



PROTECTING THOSE WHO PROTECT US

ANNUAL REPORT

2024-25

**BOARD'S REPORT
OF
SMPP LIMITED
(FORMERLY KNOWN AS SMPP PRIVATE LIMITED)
(HEREINAFTER REFERRED AS "COMPANY")
FOR THE FINANCIAL YEAR 2024-25**

**To
The Members,
SMPP Limited**

Your Company's Board of Directors takes pleasure in presenting the 40th Board's Report on the business and operations of the Company along with the Company's audited standalone and consolidated financial statements and the Independent Auditor's Report thereon for the financial year ended on March 31, 2025.

1. FINANCIAL SUMMARY:

The Company's financial performance for the financial year ended March 31, 2025:

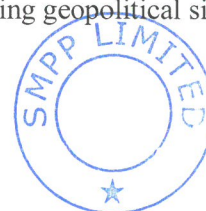
(Amount in Rs. million)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from Operations	5837.11	5,160.77	5837.11	5,160.77
EBIDTA	2436.12	2038.51	2434.69	2036.82
Profit Before Tax	2323.47	1,978.70	2,322.01	1,976.90
Less: Current Tax	567.94	502.73	567.94	502.73
Deferred Tax	8.23	6.64	8.27	6.64
Income Tax earlier years	(0.31)	2.29	(0.31)	2.29
Profit for The Year	1747.62	1,467.03	1746.12	1465.21
Total Equity Funds	6439.35	4,690.58	6435.03	4687.74

2. REVIEW OF OPERATIONS & STATE OF AFFAIRS

During the year under review, the operative revenue grew by 13.11% over the previous year while the total income grew by 15.95%. However, increased operations and efficient manufacturing helped earnings before interest, depreciation, amortisation and taxation to grow by a handsome 19.50%. Profit after Tax also grew 19.13% over the earlier year.

Your company continued to lead in the Indian composite ballistic protection market for personnel protection and create further opportunities for use of composites in protection of battle platforms like aircrafts, helicopters, naval vessels and land vehicles. Manufacturing of combustible cartridge casings (CCCs) continues to exhibit growth as demand for large bore ammunition is increasing in India and globally due to the increase in procurements by Indian Army and the ongoing geopolitical situations.



Implementation of artillery ammunition manufacturing project coming up in Himachal Pradesh in your company's wholly owned subsidiary SMPP Ammunition Private Limited is also progressing satisfactorily. During the year under review, firm orders for the complete production line of LAPing plant have been placed on Rheinmetall Waffe Munition South Africa (Pty) Ltd. The facility is slated to commence operations in early 2026.

The financial year 2024-25 also saw your company initiate steps for making its maiden public offering of equity. It has filed a Draft Red Herring Prospectus (DRHP) with SEBI and has since received the final observations from the regulator. However, further steps in this regard will depend on the market conditions and fructification of upcoming business opportunities.

3. **CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business of the Company.

4. **DETAILS OF SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATE COMPANIES**

During the financial year under review, your Company operated 1 (one) wholly owned subsidiary, dedicated to manufacture of large bore ammunition. Below is a brief profile of this subsidiary:

SMPP Ammunition Private Limited, a wholly owned subsidiary of the Company, was incorporated on November 2, 2021 under the Companies Act, 2013. The Company is engaged in the manufacture of 155 mm caliber ammunition for military artillery applications. The proposed Ammunition Project has been designed with flexibility, enabling expansion into the production of other large- and medium-caliber ammunition through minor modifications to the plant and equipment. In line with its long-term strategy of backward integration and supply chain security, the Company also intends to establish in-house facilities for the manufacture of critical raw materials required in ammunition production, including nitrocellulose (NC), nitroguanidine (NG), NC-NG paste, and single-base, double-base, and triple-base propellants.

Further, pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the Financial Statements of subsidiaries and joint ventures, if any, is available in Form AOC-1 as appended to the financial statements of your Company as **Annexure-I**.

5. **CORPORATE GOVERNANCE**

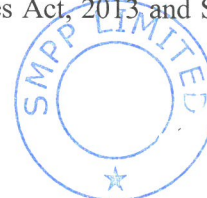
Your company strives to ensure that best Corporate Governance practices are identified, adopted and consistently followed. Your Company believes that good governance is the basis for sustainable growth of the business and for enhancement of stakeholder value.

In terms of the provision of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Board has constituted/re-constituted the following committees on September 13, 2024. Details of composition of the various committees mentioned below as on March 31, 2025:

i. **Audit Committee**

The Board at its meeting held on September 13, 2024 has constituted the Audit Committee with following members pursuant to provision of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations:

Composition of the Audit Committee:



1. Ms. Mahima Gupta, Non-Executive Independent Director (Chairperson);
2. Dr. Madhu Kansal, Whole Time Director (Member); and
3. Dr. Manoj Gupta, Non-Executive Independent Director (Member).

ii. Nomination and Remuneration Committee (NRC Committee)

The Board at its meeting held on September 13, 2024 has constituted the NRC Committee with following members pursuant to provision of Section 178 of the Companies Act, 2013 and SEBI Listing Regulations. Composition of NRC is as follows:

Composition of the NRC Committee:

1. Dr. Manoj Gupta, Non-Executive Independent Director (Chairman);
2. Dr. Ajay Kumar, Non-Executive Independent Director (Member); and
3. Ms. Mahima Gupta, Non-Executive Independent Director (Member).

iii. Risk Management Committee (RMC)

The Board has constituted a Risk Management Committee at its meeting held on September 13, 2024, to identify and assess the key risk areas, oversee the risk mitigation strategies and implementation thereof. Composition of the RMC is as follows:

Composition of the RMC:

1. Dr. Shiv Chand Kansal, Chairman and Managing Director (Chairman);
2. Dr. Madhu Kansal, Whole Time Director (Member); and
3. Ms. Mahima Gupta, Non-Executive Independent Director (Member).

iv. Stakeholders Relationship Committee (SRC)

The SRC was constituted pursuant to resolution passed by the Board of Directors at its meeting held on September 13, 2024 to re-address the grievance of the stakeholders. Composition of the SRC is as follows:

Composition of the SRC:

1. Dr. Ajay Kumar, Non-Executive Independent Director (Chairman);
2. Dr. Madhu Kansal, Whole Time Director (Member); and
3. Mr. Ashish Kansal, Whole Time Director & CEO (Member).

* Dr. Ajay Kumar, Chairman of the Stakeholders Relationship Committee, and Member of the Nomination and Remuneration Committee, has resigned from these positions with effect from May 15, 2025 and Mr. Pankaj Kumar Singh has been appointed as a Chairman of the Stakeholders Relationship Committee and Member of the Nomination and Remuneration Committee with effect from August 05, 2025.

v. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility ("CSR") Committee was formulated pursuant to the provisions of the Companies Act, 2013. CSR committee was re-constituted pursuant to resolution passed by the Board of Directors at its meeting held on September 13, 2024 in accordance with the provisions of Section 135 of the Companies Act, 2013.

- a. It is disclosed that there are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the



Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;

- b. In respect of ongoing projects, the company has transferred an unspent Corporate Social Responsibility (CSR) amount, to a scheduled bank in unspent corporate social responsibility account on 27 September, 2024 which was required to be transferred within 30 days from the end of the financial year 2023-24 amounting to INR 17.72 million, which was earlier transferred to Jai foundation, being an implementation agency on 26 March, 2024. Further, in respect of ongoing project, for previous year 2021-22 and 2022-23, the Company transferred unspent Corporate Social Responsibility amount to a scheduled bank in unspent corporate social responsibility account on 27 September, 2024 amounting to INR 2.10 Million and INR 17.70 Million respectively, which was required to be transferred within 30 days from the end of the respective financial years. The respective Corporate Social Responsibility amount had been transferred to Jai foundation separate Bank account in the same financial years.
- c. In respect of ongoing projects, the Company has transferred an unspent Corporate Social Responsibility (CSR) amount, to a separate schedule bank in unspent Corporate Social Responsibility (CSR) account on July 14, 2025 which was required to be transferred within 30 days from the end of financial year 2024-25 amounting to INR 24.20 million, which was earlier transferred to SMPP Foundation Trust separate Bank account being an implementing agency.

The brief outline of the CSR policy of the Company and the initiatives undertaken, if any, by the Company on CSR activities during the financial year under review are set out in **Annexure – III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The amended CSR policy is available on the website of the Company i.e., [CSR-Policy.pdf](#) Composition of the CSR Committee is as follows:

Composition of the CSR Committee:

1. Dr. Madhu Kansal, Whole Time Director (Chairperson);
2. Dr. Shiv Chand Kansal, Managing Director (Member); and
3. Dr. Manoj Gupta, Non-Executive Independent Director (Member).

6. DIVIDEND

In view of the proposed project for manufacturing large caliber ammunition under implementation through the wholly owned subsidiary of your Company, your directors have decided to conserve the company's resources and not declare any dividend for the financial year 2024-25.

7. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the financial year under review, the Company was not required to transfer any funds to the Investor Education and Protection Fund (IEPF). There is no amount which is required to be transferred to the IEPF as per the provisions of Section 125(2) of the Act.

8. TRANSFER TO RESERVES

Your Company is implementing a project to manufacture large bore ammunition for artillery guns and tanks, among others. Coupled with expected increase in operations, your directors have taken a view to conserve the funds by retaining the entire profits of 2024-25.

9. CHANGES IN SHARE CAPITAL



Authorized Share Capital:

During the year under review, the Company has increased the authorized capital from Rs. 40,00,00,000/- (Rupees Forty Crore only) divided into 20,00,00,000 (Twenty Crore) equity shares of Rs. 2/- (Rupees Two only) each to Rs. 130,00,00,000/- (Rupees One Hundred and Thirty Crore only) divided into 65,00,00,000 (Sixty - Five Crore) equity shares of Rs. 2/- (Rupees Two only) each, ranking pari passu in all respect with the existing Equity Shares.

The Authorized Share Capital of the Company as on March 31, 2025 is Rs. 130,00,00,000/- (Rupees One Hundred and Thirty Crore only) divided into 65,00,00,000 (Sixty - Five Crore) equity shares of Rs. 2/- (Rupees Two only) each.

Issued, Subscribed and Paid-Up Share Capital:

During the year under review, your directors announced a bonus issue of equity shares in the ratio of 2:1 (2 bonus equity shares for every one share held). Consequently, your Company's issued, subscribed and paid-up Share Capital increased from Rs. 40,00,00,000/-, consisting of 20,00,00,000 equity shares with a nominal value of Rs. 2 each to Rs. 120,00,00,000/-, consisting of 60,00,00,000 equity shares with a nominal value of Rs. 2/- each.

The Issued, Subscribed and Paid-Up Share Capital of the Company as on March 31, 2025 is Rs. 120,00,00,000/-, consisting of 60,00,00,000 equity shares with a nominal value of Rs. 2/- each.

10. MATERIAL CHANGES AND COMMITMENTS

No material changes or commitments have occurred after the closure of the Financial Year till the date of this report, which may affect the financial position of the Company.

11. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

The Internal Controls Over Financial Reporting are routinely tested and reported by the Statutory as well as Internal Auditors, in a process that involves a review of the internal controls and risks in its operations and processes such as IT and general controls, accounting and finance, procurement, employee engagement, etc.

Pursuant to Section 143 of the Act, the Statutory Auditor has issued an attestation report on our Internal Financial Controls over financial reporting.

12. DEPOSITS

The Company has not accepted any deposits during the year and no deposits remained unpaid or unclaimed as at the end of the year under review and there has been no default in the repayments of deposits.

13. AUDITORS AND AUDITOR'S REPORT



i. Statutory Auditors

S S Kothari Mehta & Co. LLP (firm registration no.: 000756N/N500441), and Jagdish Sapra & Co. LLP (firm registration no.: 001378N/N500037) had been re-appointed as Joint Statutory Auditors of the Company, for a term of five (5) consecutive years commencing from the Financial Year 2024-2025 and that they shall hold office from the conclusion of the 39th Annual General Meeting held in the year 2024 till the conclusion of the 44th Annual General Meeting to be held in the year 2029.

The Company had received a certificate from the Joint Statutory Auditors to the effect that their appointment is within the limit prescribed under the Section 141 of the Companies Act, 2013 and that they are not disqualified from continuing under such appointment within the meaning of the said Section.

Auditors' Report

The statutory auditor's report does not contain qualifications, reservations, or adverse remarks or disclaimer in the report of auditors provided for the financial year ended on March 31, 2025 and in respect of CSR, it is clarified that in respect of ongoing projects, the Company has transferred an unspent Corporate Social Responsibility (CSR) amount, to a separate schedule bank in unspent Corporate Social Responsibility (CSR) account on July 14, 2025 which was required to be transferred within 30 days from the end of financial year 2024-25 amounting to INR 24.20 million, which was earlier transferred to SMPP Foundation Trust separate Bank account being an implementing agency. Accordingly the Company has taken the corrective measures.

ii. Internal Auditors

Pursuant to the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014, your Directors have appointed Narendra Singhania & Company, Chartered Accountants (Firm Registration No. 009781N), as the Internal Auditor of the Company for the Financial Year 2025-26.

** The Board of Directors of the Company has appointed M/s. Narendra Singhania & Company to conduct the Internal Audit as per Rule 13 of the Companies (Accounts) Rules, 2014 prescribed under Section 138 of the Companies Act, 2013 for the financial year 2025-26. They have consented and confirmed their eligibility for the appointment.*

iii. Cost Records & Cost Auditors

During the year under review, in accordance with Section 148(1) of the Act, your Company has maintained the accounts and cost records, as specified by the Central Government. Such cost accounts and records are subject to audit by M/s. S Chander & Associates, Cost Accountants, Cost Auditors of your Company for Financial 2024-25.

Pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, your Directors have appointed M/s S Chander & Associates, Cost Accountants (Firm's Registration No. -100105), as the Cost Auditor of the Company for the Financial Year 2025-26. The remuneration payable to the Cost Auditor is subject to approval/ ratification by the Members of the Company. Accordingly, a resolution seeking Members' approval/ ratification to the remuneration payable to the Cost Auditor for the Financial Year 2025-26 (as recommended and approved by the Board of Directors) is included in the Notice convening the 40th Annual General Meeting, along with all relevant details.

iv. Secretarial Auditors



The Secretarial Audit for the year 2024-25 was undertaken by M/s DPV & Associates LLP, Practicing Company Secretaries, as a Secretarial Auditor of the Company for financial year 2024-25.

The Secretarial Audit Report for the financial year ended March 31, 2025 under the Act, read with Rules made thereunder of the Company are annexed herewith as “**Annexure-IV**”.

The secretarial auditor's report does not contain qualifications, reservations, or adverse remarks or disclaimer in the report of auditors provided for the financial year ended on March 31, 2025 and it is clarified that there are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Further, in respect of ongoing projects, the company has transferred an unspent Corporate Social Responsibility (CSR) amount, to a scheduled bank in unspent corporate social responsibility account on 27 September, 2024 which was required to be transferred within 30 days from the end of the financial year 2023-24 amounting to INR 17.72 million, which was earlier transferred to Jai foundation, being an implementation agency on 26 March, 2024. Further, in respect of ongoing project, for previous year 2021-22 and 2022-23, the Company transferred unspent Corporate Social Responsibility amount to a scheduled bank in unspent corporate social responsibility account on 27 September, 2024 amounting to INR 2.10 Million and INR 17.70 Million respectively, which was required to be transferred within 30 days from the end of the respective financial years. The respective Corporate Social Responsibility amount had been transferred to Jai foundation separate Bank account in the same financial years. Accordingly, the Company has taken the corrective measures.

14. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

During the year under review, the Auditors of the Company have not reported any instances of the fraud committed by the Company, its officers and employees to the Audit Committee under section 143(12) of the Companies Act, 2013, the details of which would need to be mentioned in the Board Report.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

- i. During the financial year under review, following changes were made in the composition of board of the directors and key managerial personnel of the Company.
 - Dr. Shiv Chand Kansal re-appointed as a Chairman and Managing Director w.e.f. August 23, 2024;
 - Dr. Madhu Kansal re-appointed as a Whole-time Director w.e.f. August 23, 2024;
 - Mr. Ashish Kansal appointed as a Whole-time Director & Chief Executive Officer w.e.f. August 17, 2024;
 - Dr. Ajay Kumar appointed as a Non-Executive Independent Director w.e.f. September 13, 2024;
 - Dr. Manoj Gupta appointed as a Non-Executive Independent Director w.e.f. September 13, 2024;
 - Ms. Mahima Gupta appointed as a Non-Executive Independent Director w.e.f. w.e.f. September 13, 2024;
 - Mr. Padam Chand Jain appointed as the Chief Financial Officer w.e.f. August 16, 2024; and
 - Mr. Sachin Jain appointed as the Company Secretary w.e.f. August 17, 2024 and designated as the Compliance Officer w.e.f. September 13, 2024.
- ii. Appointments & Cessations after the end of Financial Year 2024-25 till the date of this Report:



- Dr. Ajay Kumar resigned as a Non-Executive Independent Director w.e.f. May 15, 2025 as he has been appointed as the Chairman, UPSC by the Government of India w.e.f. May 13, 2025. Mr. Pankaj Kumar Singh, Deputy National Security Advisor (Retd.) has been appointed as an Additional Director (Non-Executive and Independent) on the Board of the Company with effect from August 05, 2025.
 - Mr. Sachin Jain has resigned from the position of Company Secretary and Compliance Officer with effect from July 20, 2025 and Mr. Rohit has been appointed as the Company Secretary and Compliance Officer of the Company with effect from July 31, 2025.
- iii. The Board places on record its deep appreciation for the services rendered by Dr. Ajay Kumar during his association with the company.
- iv. Proposed appointments at the AGM:
- Re-appointments pursuant to Directors Retiring by Rotation at the AGM: Dr. Madhu Kansal, Whole-time Director of the Company, who retires by rotation at the 40th Annual General Meeting and being eligible, has offered herself for re-appointment, is proposed to be re-appointed.
- v. Declaration by Independent Directors
- As on the date of this report, there are 3 (three) independent directors on Board of the Company and the Board is of the opinion that all the independent directors are persons of integrity and hold the necessary expertise, skill, competence, experience and proficiency required with respect to the business of the Company. Pursuant to sub-section (7) of Section 149 of the Act, the Company has received declaration from all the Independent Directors on Board that they meet the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. A brief profile of each independent director on Board of the Company, along with the terms and conditions of their appointment are available on the website of the Company.
- vi. Disclosure of Interest in other entities/ concerns
- The Company has received the Annual disclosure(s) from all the Directors, disclosing their Directorship/ Interest in other concerns in the prescribed format, for the Financial Years 2024-25 and 2025-26. The Company has received confirmation from all the Directors that as on March 31, 2025, none of the Directors were disqualified to act as Directors by virtue of the provisions of Section 164(2) of the Act or were debarred from holding the office of Director by virtue of any order of SEBI or any such other authority.
- vii. Key Managerial Personnel
- As on March 31, 2025, the following persons were the designated Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules made thereunder:
- a) Dr. Shiv Chand Kansal, Chairman and Managing Director
 - b) Dr. Madhu Kansal, Whole-time Director
 - c) Mr. Ashish Kansal, Whole-time Director & Chief Executive Officer
 - d) Mr. Padam Chand Jain, Chief Financial Officer
 - e) Mr. Sachin Jain, Company Secretary and Compliance Officer
- * *However, subsequent to the close of the financial year under review, Mr. Sachin Jain resigned from the position of Company Secretary and Compliance Officer with effect from July 20, 2025 and Mr. Rohit has been appointed as the Company Secretary and Compliance Officer with effect from July 31, 2025.*



viii. Number of Board Meetings

23 Board meetings were held during the financial year 2024-25. The maximum gap between any two Board Meetings was less than one Hundred and Twenty days.

The names of members of the Board, their attendance at the Board Meetings is as under:

Name of Directors	Number of Meetings attended held during FY 2024-2025
Dr. Shiv Chand Kansal	23
Dr. Madhu Kansal	23
Mr. Ashish Kansal	10
Dr. Ajay Kumar	7
Dr. Manoj Gupta	7
Ms. Mahima Gupta	7

16. PERFORMANCE EVALUATION

The Board Evaluation reaffirms the Board's strong commitment to governance and strategic oversight, as evidenced by the proactive leadership of its members, the effectiveness of Committees and the engagement of senior management. A key insight highlights the Board's independence and steadfast dedication to upholding rigorous governance standards, ensuring transparency and fostering sustainable value creation for stakeholders.

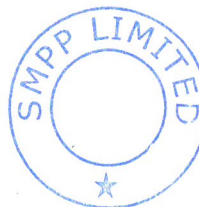
Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of all the Directors individually including Independent Directors, Chairman and Managing Director.

The manner in which the formal annual evaluation of performance was made by the Board is given below:

- The evaluation criteria and process followed were in accordance with those approved by the Nomination and Remuneration Committee and the Board and were found to be in order.
- Based on the said criteria, a questionnaire cum-rating sheet was circulated to seek confidential evaluation ratings and feedback from the directors regarding the performance of the Board, its Committees, the Chairperson, and individual directors.
- Based on the individual ratings received from the directors, a summary report was prepared on the performance evaluation of the Board, its Committees, the Chairman & Managing Director and Directors. The performance evaluation report was then discussed and noted by the Board at its meeting, and the Board expressed its satisfaction with the outcome of the evaluation.

The evaluation criteria, as outlined in the Company's 'Policy for Evaluation of the Performance of the Board of Directors', include parameters such as Board composition and structure, effectiveness of board processes, information availability and flow, contributions made by individual Directors, and the performance of the Chairperson. The said policy is available on the website of the Company and can be accessed at: [Policies - SMGroup](#).

17. PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013



Details of Loans, Guarantees and Investments made by the Company, covered under the provisions of Section 186 of the Act, are given in the notes to the Financial Statements.

18. HUMAN RESOURCES

People are our most valuable asset and the Company places the engagement, development and retention of talent as its highest priority, to enable achievement of the organizational vision.

19. DISCLOSURE ABOUT RECEIPT OF COMMISSION

In terms of Section 197(14) of the Companies Act, 2013 and rules made there under, during the year under review, there is no director who is in receipt of any commission from the company and who is also a managing or whole-time director of the company, thus the said provision is not applicable to your Company.

20. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All transactions with related parties during the financial year 2024-25 were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with materiality of Related Party Transactions and the Related Party Framework, formulated and adopted by the Company. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the related party transactions which are of repetitive nature. The transactions entered into, pursuant to the omnibus approval so granted, are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their review on a quarterly basis.

All contracts/arrangements/transactions entered into by the Company during the year under review with Related Parties were in the ordinary course of business and are on an arm's length basis in accordance with the provisions of the Act.

The material related party transactions entered during the financial year under review, by your Company and hence the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, in Form AOC-2, is attached as **Annexure-II**.

Details of the Related Party Transactions, as required to be provided under applicable laws and the relevant Indian Accounting Standards are given in notes to the standalone financial statements of the Company for the Financial Year ended March 31, 2025.

21. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has Complied with the applicable Secretarial Standards (as amended from time to time) as issued by Institute of Company Secretaries of India and approved by Central Government under section 118(10) of the Companies Act, 2013.

22. ANNUAL RETURN

As per the requirements of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and read with rules framed thereunder, the annual return for the financial year 2024-25 will be accessible through the web-link. www.smgroupindia.com.



23. PARTICULARS OF EMPLOYEES

Being an unlisted Company, the details of employee remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

24. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with the provisions of Section 177(9) and 177(10) of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has established a Vigil Mechanism and adopted a Whistle Blower Policy.

The Company is committed to upholding the highest standards of integrity, transparency, professionalism, and ethical conduct in all its dealings. The Whistle Blower Policy provides a framework and mechanism for directors, employees, and other stakeholders to report genuine concerns regarding unethical behaviour, actual or suspected fraud, or violations of the Company's Code of Conduct, without fear of retaliation. The Policy also ensures direct access to the Chairperson of the Audit Committee.

The Whistle Blower Policy is available on the Company's website at: [Whistle-Blower-Policy.pdf](#).

During the financial year under review, the Company did not receive any complaints under the Vigil Mechanism.

25. NOMINATION AND REMUNERATION POLICY

The Company has formulated a Nomination and Remuneration Policy in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The Policy governs the appointment, qualifications, attributes, independence criteria, and remuneration of Directors, Key Managerial Personnel (KMP), and Senior Management personnel.

The objective of the Policy is to attract, retain, and motivate competent leadership, align remuneration with performance and strategic goals, and ensure that the remuneration framework is fair, performance-driven, and consistent with the Company's risk appetite and long term objectives.

The Nomination and Remuneration Committee, while recommending appointments to the Board, evaluates candidates based on qualifications, skills, experience, and independence criteria. The Nomination and Remuneration Policy of the Company is available on the Company's website and can be accessed at: [Nomination-and-Remuneration-Policy.pdf](#)

26. RISK MANAGEMENT

The Company has in place a comprehensive Risk Management Policy, which provides an effective framework for identifying, assessing, mitigating, reporting, and periodically reviewing critical risks that may affect the Company's objectives or continuity. The policy is available on the Company's website at: [Risk-Management-Policy.pdf](#).

The Company's business units and corporate functions follow a structured and institutionalised



approach to risk management, aligned with its overall strategic goals. The Risk Committee oversees the organization's overall risk management process through our Enterprise Risk Management program.

The Risk Management Committee reviews key business risk areas, encompassing operational, financial, strategic, and regulatory aspects including the mitigation strategies. The Risks and its management is currently handled by the Internal Audit team. The Risks are periodically presented to the Management and the Audit Committee.

27. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

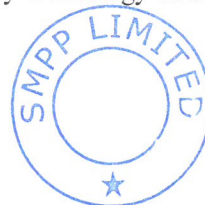
A. Conservation of Energy

The Company has conserved the energy wherever practicable. However, as a responsible corporate citizen, it continues to pursue and adopt appropriate energy conservation measures. Adequate measures have been taken to conserve energy by using equipment with ingenious application of technology, which yield higher production while consuming lesser energy. This has been possible due to the technical capabilities of the team that has custom designed the production equipment for such results.

- **The steps taken or impact on conservation of energy:** Some of the energy conserving steps and practices followed by the Company are as below:
 - Optimum usage of Air Conditioners throughout its premises by ensuring that there is no cool air leakage.
 - Regular maintenance of machinery to ensure optimal energy use.
 - Turning off lights on floors when employees are not working
 - Installation of automatic power shut-off systems in certain operational areas.
 - Usage of LED lights for all its lighting solution
- **The steps taken by the company for utilizing alternate sources of energy:** The Company has not undertaken any initiatives in this regard during the financial year.
- **The capital investment on energy conservation equipment:** The Company has not made any capital investment towards energy conservation equipment during the financial year.

B. Technology Absorption

- **The efforts made towards technology absorption:**
 - Adoption of advanced machinery and equipment to improve production efficiency and product consistency.
 - Continued focus on in-house design and development of advanced bullet-resistant vests, suits, and helmets tailored to the needs of armed and paramilitary forces.
 - Incorporation of advanced materials and innovative protective technologies to enhance product effectiveness, user safety, and overall comfort.
- **The benefits derived like product improvement, cost reduction, product development or import substitution:**
 - Enhanced product performance and protection levels.
 - Achieved cost efficiency in the design and development of bulletproof vests and helmets.
- **In case of imported technology:** The Company has not imported any technology during the



financial year.

