



उत्कर्ष UTKARSHA

उत्कर्ष एल्युमिनियम धातु निगम लिमिटेड

(नालको और मीडहानी का संयुक्त उद्यम)

UTKARSHA ALUMINIUM DHATU NIGAM LIMITED

(A joint venture of NALCO & MIDHANI)

नालको NALCO



MIDHANI

7th ANNUAL REPORT 2025-26

Registered Office:

C/o. Mishra Dhatu Nigam Limited, P.O.- Kanchanbagh, Hyderabad,
Telangana - 500058

CIN: U14299TG2019PLC134932

BOARD OF DIRECTORS:

- Shri Brijendra Pratap Singh, Part-time Non-executive Chairman
- Dr. S. V. S. Narayana Murty, Director & Chief Executive Officer (w.e.f. 01.06.2025)
- Shri Gowri Sankara Rao Naramsetti, Chief Executive Officer (upto 31.05.2025)
- Shri T. Muthukumar, Director (upto 30.06.2025)
- Shri Nagarajan Ravi, Director (upto 30.06.2026)
- Shri Padavittan Babu, Director (w.e.f. 07.08.2025)
- Shri Sugato Anando Basu, Director (w.e.f. 16.07.2026)

CHIEF FINANCIAL OFFICER:

Shri V. Santa Kumar (w.e.f. 20.01.2026)

OFFICIATING COMPANY SECRETARY:

Shri Gautam Kr. Singh

STATUTORY AUDITORS:

M/s. Rao & Kumar Associates,
Chartered Accountants

Head Office:

#6-3-680/8, Flat No.: 301, Sri Venkata Rama Apartments,
Thakur Mansion Lane, Somajiguda, Hyderabad – 500 082
E-mail: meherkv1979@gmail.com / raoandkumarassociates@gmail.com

BANKERS:**State Bank of India**

Branch Name:
Chandrayanagutta
PO Kanchanbagh,
Hyderabad-500058.

HDFC Bank

Branch Name: Santosh
Nagar Colony
Hyderabad -500079.

ICICI Bank

Branch Name: Hyderabad,
Khairatabad,
Hyderabad -500004.

REGISTRAR & SHARE TRANSFER AGENT:

M/s. KFin Technologies Limited
Selenium Building, Tower-B, Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.
Contact No.: +914079615565, E-mail: mulkala.raju@kfintech.com

REGISTERED OFFICE:

C/o. Mishra Dhatu Nigam Limited,
P.O. - Kanchanbagh, Hyderabad, Telangana – 500058
CIN: U14299TG2019PLC134932
Website: www.uadnl.com

PROJECT SITE:

Industrial Park, Boddavaripalem,
Kodavallu Mandal, SPSR Nellore District,
Andhra Pradesh - 524316

Vision

**To strengthen the self-reliance in innovation,
development & supply of Aluminium alloys and
contribute to achieve lighter, faster, greener &
sustainable economic growth.**

Profile of Present members of Board of Directors:

❖ Shri Brijendra Pratap Singh, Part-time Non-executive Chairman:

Shri Brijendra Pratap Singh has been appointed as Director & Non-executive Part-time Chairman of the Company w.e.f. 08.01.2025.

Shri Singh is a distinguished professional in the Mining, Steel and Aluminium sector, holds a B. Tech. degree in Mining Machinery Engineering from IIT Dhanbad (formerly ISM Dhanbad), earned in 1989. He also possesses an MBA in Marketing, further enriching his academic credentials. Shri Singh has amassed over 35 years of exceptional experience spanning in Mining, Steel and Aluminium operations. His professional journey is marked by key leadership roles and a deep-rooted expertise in integrated steel plants. His career is distinguished by comprehensive command of the operational dynamics of four major SAIL steel plants: BSP (Bhilai Steel Plant); BSL (Bokaro Steel Limited); DSP (Durgapur Steel Plant); ISP (IISCO Steel Plant).

Under the visionary leadership of Shri Singh, NALCO has witnessed a remarkable phase of growth, operational excellence and value creation. The Company has achieved its best-ever financial and operational performance since inception, setting new benchmarks across mining, refining, smelting, power generation and marketing. The record-breaking performance reflects his strategic vision, strong focus on operational excellence, prudent financial management and ability to steer the organisation successfully through a dynamic and evolving business environment.

A strong proponent of efficiency, innovation and market responsiveness, Shri Singh has transformed NALCO's commercial operations into a more agile and opportunity-driven function, enabling the Company to effectively respond to changing market dynamics and maximize value.

Under his leadership, the NALCO's major capacity expansion projects, including the 5th Stream Alumina Refinery Expansion, have reached the advanced stage of implementation, while the Brownfield Smelter Expansion and Captive Power Plant projects are progressing steadily. These transformative initiatives, along with several other strategic expansion projects, are poised to substantially enhance NALCO's production capabilities, operational efficiency and global competitiveness, while reinforcing its position as one of India's leading integrated aluminium producers. His strategic vision and deep industry expertise have been instrumental in advancing the Company's Brownfield expansion and capacity augmentation, driving the growth and sustainability of the Company.

❖ Dr. S. V. S. Narayana Murty, CEO & Director:

Dr. S. V. S. Narayana Murty has been appointed as Director and CEO of the Company w.e.f. 01.06.2025.

Dr. Murty holds a B.E. from Andhra University, Visakhapatnam; an M.E. from IISc, Bangalore and a Ph.D. from IIT-Bombay, all in Metallurgical Engineering. He completed post-doctoral research at the Steel Research Centre, National Institute for Materials Science (NIMS), Japan (2003 to 2006). He joined the Vikram Sarabhai Space Centre (VSSC), Trivandrum in 1993, contributing to the development of ultrahigh-strength steels, Titanium alloys, Super alloys, and Aluminium alloys. Prior to joining MIDHANI, he was working at the Liquid Propulsion Systems Centre (LPSC), ISRO, focusing on the indigenization and supply of critical materials for India's space program.

Dr. Murty is the recipient of several prestigious awards, including the Young Metallurgist Award (2001) and Metallurgist of the Year Award (2018) from the Ministry of Steel, Government of India; the AIDA Technology Innovation Award (2009) from the Japan Society for Technology of Plasticity; the National Failure Analyst Award (2021) from the Society for Failure Analysis; and the G.D. Birla Gold Medal (2022) from the Indian Institute of Metals. He has been recognized among the top 2% of scientists worldwide by Stanford University and has authored numerous ISRO technical reports and over 325 publications in international peer-reviewed journals.

❖ **Shri Padavittan Babu, Director:**

Shri Padavittan Babu has been appointed as Director of the Company w.e.f. 07.08.2025.

Shri Babu is a Metallurgical Engineer with over three decades of expertise in special metals and alloys, including special steels, super alloys, and titanium alloys.

Shri Babu holds Bachelor's degree in Metallurgical Engineering from Madras University, Chennai and MBA from Dr. B. R. Ambedkar Open University, Hyderabad.

Shri Babu joined MIDHANI in 1997 and has held key roles in marketing, production, and strategic planning. In marketing, he played a pivotal role in developing new markets, reviving exports, strengthening customer engagement, and building long-term relationships with leading customers across critical sectors such as Aerospace, Defense, Energy, and Industrial applications. His proficiency in production management, process assurance, and business development has significantly contributed to the growth of the special metals and alloys segment.

❖ **Shri Sugato Anando Basu, Director:**

Shri Sugato Anando Basu has been appointed as Director of the Company w.e.f. 16.07.2026.

Shri Basu is a graduate in Production Engineering from Sardar Vallabhbhai National Institute of Technology Surat (REC Surat) with over three decades of experience in Production, Industrial Engineering, Projects, Quality Systems, HR and Business Development. He also holds a Post Graduate Diploma in Marketing Management from IGNOU.

Shri Basu joined NALCO as a Graduate Engineer Trainee in 1994 and has held key roles at Mines, Refinery, Smelter, CPP and Corporate Office. Currently, Shri Basu is posted at Corporate as CGM (BD).

