Private Limited	4.05	-
M/s ARCS	2.21	2.60
ACS Engineering Solutions	8.74	11.41
Arovan Logistics	1.60	2.86
Investment in Associates (Including Share of profit)		
Ingwenya Mineral Tech Private Limited	13.47	6.86
Ardee Yantrik Private Limited	0.17	-
Trade Receivables		
Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited)	3.78	-
Rotec Transmissions Private Limited	24.97	31.69
Arun Kapital Networks	-	31.28
Ingwenya Mineral Tech Private Limited	-	14.43
Blue Ocean Biotech Private Limited	0.23	-
Borrowings-Unsecured loan		
Mr. Chandra Sekhar Moturu	11.26	0.74
Mr. Ragdeep Moturu	0.56	0.66
Rama Nimmagadda	-	-
Managerial Remuneration Payable		
Mr. Chandra Sekhar Moturu	0.68	-
Mr. Ragdeep Moturu	0.71	-
Mr. Sundararama Sarma Gorrepati	0.22	-
Mrs. Krishna Kumari Moturu	0.16	-
Mr. Arundee Moturu	0.16	-
Ms. Disha Jindal	0.09	-
Retention Money Payable		
Arun Kapital Networks	-	56.42
Advances received from customer		
Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited)	-	3.29
Advance to suppliers		
Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited)	0.92	-
Arun Infotech	-	1.61
Ingwenya Mineral Tech Private Limited	-	3.50
Reimbursement of expenses payable		
Mrs. Krishna Kumari Moturu	0.65	-
Ms. Disha Jindal	0.00	-
Staff Advance		
Mr. Arundee Moturu	0.05	5.12
Mr. Sundararama Sarma Gorrepati	-	0.77
Share Issue Expenses Receivable		
Mr. Chandra Sekhar Moturu	8.97	-
Corporate Guarantee Given		
Ardee Drives Private Limited (formerly Balaji Drives Pvt Limited)	52.50	-

Notes :

- Personal guarantees were provided by Chandra Sekhar Moturu and Ragdeep Moturu towards borrowings facilities availed by the Company, where applicable. (refer Note 17.1)
- All the related party transactions entered during the year were in ordinary course of business and on arm length basis.
- Liability for gratuity on actuarial valuation basis are provided for the Company as a whole. Accordingly, amount pertaining to key managerial personnel are not included.



Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

(CIN: U29100TG2020PLC141953)

Notes forming part of Consolidated Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

35 Fair value measurements**35.1 The carrying amounts of financial assets and financial liabilities by categories were as follows:**

Particulars	Notes	FVTPL	FVTOCI	Amortised cost
As at March 31, 2025				
Financial assets				
Investments*	8	8.63	-	13.64
Trade receivables	12	-	-	2,358.77
Cash and cash equivalents	13	-	-	1.54
Bank balances other than cash and cash equivalents	14	-	-	166.71
Other financial assets	9	-	-	1,066.95
Total financial assets		8.63	-	3,607.61
Financial liabilities				
Borrowings	17	-	-	3,131.72
Trade payables	18	-	-	2,155.07
Other financial liabilities	19	-	-	28.13
Total financial liabilities		-	-	5,314.92

*Investments in associates are accounted as per equity method

As at March 31, 2024

Financial assets				
Investments*	8	7.96	-	6.86
Trade receivables	12	-	-	1,558.63
Cash and cash equivalents	13	-	-	1.08
Bank balances other than cash and cash equivalents	14	-	-	242.27
Other financial assets	9	-	-	1,053.49
Total financial assets		7.96	-	2,862.33
Financial liabilities				
Borrowings	17	-	-	1,850.59
Trade payables	18	-	-	1,698.37
Other financial liabilities	19	-	-	77.98
Total financial liabilities		-	-	3,626.94

*Investments in associates are accounted as per equity method

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35.2 Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data)

Particulars	Notes	Level 1	Level 2	Level 3	Total
As at March 31, 2025					
Financial assets measured at fair value - recurring fair value measurements					
At FVTPL					
Investment in mutual funds	8	8.63	-	-	8.63
Financial assets measured at amortised cost for which fair values are disclosed					
Security deposits	9	-	-	32.42	32.42
Total financial assets		8.63	-	32.42	41.05
Financial liabilities measured at amortised cost for which fair values are disclosed					
Borrowings	17	-	-	3,131.72	3,131.72
Total financial liabilities		-	-	3,131.72	3,131.72
As at March 31, 2024					
Financial assets measured at fair value - recurring fair value measurements					
At FVTPL					
Investment in mutual funds	8	7.96	-	-	7.96
Financial assets measured at amortised cost for which fair values are disclosed					
Security deposits	9	-	-	9.34	9.34
Total financial assets		7.96	-	9.34	17.30
Financial liabilities measured at amortised cost for which fair values are disclosed					
Borrowings	17	-	-	1,850.59	1,850.59
Total financial liabilities		-	-	1,850.59	1,850.59

There have been no transfers between Level 1, Level 2 and Level 3 during the current year and previous year.