- **The expenditure incurred on Research and Development:** Rs. 36 million

C. Foreign Exchange Earnings and Outgo (Rs. Million):

	2024-25	2023-24
Earnings	512.24	1085.65
Outgo	1079.69	1605.46

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

The Company maintains zero tolerance for sexual harassment at the workplace and has adopted a gender-neutral policy on the Prevention of Sexual Harassment (“POSH”), in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The policy provides a robust framework for reporting, redressal, and prevention of sexual harassment while ensuring strict confidentiality and protection from retaliation. The Internal Complaints Committee (hereinafter referred to as the “ICC”) has been constituted for timely and impartial resolution to complaints of sexual harassment. The policy is available on the website of the Company - <https://smgroupindia.com/investors/policies/>

In accordance with the Act, the Company has constituted an Internal Complaints Committee (“ICC”) comprising employees and external members with relevant experience and sensitivity to such matters. The ICC is empowered to investigate complaints, conduct fair hearings, and recommend appropriate disciplinary actions. The Company also conducts periodic awareness and sensitisation programs to foster a respectful and safe workplace. During the year under review, there was no complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Provision and Redressal) Act, 2013 and rules made thereunder.

Details of complaints received and disposed of during the Financial Year 2024–25 are as follows:

Number of complaints received during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending more than ninety days
0	0	0

29. COMPLIANCE WITH MATERNITY BENEFIT ACT, 1961

The Company affirms that it has duly complied with the provisions of the Maternity Benefit Act, 1961, including all amendments thereto. All applicable benefits, leave entitlements, and facilities as mandated under the Act have been extended to eligible women employees during the financial year under review.

The Company is committed to fostering a supportive, inclusive, and equitable workplace, and remains steadfast in ensuring the well-being and rights of women employees, particularly during and after maternity. Provisions such as paid maternity leave, nursing breaks, and return-to-work support continue to be implemented in both letter and spirit across all Company locations.

30. OTHER DISCLOSURES



- i. During the year under review, the Company did not make any application under the Insolvency and Bankruptcy Code, 2016, and hence no proceeding is pending under the Code.
- ii. The requirement of stating the difference between the amount of valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions does not arise, as the same is not applicable on the Company.

31. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

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

32. DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) That in the preparation of ended the annual financial statements for the year March 31, 2025; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual financial statements have been prepared on a going concern basis;
- e) That proper internal financial control was in place and that the financial controls were adequate and were operating effectively. That system to ensure compliance with the provisions of all applicable laws was in place and was adequate and operating effectively; and
- f) That proper systems had devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your directors place on the record their appreciation of the Contribution made by employees, consultants at all levels, who with their competence, diligence, solidarity, co-operation and support have enabled the Company to achieve the desired results.

The board of Directors gratefully acknowledge the assistance and co-operation received from the Central and State Governments Departments, Shareholders and Stakeholders.



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



Dr. Shiv Chand Kansal
Chairman and Managing Director
DIN: 00048385
Address: M-17, South Extension
Part- II, New Delhi - 110049
Date: August 21, 2025



Dr. Madhu Kansal
Whole-time Director
DIN: 00736029
Address: M-17, South Extension Part- II,
New Delhi - 110049
Date: August 21, 2025

Annexure-I

Form AOC-1

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

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

Part A – Subsidiaries

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

Sl. No.	Particulars	
1.	Name of the Subsidiary	SMPP Ammunition Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	April 01, 2024 to March 31, 2025
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.
4.	Share capital	2.00
5.	Reserves and surplus	(0.02)
6.	Total assets	1313.73
7.	Total Liabilities	1311.75
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	1.50
11.	Tax Expense	0.04
12.	Profit after taxation	1.46
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

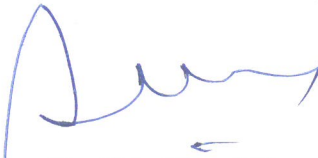


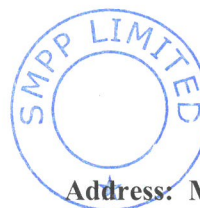
Part B – Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	
1. Latest audited Balance Sheet Date	
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate or Joint Ventures held by the company on the year end	
(a) No. Of Shares held	
(b) Amount of Investment in Associate/Joint Venture	
(c) Extent of holding %	Not Applicable
4. Description of how there is significant influence	
5. Reason why the associate/joint venture is not consolidated	
6. Net worth attributable to shareholding as per latest audited Balance Sheet	
7. Profit or Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

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


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DIN: 00048385
Address: M-17, South Extension
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Date: August 21, 2025




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Whole-time Director
DIN: 00736029
Address: M-17, South Extension
Part- II, New Delhi - 110049
Date: August 21, 2025

Annexure-II

AOC -2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014
section 188**

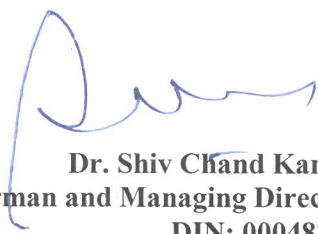
Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

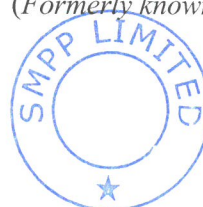
1. Details of contracts or arrangements or transactions not at Arm's length basis: -There were no contracts or arrangements or transactions entered into by the Company with any of its Related Parties during the year ended March 31, 2025, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis. - The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2025 are as follows: -

Name(s) of the related party and nature of relationship	Nature of Contracts/ arrangement/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advance (if any)	Cumulative Amount of Transaction During the Financial Year ended 31.03.2025 (in Mn)
Mr. Ashish Kansal (Related Party)	Purchase of Patent	One-time Transaction	Company purchases patent from Mr. Ashish Kansal	September 29, 2024	-	782.60

**For and on behalf of the Board of Directors
For SMPP Limited
(Formerly known as SMPP Private Limited)**


Dr. Shiv Chand Kansal
Chairman and Managing Director
DIN: 00048385
Address: M-17, South Extension
Part- II, New Delhi - 110049
Date: August 21, 2025




Dr. Madhu Kansal
Whole-time Director
DIN: 00736029
Address: M-17, South Extension Part- II,
New Delhi - 110049
Date: August 21, 2025

Annexure III

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2024-25

S. No.	Particulars	Remarks
1	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and project or programs.	Pursuant to Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors has constituted a CSR Committee. The Board has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013. The said policy is placed on the website of the Company i.e., www.smgroupindia.com. In line with its CSR Policy and in accordance with Schedule VII to the Act, the Company has identified the following key areas to undertake CSR projects: • Education • Animal welfare • Eradicating Hunger • Promoting and preventing health care
2	The Composition of the CSR Committee.	Members of the committee are: 1. Dr. Madhu Kansal, Whole Time Director (Chairperson); 2. Dr. Shiv Chand Kansal, Managing Director (Member); and 3. Dr. Manoj Gupta, Non-Executive Independent Director (Member).
3	Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.	Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company i.e., www.smgroupindia.com .
4	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not Applicable
5	a. Average net profit of the Company for last three financial years. b. Two percent of average net profit of the company as per sub-section (5) of section 135.	a) Rs. 1468.61 million b) Rs. 29.37 million



	c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. d. Amount required to be set-off for the financial year, if any. e. Total CSR obligation for the financial year [(b)+(c)-(d)].	c) Nil d) Nil e) Rs. 29.37 million
6	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). (b) Amount spent in Administrative overheads. (c) Amount spent on Impact assessment, if applicable. (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. (e) CSR amount spent or unspent for the Financial Year: (f) Excess amount for Set -off, if any	a. Rs. 5.17 million b. Nil c. NA d. Rs. 5.17 million e. As mentioned in Table A f. As mentioned in Table B
7	Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:	As mentioned in Table C
8	Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year	Yes, The number of Capital Assets acquired is One (1) and brief particulars is prescribed in Annexure-D
9	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.	During the year the Company has utilized the funds of Unspent CSR account's of previous years and will utilize the current year unspent CSR amount as per the CSR Policy.



Table A

Total Amount Spent for the Financial Year. (in Rs. million)	Amount Unspent (in Rs. million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5.17	24.20	14.07.2025	-	-	-



Table B

Sl. No.	Particular	Amount (in Rs. million)
(i)	Two percent of average net profit of the company as per section 135(5)	29.37
(ii)	Total amount spent for the Financial Year	5.17
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil



Table C

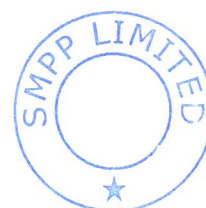
Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years*

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)	(9)
S. No.	Preceding Financial years	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs. million)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs. million)	Amount Spent in the Financial Year (in Rs. million)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs. million)	Cumulative amount spent at the end of reporting Financial Year. (in Rs. million)	Deficiency, if any
					Amount in Rs.	Date of Transfer			
1	2021-22	2.10	2.10	6.77	-	-	-	6.77	-
2	2022-23	17.70	17.70	3.38			-	10.15	-
3	2023-24	17.72	17.72	1.93			-	12.08	-

*In respect of ongoing project, for previous years 2021-2022, 2022-2023 and 2023-24, the company has transferred unspent Corporate Social Responsibility amount to unspent corporate social responsibility account opened with a scheduled bank for respective years on 27th September 2024 amounting to Rs. 2.10 million, Rs. 17.70 million and Rs. 17.72 million (as against obligation of Rs. 19.65 million for FY 23-24) respectively, which was required to be transferred within 30 days from the end of the respective financial years. The respective Corporate Social Responsibility amount had been transferred to Jai foundation separate Bank account in the same financial years.



S. No.	Short particulars of the property or asset(s) [including Complete address and location of the property]	Pin Code	Date of creation	Amount of CSR amount spent (in Rs. million)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
1.	Must No. 21, 22, Mustil No. 21 Kila 15(8-0), Village-Agwanpur Palwal, 121102	121102	16/10/2024	38.0	CSR00080337	SMPP Foundation Trust	M-17, Ground Floor, South Extension, Part-II, New Delhi-110049



Clarification with respect to Ongoing Project

The Company had identified and appointed Jai Foundation as the implementing agency to undertake its CSR activities as prescribed under the Companies Act, 2013 and rules made thereunder. A Memorandum of Understanding (MOU) dated May 20, 2021, was entered into with Jai Foundation: (i) to identify land measuring at least one acre, preferably in Palwal District, Haryana, for the establishment of a Gau Ashram (Cow Shelter) to promote and support animal welfare ("Ongoing Project"); and (ii) to undertake other activities as permitted under Schedule VII of the Companies Act, 2023.

According to the MOU, the Company was obligated to transfer up to Rs. 4 Crore to Jai Foundation over the next four years, i.e., until the financial year 2024-25, in tranches, to complete the Ongoing Project on behalf of the Company.

However, it is concerning that, as of June 15, 2024, the agency/person further appointed by Jai Foundation, despite their best efforts, has not been able to identify the land in accordance with the instructions and directives provided by the Company. Consequently, it was mutually agreed that if Jai Foundation fails to identify the land as per the provided instructions and directives before September 30, 2024, Jai Foundation will return and transfer the cumulative unspent CSR funds to the unspent CSR account(s) of the Company.

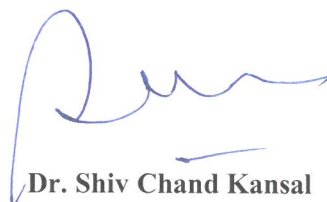
As of September 27, 2024, the agency/person appointed by Jai Foundation had still not identified the land as per the Company's directives. Therefore, in accordance with the mutual agreement, Jai Foundation returned and transferred the cumulative unspent CSR amount to the unspent CSR account(s) of the Company.

Furthermore, following the instruction of the CSR Committee, the Company has incorporated and registered a public charitable trust named "SMPP Foundation Trust" to undertake all kinds of charitable activities including but not limited to CSR activities in line with the Schedule VII as prescribed under the Companies Act, 2023 and rules made thereunder.

In view of the above, the Committee has given the following mandate to Dr. Shiv Chand Kansal and Mr. Ashish Kansal, directors: to identify a land measuring of suitable size preferably in Palwal District, Haryana, and setting up a Gau Ashram (Cow Shelter) to promote and support animal welfare and complete the project.



Dr. Madhu Kansal
Whole-time Director
Chairperson – CSR Committee



Dr. Shiv Chand Kansal
Chairman & Managing Director
Member – CSR Committee

Place: New Delhi
Date: August 21, 2025

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2025**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of
SMPP Limited
(Formerly Known as **SMPP Private Limited**)
(CIN: U32909PB1985PLC006500)
Sunilaya Railway Road Sangrur,
Punjab-148001, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SMPP Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 and the rules made thereunder (the "**Act**");
- (ii) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable (**Not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"): (**Not applicable to the Company during the Audit Period**)

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - (i) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.
- (vi) The Company is engaged in the business of providing design, development and upgrade refurbishment and production of arms and ammunition. As informed by the Management, there is no sector specific law applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India with which the Company has generally complied with and the Company filed e-forms with ROC with additional fee wherever required.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except that during the audit period, **(a)** according to the information and explanation given to us, based on our examination, there are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act; **(b)** According the information and explanation given to us, based on our examination, in respect of ongoing projects, the company has transferred an unspent Corporate Social Responsibility (CSR) amount, to a scheduled bank in unspent corporate social responsibility account on 27 September, 2024 which was required to be transferred within 30 days from the end of the financial year 2023-24 amounting to INR 17.72 Millions, which was earlier transferred to Jai foundation, being an implementation agency on 26 March, 2024; **(c)** Further, in respect of ongoing project, for previous year 2021-22 and 2022-23, the Company transferred unspent Corporate Social Responsibility amount, to a scheduled bank in unspent corporate social responsibility account on 27 September, 2024 amounting to INR 2.10 Million and INR 17.70 Million respectively, which was required to be transferred within 30 days from the end of the respective financial years The respective Corporate Social Responsibility amount had been transferred to Jai foundation separate Bank account in the same financial years.

We further report that that the Board of Directors of the Company is duly constituted as per provisions of the Act. The provisions with respect to the appointment of women director and independent directors have been duly complied with by the company. The Audit Committee and Nomination & Remuneration Committee is duly constituted as per provisions of the Act. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board and/ or Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those meetings which were held on shorter notice in compliance with the provisions of the Act read with Secretarial Standard-1 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee(s) of the Board, as the case may be.