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CIN: U14299TG2019PLC134932

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Hyderabad, Telangana – 500058, **Website:** www.uadnl.com

NOTICE FOR 7th ANNUAL GENERAL MEETING

NOTICE is hereby given that, the **7th (Seventh) Annual General Meeting (AGM)** of the Shareholders of Utkarsha Aluminium Dhatu Nigam Limited will be held on **Friday, the 18th September, 2026 at 1230 hours** through Video Conferencing (“VC”) / Other Audio Visual means [“OAVM”] from NALCO Board Room, P/1, Nayapalli, Bhubaneswar-751013 (Odisha) to transact the following Businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2026 including Balance Sheet as at 31st March, 2026, Statement of Profit & Loss Account, Statement of Change in Equity and Cash Flow Statement for the year ended on 31st March, 2026 and, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. S. V. S. Narayana Murty (DIN: 11065319), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **To appoint Shri Sugato Anando Basu (DIN: 11827959) as Director of the Company:**

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

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act 2013 and the Rules made thereunder, Shri Sugato Anando Basu (DIN: 11827959), appointed as an Additional Director by the Board of Directors with effect from 16.07.2026 to hold office until the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

By Order of the Board
For **Utkarsha Aluminium Dhatu Nigam Limited**

Sd/-
(Sugato Anando Basu)
Director
DIN: 11827959

Place: Bhubaneswar
Date: 19.08.2026

NOTES:

1. Ministry of Corporate Affairs, Government of India ("MCA") vide their General Circular No. 09/2024 dated 19.09.2024 and subsequent circulars issued in this regard, the latest being 03/2025 dated September 22, 2025, has allowed companies to conduct Annual General Meetings ("AGM") through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") due in the 2026 without the physical presence of members on or before 30.09.2026.
2. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
3. Since this AGM will be held through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM'), (a) Members will not be able to appoint proxies for the meeting and (b) Attendance Slip & Route Map are not being annexed to this Notice.
4. Pursuant to Section 143(5) of the Act, the Auditors of a Government Company shall be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in terms of Sub-section (1) of Section 142 of the Act, their remuneration has to be fixed by the Company in their meeting or in such manner as the Company in General Meeting may determine. The Members of your Company in their 1st meeting held on 19th October, 2020 had authorised the Board of Directors to fix remuneration of Statutory Auditors.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No. 3 :

As per Article 60(i) of the Articles of Association of Company, “the number of Directors shall not be less than four and not more than twelve” and as per Article 60(ii) of the Articles of Association of Company “Directors on the Board of JVC shall be nominated by Parties in the ratio of their respective shareholdings in the JVC provided that neither party shall be entitled to nominate a Director if its shareholding is reduced below 6% of the paid-up capital of the JVC”.

At present both the promoters’ shareholding i.e. National Aluminium Co. Ltd. (NALCO) and Mishra Dhatu Nigam Limited (MIDHANI) is in the ratio of 50:50.

In terms of Clause no. 15.1 of the JV Agreement and Article 60(ii) of the Articles of Association of the Company, Shri Sugato Anando Basu, CGM (BD), NALCO was nominated as representative from NALCO and thereafter was appointed as Additional Director w.e.f. 16.07.2026 upon cessation of tenure of Shri Nagarajan Ravi on 30.06.2026 to hold office till this Annual General Meeting.

Shri Sugato Anando Basu may be deemed to be concerned or interested, financially or otherwise, to the extent of his shareholding, if any in respect of his appointment as a Director. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item no. 3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item no. 3 of the Notice for approval by the shareholders.

ॐ नमो भगवते वासुदेवाय

DIRECTOR'S REPORT

Dear Members,

Your Directors have great pleasure in presenting before you the 7th Annual Report of your Company together with the Audited Financial Statements for the year ended on 31st March, 2026 and the report of the Auditors' thereon.

1.0 PERFORMANCE AND FINANCIAL RESULTS:

The financial statements have been prepared in accordance with "Ind AS", as notified under the Companies (Indian Accounting Standard) Rules, 2015.

Since the project is in the stage of implementation, there was no business operation during the year. The details of other income and expenditure during the year considered in Profit & Loss Account are furnished below:

<i>(Rs. in lakhs except EPS)</i>		
Particulars	For the year 2025-26	For the year 2024-25
Revenue from Operations	-	-
Other Income	224.62	226.85
Total Income	224.62	226.85
Less: Employee benefits	2.98	-
Less: Other expenses	29.97	23.34
Profit / (Loss) before Depreciation, Exceptional items and Tax Expense	191.67	203.51
Less: Depreciation and amortization expenses	8.34	9.73
Profit / (Loss) before Exceptional items and Tax Expense	183.33	193.78
Add/(Less): Exceptional Items	-	-
Profit/(Loss) Before Tax Expense	183.33	193.78
Less: Tax Expense (Current Tax)	46.75	38.65
Less: Tax Expense (Deferred Tax)	0.76	1.39
Profit / (Loss) for the year	135.83	153.74
Other Comprehensive Income / (Loss)	-	-
Total income for the period	135.83	153.74
Earnings Per Share (EPS)	0.34	0.38

2.0 DIVIDEND & GENERAL RESERVE:

The Board of Directors does not recommend any dividend for the FY 2025-26 and Rs.135.83 lakh has been transferred to Reserve during the FY 2025-26.

3.0 ABOUT THE PROJECT:

Your Company is a Joint Venture company of M/s National Aluminium Company Limited (NALCO), a Navratna CPSE under Ministry of Mines and M/s Mishra Dhatu Nigam Limited (MIDHANI), a Miniratna CPSE under the Ministry of Defence. This JV Company is incorporated on 21.08.2019 with an equal equity partnership of NALCO and MIDHANI for Setting up green field project of High End Aluminium Alloy Flat Rolled Products Production Plant with a concurrence of NITI Aayog.

To capitalize on natural synergies, NALCO and MIDHANI have floated JV Company to realize in setting up the proposed plant for manufacture and supply of High End Aluminium Alloy materials to meet the strategic requirement of defence, aerospace and transport applications, etc. This JV Company can contribute to enhance self-reliance, reduce the import substitution and avoid global volatility in supply and price, which is in line with national vision of building 'Atmanirbhar Bharat'.

Your Company will be first of its kind 60000 TPA capacity integrated facility in the country to produce High End Aluminium Alloys of 2xxx, 5xxx, 6xxx, 7xxx and 8xxx including Al-Li alloys in the form of Flat Rolled Products (FRP) viz., Plates, Sheets, Coils, etc., to meet the requirement of strategic and other critical sectors. This entire facility will be set up with latest advanced technological equipment for melting, rolling, thermal treatment and other auxiliary as well as world class R&D and testing facilities to achieve the agility and real-time upgradation in the aluminium alloy sector in India.

Your Company's plant will be located at Industrial Park (IP) Bodduripalem, Koduvalur, SPSR Nellore District in Andhra Pradesh, India.

4.0 SHARE CAPITAL:

4.1 Authorised Share Capital:

During the year under review, there has been no change in the authorized share capital of the Company.

4.2 Paid-up share capital:

During the year under review, there has been no change in the paid-up share capital of the Company.

As on 31st March, 2026, the total paid-up equity share capital of the Company is Rs.40 crore (4,00,00,000 equity shares of Rs.10/- each).

5.0 DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect your Company's financial position have occurred between the end of the financial year of the Company and date of this report.

6.0 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS / OUTGO:

Your Company has not started its operation during the year under review and hence, details relating to conservation of energy, technology absorption are not provided.

During the financial year, the Company does not have any foreign exchange earnings and outgo.

7.0 SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY:

Your Company is the joint venture Company of National Aluminium Company Limited (NALCO), a Navratna PSU and Mishra Dhatu Nigam Limited (MIDHANI), a Mini-Ratna Category-I PSU. Presently, NALCO and MIDHANI are holding 50% each of the paid-up share capital in the Company.

Your Company is an Associate Company of both NALCO and MIDHANI as per the provisions of the Companies Act, 2013 and rules made thereunder.

8.0 INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has in place adequate internal financial controls with reference to financial reporting. As per the relevant provisions of the Companies Act, 2013, the Statutory Auditors have expressed their views on the adequacy of Internal Financial Controls over financial reporting and they were operating effectively as at March 31, 2026 as stated in their Audit Report ended on that date.

9.0 BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNELS:

- a) The tenure of Shri Gowri Sankar Rao ended as Director & CEO on 31.05.2025.
- b) Dr. S. V. S. Narayana Murty was appointed as Director & CEO w.e.f. 01.06.2025.
- c) The tenure of Shri T. Muthukumar ended as Director on 30.06.2025.
- d) Shri Padavittan Babu was appointed as Director w.e.f. 07.08.2025.
- e) Shri Varanasi Santa Kumar was appointed as CFO w.e.f. 20.01.2026.
- f) The tenure of Shri Nagarajan Ravi ended as Director on 30.06.2026
- g) Shri Sugato Anando Basu was appointed as Director w.e.f. 16.07.2026.