35.3 Methods and assumptions

The following methods and assumptions were used to estimate the fair values:

- The fair value of borrowings is estimated by discounting the future contractual cash flows at the current market interest rates. The own non performance risk as at year end was assessed to be insignificant. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.
- The fair value of security deposits were calculated based on future cash flows using a current lending rate. These are based on discounted cash flow analysis. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The Company has not disclosed the fair values of financial instruments such as trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents and trade payables, because their carrying amounts are a reasonable approximation of fair value.
- The mutual funds are valued using the closing NAV. These instruments are classified as level 1 fair values in the fair value hierarchy.



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Notes forming part of Consolidated Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

36 Financial risk management

36.1 General objectives, policies and processes

The Company is exposed through its operations to the following financial risks: (i) Credit risk; (ii) Market risk comprising of interest rate risk, foreign exchange risk and other price risk; and (iii) Liquidity risk.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous year unless otherwise stated in this note.

The Board has the overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

36.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's trade receivables, security deposits, bank balances and other financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2025 and March 31, 2024 is the carrying amounts of financial assets as per Note 35.

None of the Company's cash equivalents, other bank balances and security deposits were past due or impaired as at March 31, 2025 and March 31, 2024.

Trade receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and location in which customers operate. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period.

The Company makes provision of expected credit losses on trade receivables using a provision matrix. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and Company makes appropriate provision wherever outstanding is for longer period and involves higher risk. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10 and 13. The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The movement in provision for expected credit loss for trade receivables are as follows:

Particulars	Amount
Loss allowance as at April 1, 2023	149.30
Increase in loss allowance recognised in profit or loss during the year	24.06
Less: Utilised during the year	(32.21)
Loss allowance as at March 31, 2024	141.15
Increase in loss allowance recognised in profit or loss during the year	45.55
Less: Utilised during the year	(4.37)
Loss allowance as at March 31, 2025	182.33

36.3 Market risk

Market risk arises from the Company's use of interest-bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with variable interest rates.

(i) Exposure to interest rate risk

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings with variable rate of interest	1,970.32	1,549.52
Borrowings with fixed rate of interest	1,161.40	299.67

(ii) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of variable interest-bearing borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on such floating rate borrowings, as follows:

Particulars	Increase/ decrease in basis points	Balance	Effect on profit before tax
March 31, 2025	+100/-100	1,970.32	19.70
March 31, 2024	+100/-100	1,549.52	15.50



(b) **Foreign exchange risk**

The Company has no foreign currency receivables or payables as on March 31, 2025 and March 31, 2024 and therefore foreign exchange risk is not applicable.

36.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

a) Maturities of financial liabilities

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

As at March 31, 2025	Note	Carrying amount	Contractual cash flows					
			Total	Up to 3 Months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Lease liabilities	6	43.21	52.35	5.04	14.54	14.23	18.54	-
Borrowings	17	3,131.72	3,139.25	2,022.50	204.47	261.49	457.82	192.97
Trade payables	18	2,155.07	2,155.07	1,531.13	623.94	-	-	-
Other financial liabilities	19	28.13	28.13	27.43	0.70	-	-	-
Total		5,358.13	5,374.80	3,586.10	843.65	275.72	476.36	192.97

As at March 31, 2024	Note	Carrying amount	Contractual cash flows					
			Total	Up to 3 Months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Lease liabilities	6	21.78	24.50	3.21	8.31	9.49	3.49	-
Borrowings	17	1,850.59	1,856.76	746.25	736.47	98.27	197.67	78.10
Trade payables	18	1,698.37	1,698.37	1,171.85	526.52	-	-	-
Other financial liabilities	19	77.98	77.98	21.56	56.42	-	-	-
Total		3,648.72	3,657.61	1,942.87	1,327.72	107.76	201.16	78.10

The interest payments on variable interest rate borrowings in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on contingent consideration may be different from the amount in the above table as the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

37 Additional information on the entities included in the Consolidated Financial Statements

Particulars	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
March 31, 2025								
Parent								
Ardee Engineering Limited	100.00%	1,376.35	98.69%	496.28	100.00%	0.38	98.69%	496.66
Associates								
(i) Ingwenya Mineral Tech Private limited	-	-	1.31%	6.61	0.00%	0.00	1.31%	6.61
(ii) Ardee Yantrik Private limited	-	-	-0.01%	(0.03)	0.00%	0.00	-0.01%	(0.03)
Total	100.00%	1,376.35	100.00%	502.86	100.00%	0.38	100.00%	503.24
March 31, 2024								
Parent								
Ardee Engineering Limited	100.00%	873.11	100.00%	291.05	100.00%	0.75	100.00%	291.80
Associate								
Ingwenya Mineral Tech Private limited	-	-	0.00%	0.00	0.00%	0.00	0.00%	0.00
Total	100.00%	873.11	100.00%	291.05	100.00%	0.75	100.00%	291.80

Notes:

(a) During the FY 2024-25, the Company acquired 20,000 equity shares at face value Rs. 10 each amounting to Rs.0.20 Mn as subscriber to the memorandum of Ardee Yantrik Private Limited, incorporated on November 27, 2024 representing 40.00% of the total equity share capital.