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

We further report that during the audit period:

- The members of the Company at their Extra-Ordinary General meeting held on 23 August, 2024 accorded their approval:
 - for alteration of object clause in the Memorandum of Association of the Company;
 - for conversion of company from Private Limited to Public Limited and alteration of Memorandum of Association and Articles of Association of the Company;
- The members of the Company at their Extra-Ordinary General meeting held on 20 September, 2024 accorded their approval:
 - for increasing borrowing powers of the Company under Section 180(1)(c) of the Act;
 - for granting authorization to the board for creation of mortgage and Charge against borrowed funds under section 180 (1)(a) of the Act;
 - for increase the company's overall limit for making Investments, giving loans/ guarantees or providing security in other Entities, as per section 186 of the Act;
- The members of the Company at their Annual General meeting held on 29 September, 2024 accorded their approval:
 - for increase in limit of investment by Non-Resident Indian (NRIs) and Overseas Citizens of India (OCIs) from 10% to 24% of the paid-up equity share capital of the Company on a fully diluted basis, however that the shareholding of each NRI or OCI in the Company shall not exceed 5% of the total paid-up equity share capital of the Company on a fully diluted basis or such other limit as may be stipulated by RBI in each case, from time to time;
 - for raising of capital through an initial public offering of Equity Shares i.e. to create, issue, offer and allot such number of Equity Shares, for cash either at par or premium such that the amount being raised pursuant to the fresh issue aggregates up to

INR 7500 million ("Fresh Issue") (with an option to the Company to retain an over-subscription to the extent of 1% of the net Offer size, or such other extent as may be permitted under the Applicable Laws, for the purpose of rounding off to the nearest integer while finalizing the basis of allotment in consultation with the designated stock exchange);

- The members of the Company at their Extra-Ordinary General meeting held on 5 October, 2024 accorded their approval:
 - for increase in authorised share capital of the company from INR 40,00,00,000 (Rupees Forty Crore only) divided into 20,00,00,000 (Twenty Crore) equity shares of INR 2/- (Rupees Two only) each to INR 130,00,00,000 (Rupees One Hundred and Thirty Crore only) divided into 65,00,00,000 (Sixty-Five Crore) equity shares of INR 2/- (Rupees Two only) each;
 - to create, issue, offer, grant and allot up to 60,00,000 (Sixty Lakh) employee stock options ("Options") from time to time to or for the benefit of the employees (present or future) of the Company, whether working in India or outside India, exercisable into equivalent number i.e., up to 60,00,000 (Sixty Lakh) equity shares of the Company having face value of INR 2/- (Rupee Two) each;
 - to create, issue, offer, grant and allot up to 60,00,000 (Sixty Lakh) employee stock options ("Options") from time to time to or for the benefit of the employees (present or future) of the subsidiary of the Company, whether working in India or outside India, exercisable into equivalent number i.e., up to 60,00,000 (Sixty Lakh) equity shares of the Company having face value of INR 2/- (Rupee Two) each;
- Pursuant to the resolution passed by shareholders at their Extra-Ordinary General meeting held on 05th October 2024, the Board of Directors approved the allotment of 40,00,00,000 Equity Shares of face value INR 2/- each of the Company as bonus shares credited as fully paid-up, to the eligible shareholders of the Company holding Equity Shares whose names appear in the Register of Members/Beneficial Owners' position of the Company on October 05, 2024 (Record Date) in the proportion of 2:1, 2 (Two) Bonus Equity Shares for every 1 (One) Equity Share of the Company held as on the Record Date.



Date: August 21, 2025
Place: Faridabad

For DPV & Associates LLP
Company Secretaries

Firm Reg. No.: L2021HR009500
Peer Review Certificate No. 6189/2024

Parveen Kumar
Partner

CP No.:13411 / Mem. No. F10315
UDIN: F010315G000850869

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

Annexure to the Secretarial Audit Report

To
The Members,
SMPP Limited
(Formerly Known as SMPP Private Limited)
(CIN: U32909PB1985PLC006500)
Sunilaya Railway Road Sangrur,
Punjab-148001, India

Our report of even date is to be read along with this letter:

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



Date: August 21, 2025
Place: Faridabad

For DPV & Associates LLP

Company Secretaries

Firm Reg. No.: L2021HR009500
Peer Review Certificate No. 6189/2024

Parveen Kumar

Partner

CP No.:13411 / Mem. No. F10315
UDIN: F010315G000850869

S S Kothari Mehta & Co. LLP
Chartered Accountants
Plot no. 68 Okhla Industrial Area, Phase -III
New Delhi- 110020

Jagdish Sapra & Co. LLP
Chartered Accountants
23 Prakash Apartments, 5, Ansari Road, Darya Ganj
New Delhi-110002

Independent Auditor's Report

To the Members of SMPP Limited
(Formerly known as SMPP Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **SMPP Limited** (Formerly Known as SMPP Private Limited up to 13th September 2024) ('the Company'), which comprise the Standalone Balance Sheet as at 31 March, 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income / (Loss)), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the material accounting policies and other explanatory information (herein after referred to as Standalone "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31 March, 2025, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

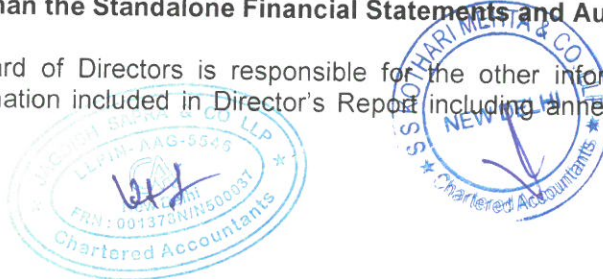
Key Audit Matters

Key Audit Matters (KAM) are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Director's Report including annexures to Director's Report and



Shareholder information's but does not include the Standalone Financial Statements and our auditor's report thereon.

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

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

When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income / loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS").

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors 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 the Board of Directors 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 Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,



as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls 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 Standalone Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the Standalone 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 Standalone 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we give in "Annexure – A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, based on our audit, 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 purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income /(loss), Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act;



- e. On the basis of the written representations received from the Directors as on 31st March, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025, from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls 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 over financial reporting.
- g. 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:

As per the information and explanation given to us and on the basis of our examination of the records, managerial remuneration has been paid or provided as specified by the provisions of Section 197 read with Schedule V to the Act.

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

- I. The Company has disclosed the impact of pending litigations on its financial position in the Standalone Financial Statements - Refer Note 36 to the Standalone Financial Statement;
- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

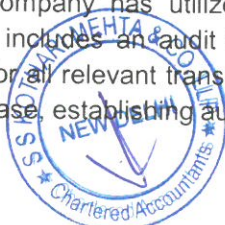
- IV. A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

B) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

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

- V. The company has not declared or paid any dividend during the year, therefore reporting under this clause is not applicable.

- VI. Based on our examination, which includes test checks and as described in note no 45 of the Standalone Financial Statement, the company has utilized tally, an accounting software for maintaining its books of account. Tally includes an audit trail (edit log) feature that has been consistently used w.e.f 12th April 2023 for all relevant transactions recorded in the software. Due to tally's integrated application and database, establishing audit trail functionality specifically for the



tally database is not feasible. The audit trail has been preserved by the company as per the statutory requirements for record retention at application level w.e.f 12th April 2023.

During the course of our audit, we did not come across any instance of the audit trail feature being tempered.

For **S S Kothari Mehta & Co. LLP**

Chartered Accountants

Firm Registration No. 000756N/N500441


Vivek Raut

Partner

Membership No. 097489

UDIN: 25097489BNUID1593



Place: New Delhi

Date: 31st July.2025

For **Jagdish Sapra & Co. LLP**

Chartered Accountants

Firm Registration No. 001378N /N500037

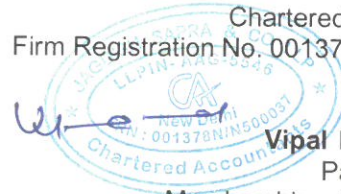


Vipal Kumar Kalra

Partner

Membership No. 084583

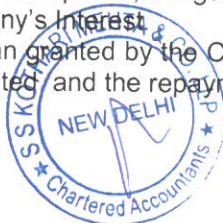
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“ANNEXURE – A” TO THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SMPP Limited (formerly Known as SMPP Private Limited)

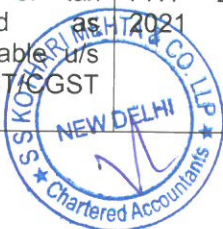
Report on the matters specified in paragraph 3 of the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 (“the Act”) as referred to in paragraph 1 of “Report on Other Legal and Regulatory Requirement’s “section

- (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) The Company has physically verified these Property, Plant and Equipment as per its program of physical verification that covers every item of Property, Plant and Equipment over a period of three years. According to information and explanation given to us, no material discrepancies were noticed during the year on such verification done as per the program.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the company, title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreement are duly executed in Favor of the lessee) disclosed in the Standalone Financial Statements are held in the name of the company. However, the title document for properties which are pledged as security with State Bank of India (SBI) and Yes bank for securing the facilities have been verified based on the confirmations received from the respective banks.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) As per information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in aggregate for each class of inventory.
- (b) The company has been sanctioned working capital limits in excess of 5 crore rupees during the year, in aggregate, from banks on the basis of security of current assets; the quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.
- (iii) The company has not made any investments in, not provided any security to any other entity and not given any advances in the nature of loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or any other parties. However, the company has granted unsecured loans.
- a) The Company has during the year, provided guarantee to Bank for loans to subsidiary company and loan to Subsidiary company, as per details below:
- (A) The aggregate amount granted / provided during the year for loans amounting to INR 56.46 millions and balance outstanding to INR 56.12 millions and guarantee given amounting to INR 1050 millions and balance outstanding amounting to INR 1050 millions to subsidiary.
- b) According to the information and explanations given to us and based on the records as made available to us, in our opinion, the guarantee provided during the year are prima facie, not prejudicial to the Company's Interest.
- c) In respect of loan granted by the Company, the schedule of repayment of principal and interest has been stipulated and the repayment and receipt are regular.



- d) According to the information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount for more than ninety days.
- e) The Company has not granted any loan which has fallen due during the year.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanation given to us and based on our examination, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- (v) According to the information and explanation given to us and based on our examination, the Company has not accepted any deposit or amounts which are deemed to be deposits during the year. Further, we have not come across any such deposits nor the management has reported any such deposits, therefore the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder is not applicable.
- (vi) We have broadly reviewed the books and records required to be maintained as specified by the Central Government under sub-section (1) of section 148 of Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records are being maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, service tax, duty of customs, duty of excise, Value added tax, cess and other material statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date, they became payable.
- (b) The particulars of statutory dues referred to in sub-clause (a) above which have not been deposited on account of any dispute are as under:

Name of the statute	Nature of dues	Related Year	Amount in Millions.	Forum where the dispute is pending
Income Tax Act	Penalty under section 271AAC(1) of the Income-tax Act, 1961	A.Y. 2019-2020	4.26	Joint commissioner or the CIT (Appeals)
Income Tax Act	Disallowance of expenditure under section 143(1)(a)(iv) of the IT Act, 1961	A.Y. 2017-18 to A.Y. 2018-19	0.00	Deputy Commissioner of Income Tax, CPC, Bengaluru
Income Tax Act	Incorrect Claim u/s 143(1)(a)(ii) and return-143(1)(a)(iv) of the IT Act, 1961	A.Y. 2019-20	0.01	Asst. Director of Income Tax, CPC
GST	Show cause notice cum demand issue under section 74 of CGST/HGST Act, 2017	F.Y. 2017-2018 to FY 2021-2022	347.95	Appeal to Appellate Authority
GST	Intimation of tax ascertained as payable u/s 74 of HGST/CGST Act, 2017	F.Y. 2020-2021	94.19	Proper officer cum excise and Taxation officer, Faridabad.



- (viii) According to the information and explanation given to us and based on our examination, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanation given to us and based on our examination, 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 explanation given to us and based on our examination, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken term loans during the year. Hence, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) Based on examination of records and information and explanation given to us, the Company has not raised any short-term funds. Hence, reporting under paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. And there are no associate and joint ventures of the Company.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries. And there are no associate and joint ventures of the Company.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and therefore reporting under this clause is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and therefore reporting under this clause is not applicable.
- (xi) (a) According to the information and explanations given to us and based on our examination, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanation given to us and based on our examination, there is no whistle-blower complaints received during the year by the company.
- (xii) The Company is not a Nidhi Company, therefore reporting under this clause is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone financial statements as required by the applicable Accounting Standards;
- (xiv) (a) According to the information and explanation given to us and based on our examination, in our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year.



- (xv) According to the information and explanation given to us and based on our examination, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Therefore, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) As per the information and explanation given to us 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 therefore, reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) As per the information and explanation given to us and based on our examination, in continuation of sub clause (a) of above clause (xvi) as there is no requirement to be registered under section 45- IA of the Reserve Bank of India Act, 1934 and the Company has not conducted any Non- Banking Financial or Housing Finance activities therefore, reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) As per the information and explanation given to us 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, therefore reporting under clause 3 (xvi) (c) of the order is not applicable.
- (d) As per the information and explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and therefore reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year, therefore reporting under clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

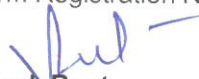


(xx) (a) According to the information and explanation given to us, based on our examination, there are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

(b) According the information and explanation given to us, based on our examination, in respect of ongoing projects, the company has transferred an unspent Corporate Social Responsibility (CSR) amount, to a scheduled bank in unspent corporate social responsibility account on 14th July 2025 which was required to be transferred within 30 days from the end of the financial year 2024-2025 amounting to INR 24.20 Millions, which was earlier transferred to SMPP Foundation Trust separate Bank account being an implementation agency.