10.0 MEETINGS OF THE BOARD OF DIRECTORS:

During the financial year 2025-26, four (4) Board meetings were held on 08.05.2025, 05.08.2025, 22.09.2025 and 19.01.2026. The maximum interval between any two meetings was well within the maximum period prescribed under the Companies Act, 2013.

11.0 COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE FINANCIAL STATEMENT OF THE COMPANY:

Annual Financial Statements as approved by Board was submitted to the office of Principal Director of Commercial Audit and Ex-officio Member, Audit Board, Bengaluru for their comments.

The Comptroller and Auditor General of India vide their letter on. नि.-I /UADNL/Accs25-26/2026-27/113 dated 13.07.2025 has issued 'Nil Comments Certificate' upon Supplementary Audit of Financial Statements for the year ended 31.03.2026 under Section 143(6)(a) of the Companies Act, 2013.

12.0 STATUTORY AUDITORS:

M/s. Rao & Kumar Associates (FRN: 003093S), Chartered Accountants, Hyderabad, were appointed as the Statutory Auditors of the Company by Comptroller & Auditor General (C&AG) vide their letter no. CA.V/COY/CENTRAL GOVERNMENT, UADNL (1)/1066 dated 12.09.2025 for the financial year 2025-26.

The Auditor's Report addressed to members for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

The Auditors do not report any fraud in terms of Section 134(ca) of the Companies Act, 2013.

13.0 COST AUDITORS:

The Company has not commenced its business operations and hence not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

14.0 PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES:

During the year, the Company has not entered into any transactions with any related party.

15.0 LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given/made any loans, guarantees and investments under Section 186 of the Companies Act, 2013.

16.0 ANNUAL RETURN:

In accordance with the Companies Act, 2013, the Annual Return for the financial year 2025-26 in the prescribed format is available in your Company's website at <https://uadnl.com/investor-relations/annual-return/>

17.0 STATUS OF PROJECT RELATED ACTIVITIES:**17.1 Land:**

- (i) 110 acres of land was acquired in Nellore district, Andhra Pradesh, India and land registered in favor of MIDHANI on 21.11.2017. Land came under dispute after filling two writ petitions in A.P High Court and the Hon'ble Court issued an order to stop construction in disputed area. Land transfer in the name of JV couldn't take place. Therefore, all activities related to construction and statutory clearances came to halt.
- (ii) The above land was transferred in the name of your Company from MIDHANI (which was earlier allotted to MIDHANI) and land was registered in the name of your Company on 01.10.2021.
- (iii) With constant persuasion and support of local administration, your Company was able to complete construction of compound wall in September, 2020 during Lockdown period and out of court settlement was reached with petitioners under one writ petition.
- (iv) APIIC has allotted alternate Land against dispute land. Now, the total land of 110 Acres is in possession of the Company since September 2022.

17.2 Environmental Clearance (EC) & Consent for Establishment (CFE) for the Project:

- (i) Engaged consultant for obtaining EC & CFE in September, 2020.
- (ii) Environmental Impact Assessment (EIA) studies were completed in December 2020.
- (iii) Draft EIA report & Environmental Management Plant (EMP) submitted to APPCB in March, 2021.
- (iv) Public Hearing conducted in the plant site at Industrial Park Bodduripalem, Nellore District on 15.04.2021.
- (v) Environmental Clearance (EC) issued by State level Environment Impact Assessment Authority (SEIAA), Andhra Pradesh of Ministry of Environment & Forest and Climate Change (MoEFCC), Govt. of India on 08.07.2021.
- (vi) Consent for Establishment (CFE) was issued by Andhra Pradesh Pollution Control Board (APPCB) on 05.08.2021.

17.3 Engagement of EPCM Consultancy:

- (i) M/s. MECON Limited was appointed as EPCM Consultant on 03.02.2022. The scope of the EPCM consultant is to undertake Engineering, Procurement & Construction Management Services including Selection of Technology Provider for establishing facility for Aluminium Alloy Melting, Slab Casting and Flat Rolled Products Production Facility. Subsequently, a contract was signed with M/s. MECON Limited on 31.03.2022.
- (ii) The Consultant submitted the Approach note and it has been discussed & agreed to implement the project in two phases:
 - a) Phase-I: Melting & Casting Facility.
 - b) Phase-II: Hot & Cold Rolling and other downstream finishing activities.

17.4 Present status of the Project:

- (i) Tender document for Package # I was prepared for Billets & Slab product mix considering longer timeline for setting up downstream facilities in order to generate the revenue from Package # I facility. A Global Tender Enquiry (GTE) was issued on 04.06.2022. A single bid received against GTE within extended due date i.e. 19.10.2022. In line with the Board directives in 22nd board meeting, the tender issued for Package-1 was closed as the bidder is not complied as per tender requirement.
- (ii) Tender document for Package # II is finalized with consultant and the tender details were put up for consideration in the last Board meeting. However, the Board has directed to hold further activities as interim market demand for Aluminium alloy flat rolled product (FRP) is found far less than what was envisaged during preparation of DPR in 2018-19.
- (iii) In line with the Board directives in its 17th Board meeting held on 24.01.2023, the consultant M/s. MECON was informed vide letter dated 24.01.2023 that to keep the further work of EPCM consultancy under abeyance till further communication from the Company.
- (iv) Tender Enquiry was floated on 29.06.2022 for engaging Market Research Firm for study the latest Demand Supply Scenario and Potential business opportunities for JV project Setting up 60,000 TPA capacity High End Aluminium Alloy Flat Rolled Products Production Plant. The consultant have submitted the draft report is April, 2023. Based on the report, Market for Aluminum alloy flat rolled products usage for Defence, Aerospace and Transportation sector is found to be limited and forecast until 2047 indicates slow growth rate, as such Indian market is at nascent stage. Major market demand was visible in transportation sector during preparation of DPR in 2018-19, however no growth is visible in this sector. The Board in its 18th meeting, advised to do financial viability of the project exploring all feasibilities.
- (v) As advised by the Board, the market research report submitted by the consultant for financial viability of the project exploring all feasibilities is under review.

18.0 DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors state that:

- (i) in the preparation of the annual accounts for financial year ended 31st March, 2026, the applicable accounting standards have been followed and there is no material departures from the same;

- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts for the financial year ended 31st March, 2026 on a going concern basis;
- (v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system was adequate and operating effectively.

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

The Company has not constituted the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 due to having less than ten employees at the workplace. Further, no complaints under the Act was received during the year

20.0 DISCLOSURE UNDER THE MATERNITY BENEFIT ACT, 1961:

During the year, your Company has not employed more than ten employees at its workplace. Hence, compliance with regard to the provisions relating to the Maternity Benefit Act, 1961 was not warranted.

21.0 SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards on Board Meetings (SS-1) and on General Meetings (SS-2) have been duly followed by the Company.

22.0 GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items since there were no transactions in these matters and/or they are not applicable to the Company during the year under review:

- (i) Details relating to deposits covered under Chapter-V of the Act;
- (ii) Details about policy developed and implemented on corporate social responsibility initiatives;
- (iii) A statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Companies Act, 2013;
- (iv) Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in section 178 Companies Act, 2013;
- (v) No significant or material orders were passed by the Regulators / Courts or Tribunals which would impact the going concern status of the Company and its future operations; and

(vi) Constitution of Audit Committee, CSR Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee.

23.0 ACKNOWLEDGEMENT:

Your Directors take this opportunity to thank the Government of India, Government of Andhra Pradesh, Promoters, Shareholders, other business associates, employees and other regulatory authorities for their support to the Company.

For and on behalf of Board of Directors

Place: Bhubaneswar
Date: 19.08.2026

Sd/-
(Brijendra Pratap Singh)
Chairman
DIN: 08665585

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

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

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

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

- (a) Name(s) of the related party and nature of relationship: **NIL**
- (b) Nature of contracts / arrangements / transactions: **Not Applicable**
- (c) Duration of the contracts / arrangements / transactions: **Not Applicable**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Not Applicable**
- (e) Date(s) of approval by the Board, if any: **Not Applicable**
- (f) Amount paid as advances, if any: **Not Applicable**

For and on behalf of Board of Directors

Place: Bhubaneswar
Date: 19.08.2026

Sd/-
(Brijendra Pratap Singh)
Chairman
DIN: 08665585

Independent Auditors' Report



INDEPENDENT AUDITOR'S REPORT

To the Members of UTKARSHA ALUMINIUM DHATU NIGAM LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of **UTKARSHA ALUMINIUM DHATU NIGAM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2026 and the Statement of Profit and Loss and the Statement of Cash Flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its Statement of Profit & Loss, its Cash Flow Statement for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

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



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

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

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

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

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

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

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

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Companies Act, 2013, we give in the 'Annexure A' 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 accounts 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to financials statements.
- g) As required by section 143(5) of the Act, we give in 'Annexure C' a statement on the matters contained in directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the accounts and financial statements of the company in terms of aforesaid section.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The ministry of Corporate affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.
 - a. the management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- b. the management has represented that, to the best of their knowledge and belief, no funds have been received by the Company to or in any other person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. based on our audit procedures, that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under above sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the company.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.