(b) During the FY 2023-24, pursuant to Share Purchase Agreement dated June 7, 2023, the Company has acquired 21.62% of shareholding in Ingwenya Mineral Tech Private limited (IMT) and is an associate of the Company.



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38 Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker (CODM) to make decisions for which discrete consolidated financial statements is available. The Company is a design, engineering and manufacturing Company which is engaged in turnkey PEB projects, material handling and processing solutions, electrical and automation solutions, heavy structural and precision engineering solutions. The CODM identified entire business as a single reportable segment, hence segment reporting is not applicable.

39 Capital management

The Company's objectives when maintaining capital are:

- (a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (b) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the net debt to equity ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as the total borrowings and lease liabilities less cash and cash equivalents and other bank balances.

The debt-to-adjusted-capital ratios were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings and lease liabilities	3,174.93	1,872.37
Less: Cash and cash equivalents and other bank balances	(292.00)	(266.66)
Net debt	2,882.93	1,605.71
Equity share capital	200.00	200.00
Other equity	1,176.35	673.11
Total equity	1,376.35	873.11
Net debt to equity ratio (times)	2.09	1.84

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

40 Contingent liabilities and commitments

40.1 Contingent liabilities

- (a) There are no claims against the Company not acknowledged as debt as on March 31, 2025 and March 31, 2024.

(b) Guarantees excluding financial guarantees

Particulars	As at March 31, 2025	As at March 31, 2024
Corporate guarantee given to related party (Refer note 34)	52.50	-
Total	52.50	-

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related assets are recognised.

40.2 Commitments - There are Capital commitments amounting to Rs. 8.00 Mn as on March 31, 2025 (March 31, 2024- NIL)

41 Audit Trail

- (a) The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with. Additionally, the audit trail of the preceding year, has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the accounting software.

- (b) In respect of Ingwenya Mineral Tech Private Limited (associate), accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with. Additionally, the audit trail of the preceding year, has been preserved by the Company as per the statutory requirements for record retention.

- (c) In respect of Ardee Yantrik Private Limited (associate), the books of account for the period from November 27, 2024 to March 31, 2025 were entirely maintained manually by the Company and has not used any accounting software for the said period for maintaining its books of account, hence requirement of recording audit trail (edit log) facility is not applicable.

42 Subsequent events

Pursuant to approval of Board and Shareholders vide meetings dated July 4, 2025 and July 9, 2025 respectively, the company has issued 410,000 equity Shares on preferential basis at the issue price of Rs. 425/- per equity share having Face value of Rs. 5/- per equity share (i.e. including Securities Premium at Rs. 420/- per equity share).

The management has assessed the subsequent events to the reporting period and is of the view that there are no material events which require adjustment or disclosure in the financial statements except as disclosed in financial statements.

43 Other regulatory information

(i) Details of benami property held

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.

(ii) Borrowings secured against current assets

The Company has borrowings secured against current assets and statements of current assets filed by the Company with banks are in agreement with the books of accounts.



Notes forming part of Consolidated Financial Statements

(All amounts are Rs. in Million, except for share and per share data and where otherwise stated)

(iii) Wilful defaulter

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

(iv) Relationship with struck off companies

The Company does not have any relationship with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017.

(vi) Undisclosed income

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

(vii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current period or previous years.

(viii) Registration of charges or satisfaction with ROC

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

(ix) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact in the current or previous financial year.

(x) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

44 The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

45 Previous year figures have been regrouped/reclassified wherever necessary to correspond with current year's classification/disclosures.

46 These Consolidated Financial Statements were approved for Issue in accordance with a resolution of the board of directors on August 29, 2025.

As per our report of even date attached

For C Venkat Krishna & Co
Chartered Accountants

ICAI Firm Registration No.: 004599S

For M S K C & Associates LLP
(formerly known as M S K C & Associates)

Chartered Accountants

ICAI Firm Registration No.: 001595S/S000168

For and on behalf of the Board of Directors
Ardee Engineering Limited

(formerly known as Ardee Engineering Private Limited)

P.V.N Sastry
Partner
Membership No. 029098

Tarun Kumar Jain
Partner
Membership No. 231741



Chandra Sekhar Moturu
Chairman and Managing Director
DIN 02010969

Ragdeep Moturu
Whole-time Director
DIN 07587747



Krishna Kumari Moturu
Executive Director and
Chief Financial Officer
DIN 10376709

Disha Jindal
Company Secretary
and Compliance
Membership No. A65058

Place: Hyderabad
Date: August 29, 2025

Place: Hyderabad
Date: August 29, 2025