For **S S Kothari Mehta & Co. LLP**

Chartered Accountants
Firm Registration No. 000756N/N500441

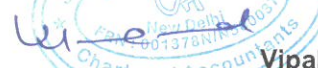

Vivek Raut
Partner
Membership No. 097489
UDIN: 25097489BNUUD1593



Place: New Delhi
Date: 31st July 2025

For **Jagdish Sapra & Co. LLP**

Chartered Accountants
Firm Registration No. 001378N /N500037


Vipal Kumar Kalra
Partner
Membership No. 084583
UDIN: 25084583BMLJYP3803



“ANNEXURE – B” TO THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SMPP Limited (formerly Known as SMPP Private Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’ section

We have audited the internal financial controls over financial reporting of **SMPP Limited (formerly known as SMPP Private Limited)** (“the Company”) as of 31 March 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s 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”) issued by Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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.

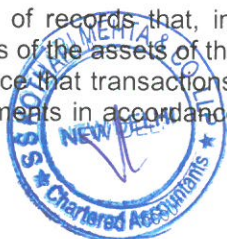
Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system 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 Standalone 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:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and



- that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2025, 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 **S S Kothari Mehta & Co. LLP**

Chartered Accountants
Firm Registration No. 000756N/N500441


Vivek Raut
Partner
Membership No. 097489
UDIN: 25097489BNUIUD1593



Place: New Delhi
Date: 31st July 2025

For **Jagdish Sapra & Co. LLP**

Chartered Accountants
Firm Registration No. 001378N /N500037


Vipal Kumar Kalra
Partner
Membership No. 084583
UDIN: 25084583BMLJYP3803



SMPP LIMITED
(Formerly Known as SMPP PRIVATE LIMITED)
Standalone Balance Sheet as at 31st March 2025
(All amounts are Rs. in Millions, unless otherwise stated)

PARTICULARS	Note No.	As at 31st March 2025	As at 31st March 2024
I. Assets			
(1) Non- Current Assets			
(a) Property Plant & Equipment	3	219.52	236.19
(b) Other Intangible Assets	3.1	760.22	-
(c) Investment Property	4	-	29.09
(d) Right of use of Assets	5	153.18	2.71
(e) Financial Assets			
(i) Investment in subsidiary	6	2.00	2.00
(ii) Other Financial Assets	7	10.69	11.33
(f) Deferred Tax Assets (net)	8	4.05	12.68
Total Non Current Assets		1,149.66	294.00
(2) Current Assets			
(a) Inventories	9	1,066.82	1,227.49
(b) Financial Assets			
(i) Trade Receivables	10	2,177.31	1,847.11
(ii) Cash and Cash Equivalents	11	96.18	2.56
(iii) Bank Balances other than (ii) above	12	1,969.82	2,074.34
(iv) Loans to subsidiary	13	56.12	-
(c) Current Tax Assets (Net)	14	0.87	1.93
(d) Other Current Assets	15	452.93	126.98
Total Current Assets		5,820.05	5,280.41
Total Assets		6,969.71	5,574.41
II. Equity & Liabilities			
(1) Equity			
(a) Equity Shares Capital	16	1,200.00	400.00
(b) Other Equity	17	5,239.35	4,290.58
Total Equity		6,439.35	4,690.58
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	5	-	-
(ii) Lease Liabilities	18	141.64	1.77
(iii) Other Financial Liabilities	19	16.02	8.69
(b) Provisions	20	4.31	4.23
(c) Other Non Current Liabilities	20	0.06	6.45
Total Non-Current Liabilities		162.03	21.14
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	-	1.03
(ii) Lease Liabilities	5	27.66	1.20
(iii) Trade Payables	22	-	-
- Total outstanding dues of Micro and Small Enterprises and		21.85	128.44
- Total outstanding dues of Creditors other than Micro and Small Enterprises		228.04	368.03
(iv) Other Financial Liabilities	23	15.08	9.18
(b) Other Current Liabilities	24	75.04	354.28
(c) Provisions	25	0.67	0.52
Total Current Liabilities		368.34	862.68
Total Liabilities		530.36	883.82
Total Equity and Liabilities		6,969.71	5,574.41

Summary of material accounting policies
The accompanying notes are an integral part of standalone financial statements

1-2
3-47

As per our report of even date attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.000756N/N500441


Vivek Raut
Partner
Membership No.097489

Place: New Delhi
Date: 31st July 2025

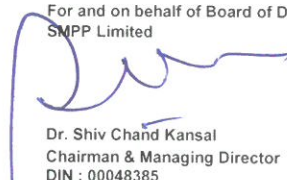
For Jagdish Sapra & Co LLP
Chartered Accountants
Firm Registration No.001378N/N500037

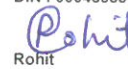

Vipal Kumar Kalra
Partner
Membership No.084583

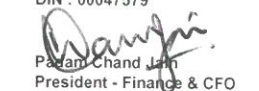
Place: New Delhi
Date: 31st July 2025



For and on behalf of Board of Directors of
SMPP Limited


Dr. Shiv Chand Kansal
Chairman & Managing Director
DIN : 00048385


Rohit
Company Secretary
M.No.- 73881


Ashish Kansal
Whole-Time Director & CEO
DIN : 00047579

Pawan Chand Jain
President - Finance & CFO

SMPP LIMITED

(Formerly Known as SMPP PRIVATE LIMITED)

Standalone Statement of Profit and Loss for the year ended 31st March, 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2025	For the year ended 31st March 2024
I. Income			
(a) Revenue from operations	26	5,837.11	5,160.77
(b) Other income	27	389.84	209.63
Total Income		6,226.95	5,370.40
II. Expenditure			
(a) Cost of Materials consumed	28	2,774.14	2,946.99
(b) Changes in inventories of Finished goods	9.1	193.55	(249.48)
(c) Employee Benefits Expense	29	114.29	66.03
(d) Finance Cost	30	22.91	8.08
(e) Depreciation and Amortization expense	31	89.73	51.73
(f) Other Expenses	32	708.85	568.35
Total Expenses		3,903.47	3,391.70
III. Profit/(Loss) before Tax (I-II)		2,323.48	1,978.70
IV. Tax Expense:			
- Current Tax	33	567.94	502.73
- Deferred Tax		8.23	6.64
- Income Tax charge/(credit) for earlier periods	33	(0.31)	2.29
		575.86	511.67
V. Profit/(Loss) for the period (III-IV)		1,747.62	1,467.03
VI. Other comprehensive (Income)/Loss	34		
(a) Items that will not be reclassified to statement of profit or loss:			
- Remeasurement of post-employment benefit plans		(1.56)	(1.19)
(b) Income tax relating to items that will not be reclassified to profit or loss		0.39	0.30
Total other comprehensive (income)/Loss		(1.15)	(0.89)
VII. Total comprehensive Income/(Loss) for the period (V-VI)		1,748.77	1,467.92
VIII. Earnings per equity share (Face value of Rs. 2 each)			
Basic & Diluted	35	2.91	2.45

Summary of material accounting policies

1-2

The accompanying notes are an integral part of standalone financial statements

3-47

As per our report of even date attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.000756N/N500441

Vivek Raut
Partner
Membership No.097489



Place: New Delhi
Date: 31st July 2025

For Jagdish Sapra & Co LLP
Chartered Accountants
Firm Registration No.001378N/N500037

Vipal Kumar Kalra
Partner
Membership No.084583

Place: New Delhi
Date: 31st July 2025

For and on behalf of Board of Directors of
SMPP Limited

Dr. Shiv Chand Kansal
Chairman & Managing Director
DIN : 00048385

Rohit
Company Secretary
M.No.- 73881

Ashish Kansal
Whole-Time Director & CEO
DIN : 00047579

Padam Chand Jain
President - Finance & CFO

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
A. Cash flow from Operating Activities		
Profit/(Loss) for the period before tax	2,323.48	1,978.70
Adjustments for non operating and non cash transactions:		
Finance costs	22.91	8.08
Depreciation and amortisation expense	89.73	51.73
Loss on sale of PPE	-	0.09
Interest income	(189.00)	(148.63)
Rental Income	(20.91)	(31.96)
Gain on cancellation of Lease	(0.27)	-
Unrealised Foreign Fluctuation loss/(gain)	(6.10)	-
Impairment loss recognised/(reversed) under ECL model	16.97	-
Gain on sale of Investment Property	(165.32)	-
Operating Profit/(Loss) before working capital change	2,071.49	1,858.02
Movements in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Other Financials Assets - Non Current	0.65	(3.24)
Inventories	160.67	(1,167.23)
Trade Receivables	(337.41)	(1,031.23)
Other Financials Assets - Current		
Other Current Assets	(333.81)	(71.40)
Adjustments for increase / (decrease) in operating liabilities:		
Other Non Current Liabilities	1.05	(0.96)
Trade Payables	(250.25)	244.84
Other Current Liabilities	(279.26)	(207.56)
Other Financial Liabilities Non Current	(0.10)	0.26
Other Financial Liability - Current	5.90	2.51
Provisions - Current	0.15	0.05
Provisions - Non Current	1.64	1.78
Cash generated/(used in) from operations before tax	1,040.74	(374.15)
Income tax paid	(566.58)	(504.73)
Net cash generated by/(used in) operating activities (A)	474.16	(878.88)
B. Cash flow from Investing Activities		
Capital expenditure on capital assets	(813.43)	(45.36)
Proceeds from sale/disposal of capital assets	-	0.04
Proceeds from sale of Investment Property	193.00	-
(Increase)/Decrease in fixed deposit	98.21	585.97
Interest received	195.30	134.14
Rental Income	27.71	26.94
Loan Given to Subsidiary	(56.12)	-
Investment in Subsidiary	(0.00)	-
Net cash generated by/(used in) investing activities (B)	(355.33)	701.73
C. Cash flow from Financing Activities		
Increase/(Decrease) in Working Capital Loan	(1.03)	1.03
Interest paid (Bank Charges)	(5.50)	(6.71)
Payment of Lease liabilities other than Interest	(2.30)	(0.86)
Payment of Interest on Lease liabilities	(16.36)	(0.34)
Net cash generated by/(used in) financing activities (C)	(25.20)	(6.87)
Net Increase/(decrease) in Cash and cash equivalents (A+B+C)	93.63	(184.03)
Cash and cash equivalents at the beginning of the period	2.56	186.58
Closing Balance of Cash and cash equivalents	96.18	2.56
Balances with banks		
- in current accounts	92.67	-
- Cash in hand	3.51	2.56
Total	96.18	2.56

Notes:

- The above cash flows statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on cash flow statements.
- Figures in bracket indicate cash outflow/Loss.
- Refer Note 41

Summary of material accounting policies

1-2

The accompanying notes are an integral part of standalone financial statements

3-47

As per our report of even date attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.000756N/N500441

Vivek Raut
Partner
Membership No.097489



Place: New Delhi
Date: 31st July 2025

For Jagdish Sapra & Co LLP
Chartered Accountants
Firm Registration No.001378N/N500037

Vipal Kumar Kalra
Partner
Membership No.084583

Place: New Delhi
Date: 31st July 2025



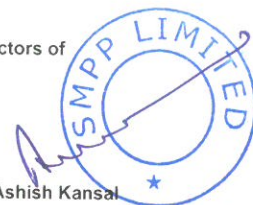
For and on behalf of Board of Directors of
SMPP Limited

Dr. Shiv Chand Kansal
Chairman & Managing Director
DIN : 00048385

Rohit
Company Secretary
M.No.- 73881

Ashish Kansal
Whole-Time Director & CEO
DIN : 00047579

Padam Chand Jain
President - Finance & CFO



Signature of Padam Chand Jain

SMPP LIMITED
(Formerly Known as SMPP PRIVATE LIMITED)
Standalone Statement of Changes in Equity for the period ended 31st March 2025
(All amounts are Rs. in Millions, unless otherwise stated)

(a) Equity Share Capital

Balance as at 01st April 2024	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 st April 2024	Changes in Equity Share Capital during the period	Balance as at 31st March 2025
400.00	-	400.00	800.00	1,200.00

Balance as at 01st April 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 st April 2023	Changes in Equity Share Capital during the period	Balance as at 31st March 2024
2.00	-	2.00	398.00	400.00

Refer Note 16

Pursuant to a resolution passed by the Shareholders of the Company on 30th October 2023 through extra-ordinary general meeting, the authorised share capital of the Company of Rs. 400 million divided into 20,00,00,000 Equity Shares of Rs. 2 each.

(b) Other equity

Particulars	Reserves and Surplus	Total
	Retained earnings*	
Balance as at 1 st April 2024	4,290.58	4,290.58
Profit for the period	1,747.62	1,747.62
Other comprehensive (Income)/Loss	(1.15)	(1.15)
Total Comprehensive Income for the period	1,748.77	1,748.77
Dividend Distribution	-	-
Issue of Bonus Shares	(800.00)	(800.00)
Balance as at 31st march 2025	5,239.35	5,239.35

Particulars	Reserves and Surplus	Total
	Retained earnings*	
Balance as at 1 st April 2023	3,220.66	3,220.66
Profit for the year	1,467.03	1,467.03
Other comprehensive (Income)/Loss	(0.89)	(0.89)
Total Comprehensive Income for the period	1,467.92	1,467.92
Dividend Distribution	-	-
Issue of Bonus Shares	(398.00)	(398.00)
Balance as at 31st March 2024	4,290.58	4,290.58

Refer Note 17

*This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

Summary of material accounting policies

1-2

The accompanying notes are an integral part of standalone financial statements

3-47

As per our report of even date attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.000756N/N500441

For Jagdish Sapra & Co LLP
Chartered Accountants
Firm Registration No.001378N/N500037

For and on behalf of Board of Directors of
SMPP Limited

Vivek Raut
Partner
Membership No.097489



Vipal Kumar Kalra
Partner
Membership No.084583

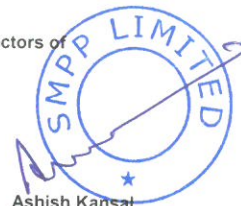


Place: New Delhi
Date: 31st July 2025

Place: New Delhi
Date: 31st July 2025

Dr. Shiv Chand Kansal
Chairman & Managing Director
DIN : 00048385

Rohit
Company Secretary
M.No.- 73881



Ashish Kansal
Whole-Time Director & CEO
DIN : 00047579

Padam Chand Jain
President - Finance & CFO

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT 31st March, 2025**

1. Corporate Information

Background and nature of operations

M/s SMPP Limited, incorporated in October 1985 under the Companies Act 1956, is engaged in the business of providing design, development and upgrade, refurbishment and production of arms and ammunition. Currently the Company has manufacturing facilities at Palwal (Haryana).