Place : Hyderabad
Date : 27-04-2026
UDIN : 26211534HVWEQQ2600

For RAO & KUMAR ASSOCIATES
Chartered Accountants

Regn. No. 003093S

K. Meha
K MEHER VENKATESWARA RAO
Partner
M. No. 211534

Annexure 'A' to the Independent Auditor's Report of UTKARSHA ALUMINIUM DHATU NIGAM LIMITED the Year ended as on 31st March 2026

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date: -

- i. a. A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;
- B. The Company has maintained proper records showing full particulars of intangible assets.
- b. According to the information and explanation given to us and on the basis of our examination of the records of the company, the property, plant and equipment have been physically verified by the Management at regular Intervals and no material discrepancies were noticed on such verification.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, except the following.

Description of Property	Gross Carrying Value	Held in Name of	Whether Promoter, director or their relative or employee	Period held - indicate range where appropriate	Reason for not being held in name of company.
-----NIL----- ---					

- d. According to the information and explanation given to us and on the basis of our examination of the records of the company, the Company has not revalued its property, plant and equipment (including Right of use assets) during the year. Accordingly, the reporting under clause 3(i)(d) of the Order is not applicable to the company.
- e. According to the information and explanation given to us and on the basis of our examination of the records of the company, there are no proceedings has been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions (Prohibition) Act, 1988 and rules made thereunder.



- (ii) a) As explained to us there is no inventory, since this clause is not applicable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned during any point of time of the year, working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act records hence the clause is not applicable.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2026 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute
- c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not



surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (viii)
- a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a wilful defaulter by any bank or financial institution or other lender;
 - c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
 - d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.
 - e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) is not applicable.
 - f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(f) is not applicable.
- (ix)
- a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (x)
- a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.



- b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company
- (xi) The company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards;
- (xiii) (a) As per Rule 13 of the Companies (Accounts) Rules, 2014, The company is not required to appoint an internal auditor, accordingly this clause is not applicable.
- (b) Due to the non-applicability of Clause xiii (a), this clause is also not applicable.
- (xiv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company
- (xv) a) In our and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable. ,
- (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.
- (xvi) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xvii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.



(xviii)

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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

(xix)

Based on our examination, the provision of section 135 are not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable (xx).

(xx)

The company is not required to prepare Consolidated financial statement hence this clause is not applicable.



Place: Hyderabad

Date: 27-04-2026

UDIN:26211534HVWEQQ2600

For RAO & KUMAR ASSOCIATES

Chartered Accountants

Regn. No. 003093S

K. Meher

K MEHER VENKATESWARA RAO

Partner

M. No. 211534

Annexure 'B' to the Independent Auditor's Report of UTKARSHA ALUMINIUM DHATU NIGAM LIMITED the Year ended as on 31st March 2026

Report on Internal Financial Controls Over Financial Reporting

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 over financial reporting of UTKARSHA ALUMINIUM DHATU NIGAM LIMITED ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness



exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control



stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For RAO & KUMAR ASSOCIATES
Chartered Accountants
Regn. No. 003093S



K MEHER VENKATESWARA RAO
Partner
M. No. 211534

Place: Hyderabad
Date: 27-04-2026
UDIN:26211534HVWEQQ2600

**Annexure 'C' to the Independent Auditor's Report of UTKARSHA ALUMINIUM DHATU
NIGAM LIMITED the Year ended as on 31st March 2026**

Report on the **directions** under **sub-section 5** of Section 143 of the Act, issued by
the Comptroller and Auditor General of India:

Sl. No.	Directions u/s. 143(5) of the Companies Act, 2013	Auditor's Reply on action taken on the directions	Impact
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	Company is using Tally ERP software to record all business and financial transactions. The software itself has built in checks and validations thus the data accuracy and integrity are maintained. All payment approvals are processed using the approval hierarchy. All the accounting transactions are processed and the Trial Balance is generated from Tally ERP System. In view of the above, we confirm that no financial transactions are carried out outside IT systems and hence there is no financial implication on the integrity of the accounts during the Financial Year 2025-26.	NIL
2.	Whether there is any restructuring of an existing loan or cases of waiver/write-off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated	According to the information and explanation furnished to us, and based on our examination of books, we are of the opinion that there is no restructuring of an existing loan or cases of waiver / write-off of debts / loans/ interest etc. made by a lender to the company during the financial year 2025-26.	NIL
3.	Whether funds received / receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	Based on the examination of the books and records of the company, during the Financial Year 2025-26 no government grants /funds received /receivables for specific schemes from central/state government/agencies.	NIL



**For RAO & KUMAR ASSOCIATES
Chartered Accountants**

Regn. No. 0030935

K MEHER VENKATESWARA RAO

Partner

M. No. 211534

Place: Hyderabad

Date: 27-04-2026

UDIN:26211534HVWEQQ2600

Comments of Comptroller and Auditor General of India

Confidential
By speed post

नि.-I/UADNL/Accs-25-26/2026-27/113

प्रधान निदेशक लेखापरीक्षा (रक्षा-वाणिज्यिक) का कार्यालय,
ऑडिट भवन - II
तृतीय और चौथा तल, 68/2, एच. सिदैया रोड
अर्चना कॉम्प्लेक्स के सामने,
एच. सिदैया रोड रेफरल हॉस्पिटल के बगल में,
दोड्डमावल्ली, सुधामा नगर, बेंगलुरु - 560002



OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
(DEFENCE - COMMERCIAL),
Audit Bhawan - II
3rd and 4th floor, 68/2, H. Siddaiah Road,
Opposite Archana Complex,
Next to H. Siddaiah Road Referral Hospital,
Doddamavalli, Sudhamanagar, Bengaluru-560002

दिनांक / DATE 13.07.2026

To
Dr. S.V.S. Narayana Murthy,
Director & CEO,
Utkarsha Aluminium Dhatu Nigam Limited,
Kanchanbagh, Hyderabad - 500 058

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of **Utkarsha Aluminium Dhatu Nigam Limited, Hyderabad** for the year ended 31 March 2026.

I forward herewith **Nil Comments Certificate** of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts **Utkarsha Aluminium Dhatu Nigam Limited, Hyderabad** for the year ended 31 March 2026.

It may please be ensured that the Comments are:

- (i) Printed in toto without any editing;
- (ii) Placed next to the Statutory Auditors' Report in the Annual Report of the Company with proper indication in the index;
- (iii) Placed before the AGM as required under proviso to Section 143(6) (b) of the Companies Act, 2013.

The receipt of this letter may please be acknowledged.

Yours faithfully,


(K. Jyothi Priya)
Director (Reports)

Encl: As above.

प्रधान निदेशक लेखापरीक्षा (रक्षा-वाणिज्यिक) का कार्यालय,
ऑडिट भवन - II
तृतीय और चौथा तल, 68/2, एच. सिदैया रोड
अर्चना कॉम्प्लेक्स के सामने,
एच. सिदैया रोड रेफरल हॉस्पिटल के बगल में,
दोड्डमावल्ली, सुधामा नगर, बेंगलुरु - 560002



OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
(DEFENCE - COMMERCIAL),
Audit Bhawan - II
3rd and 4th floor, 68/2, H. Siddaiah Road,
Opposite Archana Complex,
Next to H. Siddaiah Road Referral Hospital,
Doddamavalli, Sudhamanagar, Bengaluru-560002

सेवा में,
डॉ. एस.वी.एस. नारायण मूर्ति,
निदेशक और सीईओ,
उत्कर्ष एल्युमीनियम धातु निगम लिमिटेड,
कंचनबाग, हैदराबाद - 500 058.
महोदय,

दिनांक / DATE 13.07.2026

विषय:कम्पनी अधिनियम 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं
महालेखापरीक्षक की टिप्पणियाँ।

मैं 31 मार्च 2026 को समाप्त वर्ष के लिए मेसर्स उत्कर्ष एल्युमीनियम धातु निगम लिमिटेड, हैदराबाद
के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(a) के तहत भारत के नियंत्रक एवं
महालेखापरीक्षक का "शून्य टिप्पणी प्रमाण पत्र" अंग्रेषित करता हूँ।

कृपया सुनिश्चित करें कि टिप्पणियाः

1. बिना कोई संशोधन किये पूर्ण रूप से छापी जाए।
2. सूची में उचित संकेत के साथ कम्पनी की वार्षिक रिपोर्ट में सांविधिक लेखापरीक्षकों की रिपोर्ट के
आगे रखा जाए।
3. कम्पनी अधिनियम 2013 की धारा 143(6)(b) के तहत अवश्यकतानुसार वार्षिक आम बैठक में
रखा जाए।

कृपया पत्र की पावती भेजें।

भवदीय,

(के. ज्योतिप्रिया)
निदेशक(रिपोर्ट)

संलग्न:यथोपरि

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF UTKARSHA ALUMINIUM DHATU NIGAM LIMITED,
HYDERABAD FOR THE YEAR ENDED 31 MARCH 2026**

The preparation of financial statements of **Utkarsha Aluminium Dhatu Nigam Limited, Hyderabad** for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 April 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Utkarsha Aluminium Dhatu Nigam Limited, Hyderabad** for the year ended 31 March 2026 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

**For and on behalf of the
Comptroller & Auditor General of India**


(Sudha Rajan)

Director General of Audit, Defence - Commercial

Place: Bengaluru
Date: 13 July 2026

**Audited Financial Statements
for the year ended 31.03.2026**

UTKARSHA ALUMINIUM DHATU NIGAM LIMITED				
CIN:U14299TG2019PLC134932				
BALANCE SHEET AS AT 31st MAR 2026			(₹ in Lakhs)	
Particulars	Note No.	As at 31st Mar 2026	As at 31st Mar 2025	
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	828.19	836.53	
Capital work-in-progress	4	223.08	196.08	
Other intangible assets	5	-	0.02	
Financial Assets				
(i) Investments		-	-	
(ii) Loans		-	-	
Non-current tax assets (Net)		-	-	
Other non-current assets		-	-	
Total Non-Current Assets		1,051.27	1,032.63	
Current assets				
Inventories		-	-	
Financial Assets				
(i) Trade receivables		-	-	
(ii) Cash and cash equivalents	7	3,170.85	3,028.09	
(iii) Bank balances (other than (ii) above)		-	-	
(iv) Others	8	62.01	79.79	
Other current assets	9	103.68	93.30	
Total Current Assets		3,336.54	3,201.18	
Total Assets		4,387.81	4,233.81	
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	10	4,000.00	4,000.00	
Other Equity	11	233.65	97.83	
Total Equity		4,233.65	4,097.83	
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings		-	-	
(ii) Others		-	-	
Provisions		-	-	
Deferred tax liabilities (net)	6	16.85	16.09	
Other non-current liabilities		-	-	
Total Non-current liabilities		16.85	16.09	
Current Liabilities				
Financial liabilities				
(i) Borrowings		-	-	
(ii) Trade payables	12	89.32	80.22	
(iii) Others		-	-	
Other current liabilities	13	3.12	1.02	
Provisions	14	44.87	38.65	
Total Current Liabilities		137.31	119.89	
Total Equity and Liabilities		4,387.81	4,233.81	
The accompanying notes 1 to 18 form an integral part of the financial statements.				
As per our report of even date		for and on behalf of the Board of Directors		
for RAO & KUMAR ASSOCIATES		Dr. S. V. S. NARAYANA MURTY		
Chartered Accountants		DIRECTOR & CEO		
Firm's registration no. 0030935		DIN: 11065319		
K. Meher		N. Ravi		
SHRI K MEHER VENKATESWARA RAO		SHRI NAGARAJAN RAVI		
Partner		DIRECTOR		
Membership No. 211534		DIN: 10693626		
Place: Hyderabad		SHRI VARANASI SANTA KUMAR		
Date: 27-04-2026		CHIEF FINANCIAL OFFICER		
UDIN: 26211534 HVWE QQ2600				

UTKARSHA ALUMINIUM DHATU NIGAM LIMITED CIN:U14299TG2019PLC134932 STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MAR 2026 (₹ in Lakhs)			
Particulars	Note No.	For the Year ended 31st Mar 2026	For the Year Ended 31st Mar 2025
Income			
Revenue From Operations		-	-
Other Income	15	224.62	226.85
Total Income		224.62	226.85
Expenses			
Cost of material consumed		-	-
Excise Duty		-	-
Change in inventories of finished goods, work-in-progress and stock-in-trade		-	-
Employee benefits expense	16	2.98	-
Finance Costs		-	-
Depreciation and amortization expense	3 & 5	8.34	9.73
Other expenses	17	29.97	23.34
Total Expenses		41.29	33.07
Profit / (Loss) before exceptional items and tax		183.33	193.78
Exceptional Items - Income / (Expense)		-	-
Profit / (Loss) before tax		183.33	193.78
Tax expense			
Current Tax	18	46.75	38.65
Earlier Year Tax		-	-
MAT Credit Entitlement		-	-
Deferred Tax	6	0.76	1.39
Profit / (Loss) for the year		135.83	153.74
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year net of tax		-	-
Total Comprehensive Income for the year		135.83	153.74
(Comprising Profit / (Loss) and Other Comprehensive Income for the year)			
Earning per equity share (Amount in ₹)			
Basic (₹)		0.34	0.38
Diluted (₹)		0.34	0.38
Weighted average number of shares (Nos.) (Basic & Diluted)		4,00,00,000	4,00,00,000
The accompanying notes 1 to 18 form an integral part of the financial statements.			
As per our report of even date		for and on behalf of the Board of Directors	
for RAO & KUMAR ASSOCIATES Chartered Accountants Firm's registration no. 0030935  SHRI K MEHER VENKATESWARA RAO Partner Membership No.211534		 DR. S. V. S. NARAYANA MURTY DIRECTOR & CEO DIN: 11065319  SHRI VARANASI SANTA KUMAR CHIEF FINANCIAL OFFICER  SHRI NAGARAJAN RAVI DIRECTOR DIN: 10693626	
Place: Hyderabad Date: 27-04-2026 UDIN: 26211534HVVWFQ02600			

UTKARSHA ALUMINIUM DHATU NIGAM LIMITED

CIN/U14299TG2019PLC134932

Financial Results for the Year ended 31st Mar 2026

Statement of Profit and Loss

(₹ in Lakhs)

	Particulars	Quarter ended			Year ended(Cumulative)		Year ended
		31-Mar-26	31-Dec-25	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-25
		(Audited/ Unaudited)	(Audited/ Unaudited)	(Audited/ Unaudited)	(Audited)	(Audited)	(Audited)
	Income						
I	Revenue From Operations						
II	Other Income	52.01	56.56	59.45	224.62	226.85	226.85
III	Total Income	52.01	56.56	59.45	224.62	226.85	226.85
	Expenses						
IV	Cost of material consumed						
	Excise Duty						
	Change in inventories of finished goods, work-in-progress and stock-in-trade						
	Employee benefits expense	2.98	-	-	2.98	-	-
	Finance Costs						
	Depreciation and amortization expense	1.95	1.97	1.91	8.34	9.73	9.73
	Other expenses	8.81	5.03	7.30	29.97	23.34	23.34
	Total Expenses	13.74	7.00	9.21	41.29	33.07	33.07
V	Profit / (Loss) before exceptional items and tax	38.27	49.56	50.24	183.33	193.78	193.78
VI	Exceptional Items - Income / (Expense)						
VII	Profit / (Loss) before tax	38.27	49.56	50.24	183.33	193.78	193.78
VIII	Tax expense						
	Current Tax	8.10	13.54	38.65	46.75	38.65	38.65
	Deferred Tax	(0.19)	0.36	0.49	0.76	1.39	1.39
IX	Profit / (Loss) for the period	30.37	35.66	11.10	135.83	153.74	153.74
X	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss						-
	(ii) Income tax relating to items that will not be reclassified to profit or loss						-
	B (i) Items that will be reclassified to profit or loss						-
	(ii) Income tax relating to items that will be reclassified to profit or loss						-
	Other comprehensive income for the year net of tax	-	-	-	-	-	-
XI	Total Comprehensive Income for the period	30.37	35.66	11.10	135.83	153.74	153.74
	(Comprising Profit / (Loss) and Other Comprehensive Income for the period)						
XII	Earning per equity share (Amount in ₹)						
	Basic (₹)	0.08	0.09	0.03	0.34	0.38	0.38
	Diluted (₹)	0.08	0.09	0.03	0.34	0.38	0.38
	Weighted average number of shares (Nos.) (Basic & Diluted)	4,00,00,000	4,00,00,000	4,00,00,000	4,00,00,000	4,00,00,000	4,00,00,000

See accompanying notes to the financial results

Note: The Financial Results have been reviewed and approved at the meeting of the Board of Directors held on / /2026. Review/Limited Review, as required, has been carried out by the Statutory Auditors of the Company.