1.1 Statement of compliance

These Standalone financial statements are prepared as a special purpose financial statement for the purpose of initial public offering in accordance with Indian Accounting Standards (Ind AS), as prescribed under section 133 of the Companies Act, 2013('the Act') (to the extent notified) read with the Rule 3 of the Companies (Indian Accounting Standard) Rules 2015 as amended and relevant amendment rules issued thereafter. These IND AS has been adopted W.F.E 1st April 2023 and the date of Transition is 1st April 2022.

1.2. Functional & Presentational Currency

The financial statements of the company are presented in Indian Rupees. The company has operations in India. The functional currency has been determined as Indian Rupee.

1.3 Basis of measurement

These financial statements have been prepared on an accrual and going concern basis under the historical cost convention except for the following assets and liabilities which have been measured at fair value:

- a) Certain financial assets and liabilities.
- b) The defined benefit asset/(liability) is recognised as the present value of defined benefit obligation less fair value of plan assets.

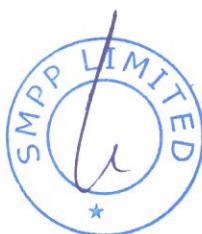
Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All values are rounded to the nearest Millions (INR 000,000) except when otherwise indicated.

1.4 Use of estimates and judgement

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis.

The estimates and underlying assumptions made by management are explained under notes. Revisions to accounting estimates include useful lives of Property, Plant and Equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, fair value/recoverable amount measurement, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.



2.1 Operating Cycle

2.2 Measurement of fair values

The Company has an established control framework with respect to the measurement of fair values and the valuation team regularly reviews significant unobservable inputs and valuation adjustments.

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

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.3 Revenue recognition

The Company derives revenue principally from following streams:

- i) Sale of Products
- ii) Sale of Services
- iii) Other operating Revenue

i) **Sale of products**

Revenue from sale of products is recognised upon satisfaction of performance obligations i.e 'at Point in time' based on an assessment of the transfer of control as per the terms of the contract.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit or loss immediately in the period in which such costs are incurred..

In determining the transaction price for sale of product, the Company considers the effects of variable consideration based on expected value method. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT 31st March, 2025**

the Company estimates the amount of consideration to which it will be entitled in exchange for work performed using Expected value method.

Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discount, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained.

Amounts billed and due from customers are classified as receivables on the Balance Sheet. The portion of the payments retained by the customer until final contract settlement is not considered for significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice.

A liability is recognised for advance payments and the time taken between the receipt of advance and satisfaction of performance obligation against advance is substantially completed within a year. Therefore, the company has taken the practical expedient for not recognising significant financing component.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

lii) Sale of services:

Revenue from sale of services include job work charges and other services is recognised upon satisfaction of performance obligations i.e 'at Point in time' based on accounting period in which the services are rendered.

iv) Other Income

Interest income from a financial asset is recognised using effective interest rate (EIR) method.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income which are earned on temporary investment of borrowings are deducted from borrowing costs. Any other interest income is recognized as interest income in profit or loss.

2.5 Government Grants

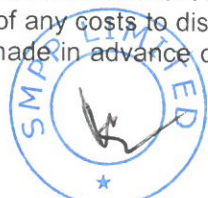
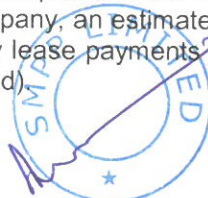
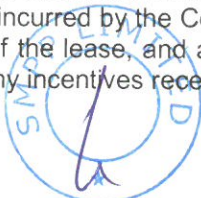
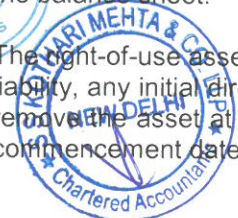
The company receives government grants in the form of duty drawback & Rodtep licenses. The grant is relates to income. The company recognises the grant on gross basis aggregating the same in line item other operating revenue in profit or loss as and when the costs that are intended to be compensate have been recognised in profit and loss.

2.6 Leases

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which comprises of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT 31st March, 2025**

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognizing a right of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

2.7 Foreign currencies

Presentation currency is the currency in which the Company's financial statements are presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the profit or loss in the period in which they arise.

2.8 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with borrowing of funds. Borrowing costs attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of asset, until such time as the assets are substantially ready for the intended use or sale. Other borrowing costs are recognised as expense in the Profit or Loss in the period in which they are incurred.

2.9 Employee benefits

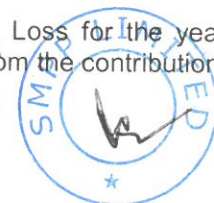
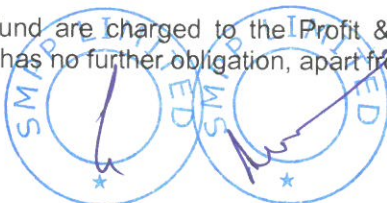
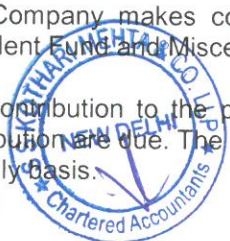
Short-term employee benefits

All short-term employee benefits such as salaries, wages, bonus, special awards and medical benefits which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the profit or loss.

Defined contribution plan

The Company makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

The contribution to the provident fund are charged to the Profit & Loss for the year when the contribution are due. The Company has no further obligation, apart from the contribution made on a monthly basis.



The defined benefit plan of Company i.e. gratuity plan, provides for lump sum payment to vested employees on retirement / separation as per the Payment of Gratuity Act, 1972. Gratuity liability is covered by payment thereof to gratuity fund.

The Company's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary using projected unit credit method, taking effect of Re-measurement gain and losses in Other Comprehensive Income.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Profit and Loss.

Income tax expense comprises Current tax and deferred tax. Current and deferred tax are recognised in the profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively

The current tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

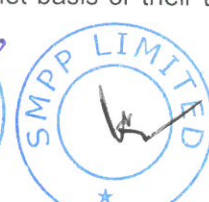
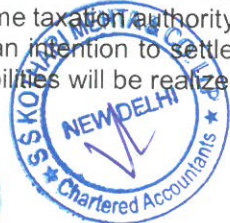
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT 31st March, 2025**

2.11 Property, plant and equipment

Property, Plant and Equipment are stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation / amortization and impairment loss if any. Cost of acquisition / construction includes all direct cost net of recoverable taxes and expenditures incurred to bring the asset to its working condition and location for its intended use.

Depreciation and Amortisation

Depreciation is recognized so as to write off the cost of assets (other than freehold land, right of use assets) and properties under construction) less their residual values over their useful lives, using the Written Down value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation commences when the assets are ready for their intended use and Right of use assets are amortized using straight-line basis method.

For following class of assets, based on internal assessment and technical evaluation, the management has reassessed the useful lives as different from the useful lives indicated under Part C of Schedule II of the Companies Act 2013. Management believes that the useful lives as given below, best represent the period over which these assets are expected to be used.

Asset Class	Useful Life	Useful Life Indicated under Part C of Schedule II
Buildings	30 to 60 years	5 to 60 Years
Computer and Data Processing	3 Years	3 Years
Furniture and fixtures	8 Years	10 Years
Lab Equipment	5-6 Years	15 Years
Office equipment	3 years	5 years
Plant & equipment	8-15 Years	15 Years
Vehicle	8 Years	10 Years

Derecognition of PPE

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

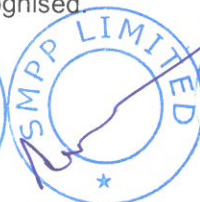
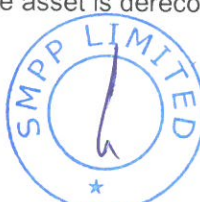
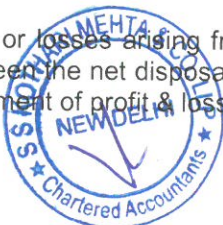
2.12 Intangible Assets

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.

De-recognition

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



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT 31st March, 2025**

2.13 Impairment of assets

Impairment of financial assets

The Company recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for all the financial assets. Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. The Company recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience and adjusted for forward-looking information as permitted under Ind AS 109.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as gain or loss in the Profit or Loss.

Impairment of non-financial assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the profit or loss.

2.14 Inventories

Inventories (Raw material, work-in-progress, finished goods, stores and spares) are stated at the lower of cost and net realisable value. Cost of inventory is determined on the first In first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of work-in-progress and finished goods includes material cost, labour cost, and manufacturing overheads absorbed on the basis of normal capacity of production

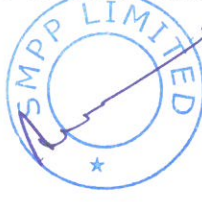
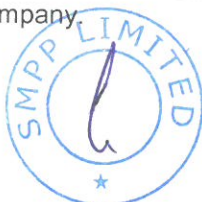
2.15 Provisions, Contingent Liabilities and Contingent Asset

Provisions are recognised when there is present obligation (legal or constructive) as a result of a past event, it is probable that company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as expenses for legal claims, service warranties and other obligations are the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT 31st March, 2025**

Contingent Assets are not recognised but are disclosed in financial statements when economic inflow is probable.

2.16 Investments

Investment in equity shares of subsidiaries are measured at cost. Investments in equity investments other than subsidiaries are measured at fair value through other comprehensive income.

The Company classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income or through profit and loss) and those measured at amortised cost. The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows.

2.17 Financial Instruments

Recognition of financial assets:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments

Financial assets and liabilities are initially recognised at fair value except trade receivables which is measured at transaction price. Transaction costs that are directly attributable to financial assets and liabilities (other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)) are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in profit & loss. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in market place. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of financial assets.

A) Financial Assets

a) Classification and Measurement of financial assets:

i) Financial assets at Amortised cost:

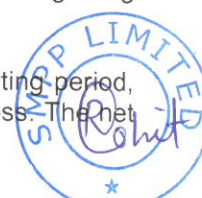
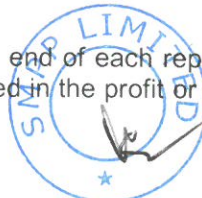
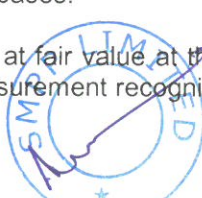
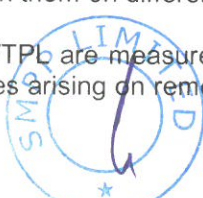
A financial asset is measured at amortised cost if both of the following conditions are met:

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

ii) Financial Assets at Fair value through profit or loss (FVTPL):

A financial asset that meets the amortised cost criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the profit or loss. The net



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT 31st March, 2025**

gain or loss recognised in the profit or loss includes any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

b) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and does not retain control of the assets. The Company continues to recognise the assets to the extent of Company's continuing involvement

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset

c) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the profit or loss except for those which are designated as hedging instruments in a hedging relationship.

- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

B) Financial liabilities, classification, subsequent measurement and derecognition:

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities..

Other Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability

2.18 Cash and Cash Equivalents



SMPP LIMITED

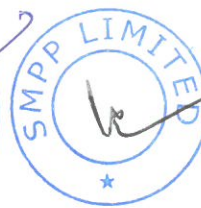
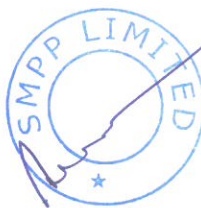
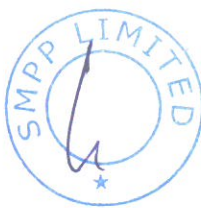
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31st March, 2025

Cash and cash equivalents comprise cash and cash on deposit with bank. The Company considers all highly liquid investments with original maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.19 Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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



SMPP LIMITED
(Formerly Known as SMPP PRIVATE LIMITED)

Notes forming part of the Standalone Financial Statement for the period ended 31st March 2025

(All amounts are Rs. in Millions, unless otherwise stated)

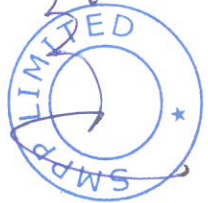
Note 3: Property, Plant and Equipment (PPE)

Particulars	Land Freehold	Buildings	Plant & equipment	Office equipment	Furniture and fixtures	Vehicles	Lab Equipment	Computer	Total
Cost as at 1 st April 2024	37.07	4.05	333.09	2.17	1.13	12.47	0.99	1.02	391.99
Additions	-	0.13	25.17	1.00	2.30	0.09	-	0.75	29.44
Disposals	-	-	-	-	-	-	-	-	-
Cost as at 31st March 2025	37.07	4.18	358.26	3.17	3.43	12.56	0.99	1.77	421.43
Accumulated depreciation as at 1 st April 2024	-	0.51	146.68	1.67	0.49	5.00	0.59	0.86	155.80
Depreciation	-	0.22	42.05	0.48	0.49	2.43	0.11	0.33	46.11
Disposals	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31st March 2025	-	0.72	188.74	2.15	0.97	7.43	0.70	1.20	201.92
Net Carrying amount as at 31st March 2025	37.07	3.46	169.52	1.02	2.46	5.12	0.29	0.57	219.52

Note 3.1: Other Intangible Assets

Particulars	Patent	Total
Cost as at 1st April 2024	-	-
Additions	783.99	783.99
Patents*	782.60	782.60
Software	1.39	1.39
Disposals	-	-
Cost as at 31st March 2025	783.99	783.99
Accumulated depreciation as at 1st April 2024	-	-
Depreciation on Patent	23.73	23.73
Depreciation on Softwares	0.04	0.04
Disposals	-	-
Accumulated depreciation as at 31st March 2025	23.77	23.77
Net carrying amount as at 31st March 2025	760.22	760.22

* During the year company has purchased Patent rights amounting to INR 782.60 Millions based on the valuation dated 30-06-2024