As per our report of even date

for RAO & KUMAR ASSOCIATES
Chartered Accountants

Firm's registration no. 0030935

SHRI K MEHER VENKATESWARA RAO

Partner

Membership No.211534

Place: Hyderabad

Date: 27-04-2026

UDIN: 26211534HVWEQQ2600



for and on behalf of the Board of Directors

Dr. S. V. S. NARAYANA MURTY

DIRECTOR & CEO

DIN: 11065319

SHRI VARANASI SANTA KUMAR
CHIEF FINANCIAL OFFICER

SHRI NAGARAJAN RAVI

DIRECTOR

DIN: 10693626

UTKARSHA ALUMINIUM DHATU NIGAM LIMITED
CIN:U14299TG2019PLC134932
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st MAR 2026

A. Equity Share Capital

1) As at 31st Mar 2026

(₹ in Lakhs)

Balance as at 1st Apr 2025	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st Apr 2025	Changes in share capital during the FY 2025-26	Balance as at 31st Mar 2026
4,000.00	-	4,000.00	-	4,000.00

2) As at 31st Mar 2025

(₹ in Lakhs)

Balance as at 1st April 2024	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2024	Changes in share capital during the FY 2024-25	Balance as at 31st March 2025
4,000.00	-	4,000.00	-	4,000.00

B. Other Equity

1) As at 31st Mar 2026

(₹ in Lakhs)

Particulars	Reserves & Surplus		Other Comprehensive Income	Total Other Equity
	Retained earnings	General Reserve	Other Items of other comprehensive income	
Opening Balance as at 1st April 2025	97.83	-	-	97.83
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at 1st April 2025	97.83	-	-	97.83
Profit for the year ended on 31.03.2026	135.83	-	-	135.83
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-
Dividends	-	-	-	-
Dividend distribution tax	-	-	-	-
Transfer to General Reserve	-	-	-	-
Balance as at 31st Mar 2026	233.65	-	-	233.65



2) As at 31st March 2025				(₹ in Lakhs)
Particulars	Reserves & Surplus		Other Comprehensive Income	Total Other Equity
	Retained earnings	General Reserve	Other items of other comprehensive income	
Opening Balance as at 1st April 2024	(55.92)	-	-	(55.92)
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at 1st April 2024	(55.92)	-	-	(55.92)
Profit for the year ended on 31.03.2025	153.74	-	-	153.74
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-
Dividends	-	-	-	-
Dividend distribution tax	-	-	-	-
Transfer to General Reserve	-	-	-	-
Balance as at 31st March 2025	97.83	-	-	97.83
The accompanying notes 1 to 18 form an integral part of the financial statements.				
As per our report of even date			for and on behalf of the Board of Directors	
for RAO & KUMAR ASSOCIATES Chartered Accountants Firm's registration no. 0030935			Dr. S. V. S. NARAYANA MURTY DIRECTOR & CEO DIN: 11065319	
SHRI K MEHER VENKATESWARA RAO Partner Membership No.211534			SHRI NAGARAJAN RAVI DIRECTOR DIN: 10693626	
Place: Hyderabad Date: 37-04-2026 UDIN: 26211534HVWEQQ2600			SHRI VARANASI SANTA KUMAR CHIEF FINANCIAL OFFICER	

UTKARSHA ALUMINIUM DHATU NIGAM LIMITED		
CIN:U14299TG2019PLC134932		
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MAR 2026		
(₹ in Lakhs)		
Particulars	For the Year ended 31st Mar 2026	For the Year Ended 31st Mar 2025
Cash flows from operating activities		
Profit/(loss) for the year (before tax)	183.33	193.78
Adjustments for:		
Depreciation expense	8.34	9.73
Finance costs	-	-
Interest income	(224.62)	(222.35)
Transfer to General Reserve	-	-
Profit / Loss on sale of Fixed Assets	-	-
	(32.95)	(18.84)
Working capital adjustments:		
(Increase) decrease in other financial assets	17.80	(44.12)
(Increase) decrease in other non-current assets	-	-
(Increase) decrease in other current assets	(6.38)	(16.86)
Increase (decrease) in trade payables	9.10	16.16
Increase (decrease) in other current liabilities	2.10	0.62
Cash generated from operating activities	(10.33)	(63.04)
Income tax paid (net)	(44.53)	(26.00)
Net cash from operating activities (A)	(54.86)	(89.04)
Cash flow from investing activities		
Acquisition of property, plant and equipment	(27.00)	(45.00)
Profit / Loss on sale of Fixed Assets	-	-
Interest received	224.62	222.35
Investment in fixed deposits	(180.00)	(170.00)
Net cash from investing activities (B)	17.62	7.35
Cash flows from financing activities		
Cash flow from Subscription of share capital	-	-
Net cash flow from (used in) financing activities (C)	-	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(37.24)	(81.69)
Cash and cash equivalents at 1 April	58.09	139.77
Cash and cash equivalents at the reporting date	20.85	58.09
Reconciliation of cash and cash equivalents as per the balance sheet		
Cash and cash equivalents as per the cash flow statement	20.85	58.09
Other bank balances not considered above		
- Term Deposit	3,150.00	2,970.00
	3,170.85	3,028.09
The accompanying notes 1 to 18 form an integral part of the financial statements.		
As per our report of even date		
for and on behalf of the Board of Directors		
for RAO & KUMAR ASSOCIATES Chartered Accountants Firm's registration no. 0030935 K. Meher SHRI K MEHER VENKATESWARA RAO Partner Membership No.211534	Dr. S. V. S. NARAYANA MURTY DIRECTOR & CEO DIN: 11065319 SHRI VARANASI SANTA KUMAR CHIEF FINANCIAL OFFICER SHRI NAGARAJAN RAVI DIRECTOR DIN: 10693626	
Place: Hyderabad Date: 27-04-2026	UDIN: 26211534HVWEQQ2600	

(₹ in Lakhs)

3. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings/ Drainage/ water systems	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Other (Electrical installations)	Others (Roads and bridges)	Total Tangible Assets
Year ended 31st March 2025									
Gross Carrying amount									
Opening gross carrying amount	645.45	223.45	-	7.58	0.06	8.00	0.20	-	884.74
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	645.45	223.45	-	7.58	0.06	8.00	0.20	-	884.74
Accumulated depreciation									
Opening accumulated depreciation	-	30.73	-	2.10	0.02	5.68	0.03	-	38.56
Depreciation charge during the year	-	7.08	-	0.72	0.01	1.82	0.02	-	9.65
Disposals	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	37.81	-	2.82	0.03	7.50	0.05	-	48.21
Net Carrying amount	645.45	185.64	-	4.76	0.03	0.50	0.15	-	836.53
Year ended 31st Mar 2026									
Gross Carrying amount									
Opening gross carrying amount	645.45	223.45	-	7.58	0.06	8.00	0.20	-	884.74
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	645.45	223.45	-	7.58	0.06	8.00	0.20	-	884.74
Accumulated depreciation									
Opening accumulated depreciation	-	37.81	-	2.82	0.03	7.50	0.05	-	48.21
Depreciation charge during the year	-	7.08	-	0.72	0.01	0.49	0.02	-	8.32
Disposals	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	44.89	-	3.54	0.04	7.99	0.07	-	56.53
Net Carrying amount	645.45	178.56	-	4.04	0.02	0.01	0.13	-	828.19

1. Company considered the salvage value as 5% of the Cost of Assets



4. CAPITAL WORK-IN -PROGRESS

(₹ in Lakhs)

Particulars	As at 31st Mar 2026	As at 31st Mar 2025
Capital Work-in-Progress	223.08	196.08
Total	223.08	196.08



5. OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

	Computer software	Copyrights & Patents and other intellectual property rights, services and operating rights	Total Intangible Assets
Year ended 31st March 2025			
Gross Carrying amount			
Opening gross carrying amount	0.37	-	0.37
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying amount	0.37	-	0.37
Accumulated depreciation			
Opening accumulated depreciation	0.27	-	0.27
Depreciation charge during the year	0.08	-	0.08
Disposals	-	-	-
Closing accumulated depreciation	0.35	-	0.35
Net Carrying amount	0.02	-	0.02
Year ended 31st Mar 2026			
Gross Carrying amount			
Opening gross carrying amount	0.37	-	0.37
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying amount	0.37	-	0.37
Accumulated depreciation			
Opening accumulated depreciation	0.35	-	0.35
Depreciation charge during the year	0.02	-	0.02
Disposals	-	-	-
Closing accumulated depreciation	0.37	-	0.37
Net Carrying amount	-	-	-



6. NON CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st Mar 2026	As at 31st Mar 2025
Deferred Tax Liabilities		
On Depreciation	16.85	16.09
Sub Total	16.85	16.09
Deferred Tax Assets		
On Preliminary Expenses	-	-
On Disallowance as per IT Act	-	-
Sub Total	-	-
Net Total	(16.85)	(16.09)

Movement in deferred tax

(₹ in Lakhs)

Particulars	Closing Balance 31-Mar-2025	Charge/Credit during the year 2025-26	Closing Balance 31-Mar-2026
Deferred Tax Assets			
Preliminary Expenses	-	-	-
Total Assets	-	-	-
Deferred Tax Liability			
Depreciation	16.09	0.76	16.85
Total Liability	16.09	0.76	16.85
Net Liability	16.09	0.76	16.85



7. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st Mar 2026	As at 31st Mar 2025
Balances with Banks		
In Current Accounts	20.85	58.09
In Deposit Accounts #	3,150.00	2,970.00
Cash on hand	-	-
Total	3,170.85	3,028.09

8. CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakhs)

Particulars	As at 31st Mar 2026	As at 31st Mar 2025
Loans and advances to employees	-	-
Interest accrued on loans to employees	-	-
Claims receivable	-	-
Deposits with others	1.50	1.50
Interest accrued on bank deposits	60.51	78.29
Total	62.01	79.79

9. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st Mar 2026	As at 31st Mar 2025
Prepaid expenses	1.44	-
GST/TDS/Customs duty receivable	72.24	67.30
Advance Tax	30.00	26.00
Total	103.68	93.30



10. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st Mar 2026	As at 31st Mar 2025
Authorised		
Equity shares		
30,00,00,000 shares @ ₹ 10/- per share	30,000.00	30,000.00
(Previous Year 30,00,00,000 shares @ ₹ 10/- per share)		
	<u>30,000.00</u>	<u>30,000.00</u>
Issued		
Equity shares		
4,00,00,000 shares @ ₹ 10/- per share	4,000.00	4,000.00
(Previous Year 4,00,00,000 shares @ ₹ 10/- per share)		
	<u>4,000.00</u>	<u>4,000.00</u>
Subscribed and fully Paid up		
Equity shares		
4,00,00,000 shares @ ₹ 10/- per share	4,000.00	4,000.00
(Previous Year 4,00,00,000 shares @ ₹ 10/- per share)		
	<u>4,000.00</u>	<u>4,000.00</u>
Total	4,000.00	4,000.00

Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31st Mar 2026		As at 31st Mar 2025	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Outstanding as at Opening Date	4,00,00,000	4,000.00	4,00,00,000	4,000.00
Add: Issued during the year				
To NALCO	-	-	-	-
To MIDHANI	-	-	-	-
Outstanding as at Closing Date	4,00,00,000	4,000.00	4,00,00,000	4,000.00

Terms/right attached to equity shares

The Company has Initial and RIGHTS class of equity shares having par value of ₹ 10 per share (Previous Year ₹ 10). Each equity share represents one voting right.

Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st Mar 2026		As at 31st Mar 2025	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 10/- each fully paid-up (Previous Year ₹ Nil)				
NALCO	2,00,00,000	50.00%	2,00,00,000	50.00%
MIDHANI	2,00,00,000	50.00%	2,00,00,000	50.00%

11. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st Mar 2026	As at 31st Mar 2025
Retained Earnings		
Opening Balance	97.83	(55.92)
Transfer to General Reserve	-	-
Add: Amount transferred from statement of profit and loss	135.83	153.74
Amount available for appropriation	<u>233.65</u>	<u>97.83</u>
Total	233.65	97.83



12. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st Mar 2026	As at 31st Mar 2025
Micro, Small & Medium Enterprises	-	-
Others @	89.32	80.22
Total	89.32	80.22

@ Balances in Trade Payables are subject to confirmation and/ or reconciliation.

13. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st Mar 2026	As at 31st Mar 2025
Statutory liabilities	3.12	1.02
Other Liabilities - Mishra Dhatu Nigam Ltd.	-	-
Total	3.12	1.02

14. CURRENT - PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st Mar 2026	As at 31st Mar 2025
Provision for Income Tax	44.87	38.65
Other provisions	-	-
Total	44.87	38.65



15. OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year ended 31st Mar 2026	For the Year Ended 31st Mar 2025
Interest Income		
From Banks	224.53	222.31
From Others	0.09	0.04
Liquidated Damages	-	4.50
Total	224.62	226.85

16. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the Year ended 31st Mar 2026	For the Year Ended 31st Mar 2025
Salaries & Wages		
Salaries & Wages	2.98	-
Total	2.98	



17. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended 31st Mar 2026	For the Year Ended 31st Mar 2025
Postage & telephone	-	-
Rates and Taxes	-	-
Rent	2.40	2.40
Security guard charges	15.12	15.17
Administration expenses-Others	5.99	4.86
Advertisement	5.15	-
Consultancy charges	-	-
Bank charges	0.01	0.01
Auditor's remuneration(As per details below)	1.30	0.90
Total	29.97	23.34

Remuneration and other payments to the auditor

(₹ in Lakhs)

Particulars	For the Year ended 31st Mar 2026	For the Year Ended 31st Mar 2025
Auditor		
(a) Statutory Audit	0.70	0.60
(b) Tax Audit	-	-
(c) Other Services	0.60	0.30
Total	1.30	0.90

18. INCOME TAX EXPENSE

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in the equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

Income tax expense

(₹ in Lakhs)

Particulars	For the Year ended 31st Mar 2026	For the Year Ended 31st Mar 2025
Current tax		
Current tax on profits for the year	46.75	38.65
Earlier year tax	-	-
MAT Credit Entitlement	-	-
Total	46.75	38.65
Deferred tax		
Decrease (increase) in deferred tax liabilities	(0.76)	(1.39)
Total income tax expense	47.51	40.04



SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL INFORMATION

Utkarsha Aluminium Dhatu Nigam Limited ("the Company") is a Joint Venture Company formed by NALCO (A Government of India Enterprise) and MIDHANI (A Government of India Enterprise) and is engaged in the business of manufacturing of high end aluminium alloys. The Company has its temporary registered office in the premises of MIDHANI at 'PO Kanchanbagh, Hyderabad, 500058.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

i. Statement of compliance

The financial statements are prepared and presented in accordance with Indian Accounting Standards (Ind AS) (as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015), to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

ii. Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

iii. Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS require estimates and assumptions to be made that affect the application of accounting policies and reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

2.2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these standalone financial statements, unless otherwise stated.

2.3 Revenue recognition

Revenue is recognized when significant risks and rewards of ownership and effective control on goods have been transferred to the buyer. Revenue from the sale of manufactured goods is recognized upfront at the point in time when the goods are delivered to the customer. The supply of semi-finished products may include supply of third-party equipment or material. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the company is acting as the principal or as an agent of the customer. The company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.



Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, liquidated damages, performance bonuses and incentives, if any, as specified in the contract with the customer.

Sales revenue is measured at fair value net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. The appropriate timing for transfer of risks and rewards varies depending on the individual terms and conditions of the sales contract.

In case of Ex-works contract, revenue is recognized when the goods are handed over to the carrier/agent for dispatch to the buyer and wherever customer's prior inspection is stipulated; revenue is recognized upon acceptance by customer's inspector.

In case of sales on FOR/FOB destination contracts, revenue is recognized considering the expected time in respect of dispatches to reach the destination within the accounting period, subject to adjustments based on actual receipt of material at destination.

Claims for additional revenue in respect of sales contracts/orders against outside agencies are accounted on certainty of realization.

Revenue on rendering of service: Revenue is recognized when the outcome of the services rendered can be estimated reliably. Revenue is recognized in the period when the service is performed by reference to the contract stage of completion on the reporting date.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognized when there is a billing in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

Use of significant judgments in revenue recognition:

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.



Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalization. The assessment of this criterion requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.4 Foreign currencies

Foreign currency monetary items are recorded in the Functional Currency at the closing rate of the reporting period. Nonmonetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they arise.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through statement of profit and loss.