Particulars	Land Freehold	Buildings	Plant & equipment	Office equipment	Furniture and fixtures	Vehicles	Lab Equipment	Computer	Total
Cost as at 1 st April 2023	33.69	2.53	297.10	1.87	1.07	10.91	0.99	0.93	349.09
Additions	3.38	1.52	35.99	0.30	0.06	4.02	-	0.09	45.36
Disposals	-	-	-	-	-	2.45	-	-	2.45
Cost as at 31 st March 2024	37.07	4.05	333.09	2.18	1.12	12.47	0.99	1.02	391.99
Accumulated depreciation as at 1 st April 2023	-	0.31	101.31	1.26	0.27	4.55	0.45	0.68	108.85
Depreciation	-	0.20	45.37	0.41	0.22	2.77	0.14	0.18	49.29
Disposals	-	-	-	-	-	2.33	-	-	2.33
Accumulated depreciation as at 31 st March 2024	-	0.51	146.68	1.66	0.49	5.00	0.59	0.86	155.80
Net Carrying amount as at 31 st March 2024	37.07	3.53	186.42	0.51	0.64	7.48	0.40	0.16	236.19

Notes:

- Assets are mortgaged/hypothecated against secured credit facilities availed from banks
- The Company has opted to continue with carrying value of all of its Property, Plant and Equipment as deemed cost and net carrying value under previous GAAP is recognised as gross carrying amount in Ind AS, on transition date i.e. 1st April 2022



SMPP LIMITED
(Formerly Known as SMPP PRIVATE LIMITED)
Notes forming part of the Standalone Financial Statement for the Year ended 31st March 2025
(All amounts are Rs. in Millions, unless otherwise stated)

Note 4: Investment Property

Particulars	As at 31st March, 2025	As at 31st MARCH, 2024
Investment in Building		
Opening value	29.09	30.58
Less: Depreciation	1.42	1.49
Deletion*	27.68	-
Total	-	29.09

The valuation of the building had been conducted by an independent valuer as at 31.08.2024 and the Fair Market Value estimated at Rs. 193.92 millions. There is no restriction on the realisability of investment property or the remittance of income and proceeds of disposal.

Note 6: Non Current Financial Assets - Investments

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Unquoted Investment		
Investment in Subsidiary (at cost)		
20000 Shares of Rs. 100/- each fully paid up share capital in SMPP Ammunition Private Limited (Previous year 19999 Equity Shares of Rs. 100/- each fully paid up share capital in SMPP Ammunition Private Limited	2.00	2.00
Total	2.00	2.00

Note 7: Other financial assets

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Security Deposits	10.69	11.33
Total	10.69	11.33

Note 8: Deferred Tax Assets (net)

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Deferred Tax(Net)	4.05	12.68
Total	4.05	12.68

Movement in Deferred tax assets

Till 31st MARCH 2025	Opening Balance	Recognised in Statement of Profit & Loss (Income)/loss	Recognised in Other Comprehensive (Income)/ Loss	Closing Balance
Property, Plant & Equipment	8.80	0.25	-	8.55
Impairment Loss on Expected credit	4.62	(4.27)	-	8.89
Lease Liabilities	0.75	(41.86)	-	42.61
Provision on employee benefits	1.20	(0.45)	0.39	1.25
Others	1.89	1.87	-	0.02
Total	17.25	(44.47)	0.39	61.33

Movement in Deferred tax Liabilities

Till 31st MARCH 2025	Opening Balance	Recognised in Statement of Profit & Loss (income)/loss	Recognised in Other Comprehensive (Income)/ Loss	Closing Balance
Right to Use Assets	0.68	37.87	-	38.55
Other Intangible Assets	-	18.68	-	18.68
Others	3.89	(3.85)	-	0.04
Total	4.57	52.70	-	57.27



Movement in Deferred tax assets

Till 31st MARCH 2024	Opening Balance	Recognised in Statement of Profit & Loss (Income) / Loss	Recognised in Other Comprehensive (Income) / Loss	Closing Balance
Property, Plant & Equipment	6.41	2.38	-	8.80
Impairment Loss on Expected credit	5.89	(1.27)	-	4.62
Lease Liabilities	0.97	(0.22)	-	0.75
Provision on employee benefits	1.03	0.46	0.30	1.20
Others	9.37	(7.48)	-	1.89
Total	23.66	(6.12)	0.30	17.25

Movement in Deferred tax Liabilities

Till 31st MARCH 2024	Opening Balance	Recognised in Statement of Profit & Loss (Income) / Loss	Recognised in Other Comprehensive (Income) / Loss	Closing Balance
Right to Use Assets	0.92	(0.24)	-	0.68
Others	3.12	0.77	-	3.89
Total	4.04	0.53	-	4.57

Note 9: Inventories

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Raw Material	1,010.89	978.01
Finished goods	55.93	249.48
Total	1,066.82	1,227.49

Note 9.1: Changes in inventories of Finished goods

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Inventories at the beginning of the year		
Finished Goods	249.48	-
Total A	249.48	-
Inventories at the end of the year		
Finished Goods	55.93	249.48
Total B	55.93	249.48
Total (A-B)	193.55	(249.48)

Note 10: Trade Receivables

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Current		
(a) Trade Receivables - Unsecured		
Trade Receivables considered good	2,177.31	1,847.11
Trade Receivables considered doubtful	-	-
Total	2,177.31	1,847.11
(b) Trade Receivables - credit impaired		
Less- Allowances for credit losses	35.33	18.35
	(35.33)	(18.35)
Total	2,177.31	1,847.11



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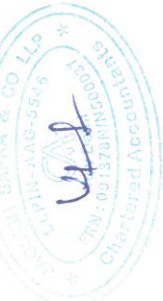
Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More than 3 Years
(i) Undisputed Trade Receivables – considered good	1,829.91	17.20	-	-	-	18.36
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	1,829.91	17.20	-	-	-	18.36
Less:- Loss allowance as per expected credit losses						1,865.46
Trade Receivables						18.36
						1,847.11

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Balances with banks		
- in current accounts	92.67	-
Cash on hand	3.51	2.56
Total	96.18	2.56

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Current		
Fixed Deposit receipt (FDR)*		
	1,969.82	2,074.34
	1,969.82	2,074.34
	Total	

FDR's amounting to INR 1050 million given as security towards loan taken by SMPP Ammunition Private Limited amounting to INR 1000 Million for the period not exceeding 12 months from State Bank of India

These FDR's are of tarmatory nature and are in multiple of majority less value and are being regularly made/renewed and closed before pre-maturity basis as per need of the business operation and henceforth difficult to disclosed the ageing of FDR's



Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Others - Subsidiary	56.12	-
Total	56.12	-

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Provision for Income Tax	567.94	502.73
Less: Advance Tax, TDS & TCS	(568.82)	(504.66)
Total	0.87	1.93

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Advances to vendors	104.13	78.49
Balance with Statutory Authorities		
- Gst-Recoverable	210.03	39.41
Export Incentive Receivable	3.92	0.04
ROSCIL/RODTEP Scrip Received	4.74	-
Prepaid Expenses	2.14	1.10
Advance against IPO	127.89	-
Operating lease Rent Receivable	0.09	7.94
Total	452.93	126.98

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Security Deposits received	16.02	8.69
Total	16.02	8.69

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Provision for employee benefit - Gratuity	4.31	4.23
	4.31	4.23
	Total	



Note 20: Other Non Current Liabilities

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Prepaid rent received	0.06	6.45
Total	0.06	6.45

Note 21: Borrowings

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Cash Credit facility from banks	-	1.03
Total	-	1.03

Note 22: Trade payables

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Total outstanding dues of micro enterprises and small enterprises(Refer Note. No. 22.1)	21.85	128.44
Total outstanding dues of creditors other than micro enterprises and small enterprises	228.04	368.03
Total	249.89	496.46

Note 22.1:
Disclosure Under the Micro, Small and Medium enterprise Development Act, 2006 are provided as under for the year 2024-25, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
(a) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act.)		
(i) Principal amount due to Micro, Small and Medium enterprise.	21.85	128.44
(ii) interest due on above	-	-
(b) Amount of payments made to suppliers beyond the appointed day during the year	-	-
(i) Principal amount paid to Micro, Small and Medium enterprise.	-	-
(ii) interest actually paid under section 16 of MSMED Act.	-	-
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act,2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
(e) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Dues of Micro, Small and Medium Enterprises have been determined to the extent such enterprises have been identified on the basis of information collected by the Management.

Trade Payables ageing schedule

Particulars	Not Due	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total
As at 31st MARCH 2025						
(i) MSME*	20.56	1.29	-	-	-	21.85
(ii) Others	114.64	8.09	68.18	-	1.16	228.04
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	135.19	68.18	35.98	1.16	-	249.89



Trade Payables ageing schedule

Particulars	Not Due	Outstanding for following periods from due date of payment			Total
		Less than 1 Year	1-2 Year	2-3 Year	
As at 31st MARCH 2024					
(i) MSME*	-	128.44	-	-	128.44
(ii) Others	198.43	83.44	86.15	-	368.03
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	198.43	211.88	86.15	-	496.46

*MSME as per the Micro, Small and Medium Enterprises Development Act 2006

Note 23: Other financial liabilities

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Expenses Payable	6.31	5.38
Employee related Dues	8.77	1.80
Advance from related Parties	-	2.00
Total	15.08	9.18

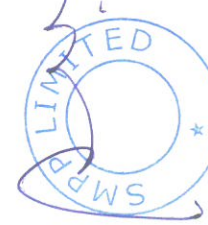
Note 24: Other Current Liabilities

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Advance from Customers	71.20	347.81
Advance Rm. received	0.02	1.05
Statutory Liabilities	-	-
- GST (net)	3.82	5.42
- Others*	-	-
Total	75.04	354.28

*Includes statutory dues with respect to Withholding tax, Provident fund, Employee state insurance etc.

Note 25: Provisions - Current

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Provision for employee benefit - Gratuity	0.67	0.52
Total	0.67	0.52



SMPP LIMITED

(Formerly Known as SMPP PRIVATE LIMITED)

Notes forming part of the Standalone Financial Statement for the year ended 31st March 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note 5: Right of Use Assets (ROU)

Following are the changes in the carrying value of right of use assets

Particulars	Category ROU Assets Buildings	Total
Balance as at 1 st April 2024	2.71	2.71
Additions	171.45	171.45
Deletion	2.55	2.55
Depreciation	18.43	18.43
Balance as at 31st March 2025	153.18	153.18

Particulars	Category ROU Assets Buildings	Total
Balance as at 1 st April 2023	3.67	3.67
Additions	-	-
Deletion	-	-
Depreciation	(0.96)	(0.96)
Balance as at 31st March 2024	2.71	2.71

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expenses in the statement of Profit and Loss.

Note 5: Lease Liabilities

The following is the break-up of current and non-current lease liabilities for the year ended 31st March 2025

Particulars	As at 31st March 2025	As at 31st March 2024
Current lease liabilities	27.66	1.20
Non-current lease liabilities	141.64	1.77
Total	169.30	2.97

The following is the movement in lease liabilities:

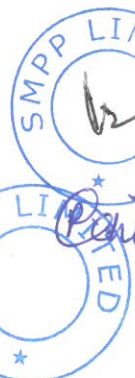
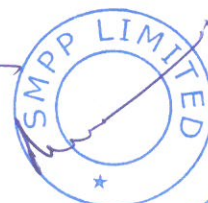
Particulars	As at 31st March 2025	As at 31st March 2024
Balance at the beginning	2.97	3.84
Additions	171.45	-
Finance cost accrued during the period	16.36	0.34
Deletions	2.82	-
Payment of lease liabilities	18.66	1.20
Balance at the end	169.30	2.97

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March on an undiscounted basis:

Particulars	As at 31st March 2025	As at 31st March 2024
Less than one year	27.66	1.20
More than one year	219.10	2.20
Total	246.76	3.40

Note:-

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



Note 16: Share Capital

Particulars	As at 31st March, 2025	As at 31st March, 2024
Authorised Share Capital*		
65,00,00,000 (PY 20,00,00,000) Equity Share of Rs. 2/- each (PY 2 /- each)	1,300.00	400.00
Issued, subscribed and paid-up capital		
60,00,00,000 (PY 20,00,00,000) Equity Share of Rs. 2/- each (PY 2 /- each)	1,200.00	400.00

* Pursuant to a resolution passed by the Shareholders of the Company on 30th October 2023 through extra-ordinary general meeting, the authorised share capital of the Company of Rs. 400 million divided into 20,00,00,000 Equity Shares of Rs. 2 each.

* Further Pursuant to a resolution passed by the Shareholders of the Company on 5th October 2024 through extra-ordinary general meeting, the authorised share capital of the Company of Rs. 1300 million divided into 65,00,00,000 Equity Shares of Rs. 2 each.

Reconciliation of number of equity shares outstanding at the beginning and end of the year

Particulars	Number of shares	As at 31st March 2025	Number of shares	As at 31st March 2024
Shares outstanding at the beginning of the period	200,000,000	400.00	20,000	2.00
Shares subdivided during the year / period*	-	-	980,000	-
Shares issued during the period**	400,000,000	800.00	199,000,000	398.00
Shares outstanding at the end of the period	600,000,000	1,200.00	200,000,000	400.00

**During the FY 24-25, the company has issued Bonus shares in the ratio of 2:1 through extra-ordinary general meeting to the existing shareholders on 05th October 2024 and consequently the paid-up share capital of the Company has been increased to 60,00,00,000 equity shares of face value of Rs 2 each. General Reserves of Rs. 800.00 million was utilised for issue of bonus shares.

*Pursuant to a resolution passed by the Shareholders on 24th November 2023 and subsequent allotment on 24th November 2023, the Company has sub-divided the face value of its equity shares from Rs 100 each to Rs 2

**Further, during the FY 23-24 the Company has allotted 199,000,000 equity shares of face value of Rs. 2 each by way of bonus issue to its shareholders and consequently the paid-up share capital of the Company has been increased to 20,00,00,000 equity shares of face value of Rs 2 each. General Reserves of Rs. 398.00 million was utilised for issue of bonus shares.