2.5 Employee benefits

i. **Compensated Absence**

The Company accounts for its liability towards compensated absences based on actuarial valuation done as at the balance sheet date by an independent actuary using the Projected Unit Credit Method. The liability includes the long term component accounted on a discounted basis and the short term component which is accounted for on an undiscounted basis.

ii. **Other Employee Benefits**

Other employee benefits are estimated and accounted for based on the terms of the employment contract.

2.6 Property, plant and equipment

Land is capitalized at cost to the Company. Development of land such as levelling, clearing and grading is capitalized along with the cost of building in proportion to the land utilized for construction of building and rest of the development expenditure is capitalized along with the cost of land. Development expenditure incurred for the purpose of landscaping or for any other purpose not connected with construction of any building is treated as cost of land.

All other items of Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The company opted to adopt the previous GAAP value as the 'deemed cost' for the purposes of preparation of opening balance sheet as at 01 April 2015.

The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs 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, when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of replacing a part of an item is recognized in the carrying amount of the item of property, plant and equipment, if the following recognition criteria are met:

- a) It is probable that future economic benefits associated with the item will flow to the Company and;
- b) The cost can be measured reliably.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Useful lives of the significant components are estimated by the internal technical experts.

The carrying amount of the replaced part is de-recognized at the time the replacement part is recognized. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in statement of profit and loss when the item is de-recognized. The costs of the day-to-day servicing of the item are recognized in statement of profit and loss as incurred.

The present value of expected cost for the dismantling and restoration are included in the cost of respective assets if recognizing criteria for provision are met.



Pending disposal, unserviceable fixed assets are removed from the Fixed Assets Register and shown under "Other Current Assets" as a separate line item at the lower of their net book value and net realizable value. As and when the disposal of such assets takes place, the difference between the carrying amount and the amount actually realized will be recognized as Loss / Profit from sale of Fixed Assets.

Advance paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advance under "Other non-current assets" and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

Customer funded assets: As per the guidance of Appendix C of erstwhile Ind AS 18 "Transfer of Assets from Customers" are recognized as an item of property, plant and equipment in accordance with Ind AS 16 in the books of accounts and depreciation is charged accordingly.

As per para 8 of Ind AS 16, items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment and are expected to be used for more than one accounting year. Otherwise, such items are classified as inventory.

Depreciation

Depreciation is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life. The useful lives have been determined to be equal to those prescribed in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets whose actual cost does not exceed ₹ 5000/-, depreciation is provided at the rate of hundred percent in the year of capitalization.

Disposal

Gain and losses on disposal are determined by comparing net sale proceeds with carrying amount. These are included in statement of profit and loss.

2.7 Intangible assets

i. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization 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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. For transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



ii. **De-recognition of intangible assets**

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is de-recognized. iii. Useful lives of intangible assets Amortization is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life. The useful lives have been determined in accordance with guidance provided at Schedule II to the Companies Act, 2013. The assets useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

iii. **Useful lives of Intangible assets**

Amortization is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

The useful lives have been determined in accordance with guidance provided at Schedule II to the Companies Act, 2013.

2.8 Inventories

Inventories are valued on the following basis:

i. **Raw materials, consumables, spares and Tools and Instruments in Central Stores**

At weighted average cost

ii. **Raw materials in Shop floor/ Sub-stores in the shops**

At weighted average rate of Central Stores, at the end of the year

iii. **Consumables in Shop floor/Sub-stores**

All consumables drawn from the Central Stores are charged off to expense. Only in respect of 'A' and 'B' class consumables identified by Management from time to time, the stock at the Shop floor/Shop sub-stores are brought to inventory at the close of the year at the weighted average rate. However, moulds, rolls, dies etc., in use at the close of the year, are valued at issue rates with reference to the balance life, technically estimated.

iv. **Re-usable process scrap, process rejections and sales rejections with customers for return**

At estimated realizable value for scrap.

v. **Tools and Gauges**

Issued tools, instruments, gauges etc. are amortized uniformly over their estimated life.

vi. **Work-in-process**

At cost or estimated realizable value appropriate to the stage of production based on technical evaluation, whichever is less. However, the WIP of 5 years old and above is valued at the realizable scrap rate.

vii. **Finished Goods**

At cost or net realizable value (at shop finished stage) whichever is less. However, the Finished Goods of 5 years old and above is valued at the realizable scrap rate.



- viii. Goods in transit are valued at cost.
- ix. Stores declared surplus / unserviceable are transferred to salvage stores for disposal, and charged to revenue.
- x. Provision for the non-moving raw materials, consumables and spares for over three years is made as under:

Raw materials: 85% of the book value
Consumables and Spares (which do not meet definition of PPE): 50% of the book value
- xi. Stationery, uniforms, medical and canteen stores are charged off to revenue at the time of receipt.

2.9 Investments in associates and joint ventures

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associate and joint ventures are measured at cost in accordance with Ind AS 109- Financial Instruments.

Investment in associate and joint ventures are subject to impairment wherever there is indication of negative reserve in the accounts of JV Companies. However, such impairment is limited to the value of investment.

2.10 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

- i. Current income tax
Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.



- ii. **Deferred income tax** Deferred income tax is recognized using the balance sheet approach. Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

2.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation taking into account the risks and uncertainties surrounding the obligation.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.12 Financial instruments

- i. **Financial assets** The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.
- ii. The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.
- iii. A financial asset shall be measured at amortized cost if both of the following conditions are met:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding



They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The Company's financial assets include security deposits, cash and cash equivalents, trade receivables and eligible current and noncurrent assets.

Cash and cash equivalents comprise cash balances and term deposits with original maturities of one year or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

iii. **Financial liabilities**

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company has the following financial liabilities: loans and borrowings and trade and other payables.

Such financial liabilities are recognized initially at fair value through profit or loss and stated net off transaction cost that are directly attributable to them. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

2.13 Impairment

i. **Financial assets**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.



ii. **Non-financial assets**

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.14 Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenure of respective loans using effective interest method.

2.15 Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

2.16 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.



2.17 Segment reporting

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Company is in the business of manufacturing of super alloys and other special metals. Considering the core activities of the Company, management is of the view that the Company operates a single business segment. Further, the Company is yet to start production. Therefore, there is no other reportable segment.

2.18 Claims by / against the Company:

Claims on underwriters/carriers towards loss / damage are accounted when monetary claims are preferred.

Claims for refund of customs duty including project imports/port trust charge/excise duty are accounted on acceptance/receipt.

Liquidated Damages on suppliers are accounted on recovery.

Liquidated damages levied by the customers are netted-off from revenue on recovery/ advice by the customers. A provision is created for the likely claims of Liquidated Damages for shipments made where a reliable estimation can be made.

Disputed/Time barred debts from Govt. Depts. & PSUs are not treated as Doubtful Debts. However, on a review appropriate provisions/write offs are made in the books of accounts on a case to case basis.

Provision for Doubtful Debts is made on the amounts due from other than Govt. Depts. & 132 MISHRA DHATU NIGAM LIMITED PSUs using expected credit loss provisional matrix.

Provision for Contingencies & Warranty to take care of rejected / returned material by customers is provided at an average of percentages of rejections over turnover related to manufactured products for the previous 5 years.

2.19 Research and development expenses:

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

2.20 Physical verification of Fixed Assets and Inventory

Fixed Assets under the heads Land & Development, Roads & Bridges, Drainage, Sewerage and water system and Buildings & Internal Services are verified once in 3 years. All other Fixed Assets are verified once in the Financial Year.



Inventories of work-in-process, finished goods, raw materials and consumables in the Company premises are verified at the end of the financial year.

Inventories of raw materials, stores and spares in the Central Stores are verified on perpetual basis as per norms fixed from time to time and reconciled. Provisional adjustments are made to revenue, in respect of discrepancies pending reconciliation.

2.21 Cash Flow Statement

Cash flow statement has been prepared in accordance with the indirect method prescribed in Ind AS 7- Statement of Cash Flows.

2.22 New standards and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as on the reporting date, and have not been applied in preparing these financial statements. The effect of the same is being evaluated by the Company.

2.23 Government Grants

- i. Grants from the Government are recognized at their fair value where there is reasonable assurance that grant will be received and the Company will comply with all attached conditions.
- ii. Government grants relating to income are deferred and recognized in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Alternatively, they are deducted in reporting the related expense.
- iii. Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognized in profit or loss over the periods that bear the cost of meeting the obligations.
- iv. Government Grants received either as subsidy or otherwise for acquisition of depreciable assets are accounted as deferred income. If the grant/subsidy is absolute, amount corresponding to the depreciation is treated as income over the life of the asset. If the grant/subsidy is attached with any conditions, such as repayment, income is accounted as per the terms of the grant/subsidy.





Registered Office:

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