Term/rights attached to the equity shares:

The Company has single a class of equity shares having a par value of Rs. 2 each. Each holder of equity shares is entitled to one vote per share. Voting rights cannot be exercised in respect of shares on which any call or other sum presently payable has not been paid.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Particulars	As at 31st March 2025		As at 31st March 2024	
	Number of shares	% Holding	Number of shares	% Holding
Dr. Shiv Chand Kansal	299,999,991	50.00%	100,000,000	50.00%
Dr. Madhu Kansal	180,000,000	30.00%	60,000,000	30.00%
Mr. Ashish Kansal	99,750,000	16.63%	33,250,000	16.63%
Total	579,749,991	96.63%	193,250,000	96.63%

Shares held by promoters at the end of period

Promoter Name	As at 31st March 2025		As at 31st March 2024	
	No of Shares	(%) of total shares	No of Shares	(%) of total shares
Dr. Shiv Chand Kansal	299,999,991	50.00%	100,000,000	50.00%
Dr. Madhu Kansal	180,000,000	30.00%	60,000,000	30.00%
Mr. Ashish Kansal	99,750,000	16.63%	33,250,000	16.63%
Total	579,749,991	96.63%	193,250,000	96.63%

Note: The Company has not bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

Note 17: Other equity

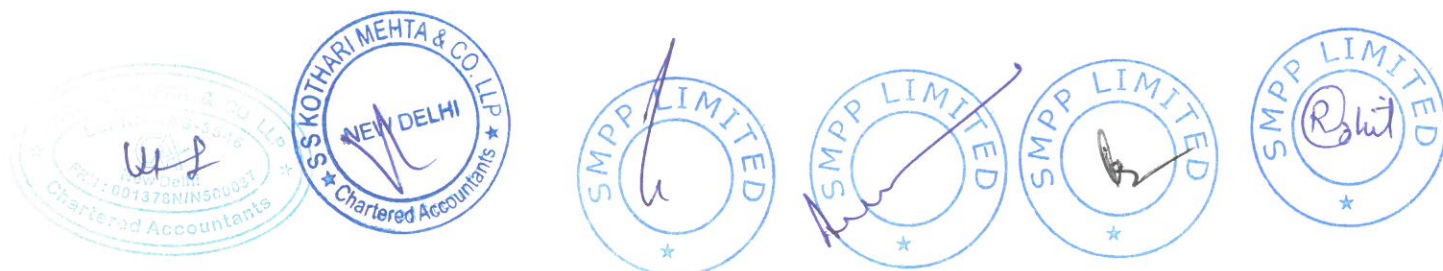
Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Retained Earnings	5,239.35	4,290.58

Note 17.1: Retained earnings

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Balance at the beginning of period	4,290.58	3,220.66
Profit for the year	1,747.62	1,467.03
Bonus share Issued out of profits	(800.00)	(398.00)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	1.15	0.89
Balance at the end of the period	5,239.35	4,290.58

Nature and Purpose of Reserves

Retained Earning represents undistributed accumulated earnings of the Company as on the balance sheet date.



SMPP LIMITED

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Notes forming part of the Standalone Financial Statement for the year ended 31st March 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note 26: Revenue From Operations

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
(a) Sale of Products	5,825.05	5,160.70
Total (A)	5,825.05	5,160.70
(b) Other operating revenue		
Export incentives	12.06	0.07
Total (B)	12.06	0.07
Total (A) + (B)	5,837.11	5,160.77

Note 26.1: Revenue from contracts with customers disaggregated based on geography

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
India	5,326.14	4,075.06
Outside India	498.90	1,085.65
Total	5,825.05	5,160.70

Note 26.2: The following is analysis on the Company's revenue disaggregates on the basis of timing of revenue recognition

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Point in Time	5,825.05	5,160.70
Total	5,825.05	5,160.70

Note 26.3: Revenue based on business segment

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction period has been allocated.

There is no significant financing component in any transaction with the customer.

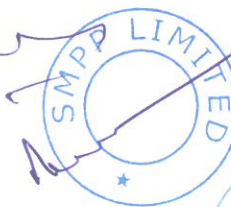
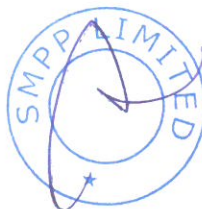
Note 27: Other income

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Rent Income	20.91	31.96
Interest Income	189.00	148.63
Impairment loss reversal under ECL model	-	5.03
Gain on Sale of Investment Property*	165.32	-
Gain on Cancellation of Lease	0.27	-
Freight Income	0.07	-
Net gain on foreign currency transaction & translation	14.27	24.01
Total	389.84	209.63

*During the year company has sold Investment in Building amounting to INR 193.00 Millions (Carrying value INR 27.68 Millions) dated 26.03.2025, based on the valuation report by the independent valuer dated 31.08.2024

Note 28: Cost of Material Consumed

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Raw Material Consumed	2,774.14	2,946.99
Total	2,774.14	2,946.99



Note 29: Employee Benefits Expense

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Salaries & wages	109.92	62.97
Contribution to provident and other funds	1.87	1.93
Workman and staff welfare	2.50	1.13
Total	114.29	66.03

Note 30 : Finance Cost

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Bank Charges	5.50	6.71
Interest on Lease Liability	16.36	0.34
Interest on Security Deposit	1.05	1.04
Total	22.91	8.08

Note 31 : Depreciation and Amortization expense

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Depreciation on Property, Plant and Equipment	46.11	49.29
Amortization of Intangible Assets	23.77	-
Depreciation on Investment in Properties	1.42	1.49
Depreciation of Right of use Assets	18.43	0.96
Total	89.73	51.73

Note 32 : Other Expenses

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Consumption of stores & spare parts for machinery	23.55	27.99
Power & Fuel	186.82	200.96
Job work	117.26	133.85
Testing/Firing Expenses	36.13	42.64
Freight Inward	4.96	2.50
Lab. & Consumable Stores	2.23	1.08
Clearing Forwarding Charges	1.79	11.57
Printing and Stationary	1.46	1.05
Fees and Subscriptions	27.19	8.50
Legal and Professional Charges	24.19	8.76
Royalty	49.37	8.71
Audit Remuneration (refer note 30.1)	1.58	1.58
Telephone & Internet Expenses	0.60	0.42
Travelling Expenses	37.26	20.55
Conveyance	5.53	3.89
Vehicle Running and Maintenance Expenses	0.77	0.93
Insurance Charges	1.46	1.21
Electricity & Water Charges (Office)	3.66	2.23
Impairment loss recognised under ECL model	16.97	-
Loss on sale of PPE	-	0.09
Property Tax	6.43	6.21
Corporate Social Responsibility	29.37	19.65
Exhibition Expenses	75.24	24.79
Sales Promotion	26.09	9.28
Freight & Cartage Outward	6.76	7.11
Commission on Sales	1.15	4.66
Director Commission	2.95	-
Miscellaneous Expenses	18.08	18.11
Total	708.85	568.35



Note 32.1 : Auditor Remuneration

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Statutory Audit fee	1.38	1.38
Tax Audit fee	0.20	0.20
Total	1.58	1.58

Note 33 : Income Taxes**Income Tax Recognised in Profit and Loss Account**

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Current Tax expenses	567.94	502.73
Tax for earlier periods	(0.31)	2.29
Deferred Tax expenses / (Income)	8.23	6.64
Total Income Tax Recognised in the Current period	575.87	511.67

Note 33.1: Income taxes recognised in profit and loss

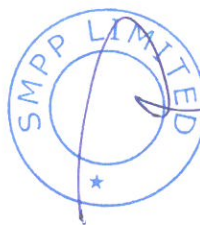
Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Current tax expense	567.94	502.73
Income Tax charge/(credit) for earlier periods	(0.31)	2.29
Deferred tax expense		
Origination and reversal of temporary differences	8.23	6.64
Total income tax expense recognised in the current period	575.86	511.66

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Profit/(loss) before tax	2,323.48	1,978.70
Statutory Income tax rate	25.17%	25.17%
Tax at Indian statutory income tax rate	584.77	498.00
Tax impact of non-deductible/(deductible) expense	(16.83)	4.73
Tax due to timing differences	8.23	6.64
Adjustment recognised in the current year in relation to the current tax of prior periods	(0.31)	2.29
Income tax expense recognised in statement of profit and loss	575.87	511.66

Note 34: Other Comprehensive Expense / (Income)

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Acturial (gain) /loss- obligation	(1.56)	(1.19)
Income tax relating to items that will not be reclassified to profit or loss	0.39	0.30
Total	(1.17)	(0.89)



SMPP LIMITED

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Notes forming part of the Standalone Financial Statement for the year ended 31st March 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note 35: Earnings per share

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period.

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Profit after tax as per statement of Profit & Loss	1,747.62	1,467.03
Net earning for computing basic earnings per share	1,747.62	1,467.03
Weighted average number of equity shares used in computing the basic earnings per share*	600,000,000	600,000,000
Weighted average number of equity shares used in computing the diluted earnings per share*	600,000,000	600,000,000
Basic earnings per share of ₹ 2 each (PY Rs. 100/- each)	2.91	2.45
Diluted earnings per share of ₹ 2 each (PY Rs. 100/- each)	2.91	2.45
Face value per share (in ₹)	2.00	2.00

*Computation of weighted average number of equity shares used in calculating basic and diluted earning per share is set out below:

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Opening Balance	200,000,000	20,000
Shares split from Rs.100 per equity share to Rs.2 per equity share*	-	980,000
Capitalisation of bonus shares issued (199 Bonus share issued per equity share)**	-	199,000,000
Capitalisation of bonus shares issued (2 Bonus share issued per equity share)**	400,000,000	400,000,000
Weighted average number of equity shares	600,000,000	600,000,000

During the FY 24-25, the company has issued Bonus shares in the ratio of 2:1 through extra-ordinary general meeting to the existing shareholders on 05th October 2024. Accordingly, the earning per share has been adjusted for previous periods/ year after calculating EPS by considering impact of increase in shares in accordance with IND AS-33 Earning Per Share.

*During the FY 23-24 equity shares have been split dated 24th November, 2023 Face value of Rs. 2/- each from Face value Rs. 100/- each.

**During the FY 23-24, the company has issued Bonus shares in the ratio of 199:1 through extra-ordinary general meeting to the existing shareholders on 24th November, 2023.

Note 36: Contingent Liabilities

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Income Tax	4.27	3.47
GST **	442.14	41.77
Civil Cases	20.51	20.51

*Other than above:-

Notice received under section 133(6) of the Income-tax Act, 1961 for the AY 21-22 dated 07/05/2024 for implication on taxable income amounted Rs. 14.20 millions related to Rent on plant & machinery, reply dated 23/05/2024 submitted by company that the company did not let out any Plant & Machinery but instead have let out the Building on rent. Response awaited from respective authority.

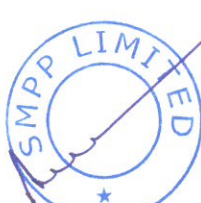
** Including interest and Penalty

Note 37: Commitments

Particulars	As at 31st MARCH, 2025	As at 31st MARCH, 2024
Capital commitments	-	-



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SMPP LIMITED

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Notes forming part of the Standalone Financial Statement for the year ended 31st March 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note 38: Employee Benefits**A. The details of various employees benefits provided to employees are as under :**

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Defined contribution plans:		
Employer's contribution to Provident Fund	0.03	0.04
Employer's contribution to Employee State Insurance Corporation	0.00	0.00
Total	0.03	0.04

B. Defined benefit plan:

In accordance with the payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to employee at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of the gratuity plan is provided based on actuarial valuation as at end of each financial year based on which the Company contributes the ascertained liability.

These plans typically expose the Company to actuarial risks as: investment risk, inherent interest rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government bonds. Currently for the plan in India, it has a relatively balanced mix of investments in Government securities and other debt instruments.
Interest Rate Risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	Higher than expected increases in salary will increase the defined benefit obligation.

The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows:

Actuarial assumptions

Description	31st MARCH, 2025	31st MARCH, 2024
Discount rate	6.75	7.25
Salary growth rate	5.00	5.00
Retirement age	60 years	60 years
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal rate (Per annum) (18-30 years)	20%	20%
Withdrawal rate (Per annum) (30-44 years)	5%	5%
Withdrawal rate (Per annum) (44-60 years)	2%	2%

Amount recognised in the statement of profit and loss is as under:

Description	31st MARCH, 2025	31st MARCH, 2024
Current service cost	1.47	0.63
Interest cost	0.34	0.30
Other Adjustment	-	-
Net impact on profit (before tax)	1.81	0.92
Actuarial loss/(gain) recognised during the year	(1.56)	(1.19)
Amount recognised in the statement of profit and loss and other comprehensive income	0.25	(0.27)

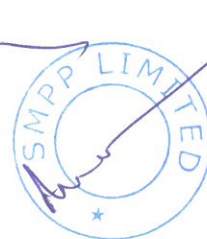
Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	31st MARCH, 2025	31st MARCH, 2024
Opening defined obligation	4.74	4.11
Current service cost	1.47	0.63
Interest cost	0.34	0.30
Actuarial loss/(gain) arising from changes in financial assumptions	(1.56)	(1.19)
Past service cost	-	0.91
Benefits paid	-	-
Closing defined benefit obligation	4.98	4.75

Breakup of actuarial (gain)/loss:

Description	31st MARCH, 2025	31st MARCH, 2024
Actuarial (gain)/loss from change in financial assumption	0.10	(0.91)
Actuarial (gain)/loss from experience adjustment	(1.67)	(0.28)
Total actuarial loss/(gain)	(1.56)	(1.19)

The Company makes annual contribution to Life Insurance Corporation (LIC). As LIC does not disclose the composition of its portfolio investments, break-down of plan investments by investment type is not available to disclose.



Sensitivity analysis for gratuity liability

Description	31st MARCH, 2025	31st MARCH, 2024
Impact of the change in discount rate		
Present value of obligation at the end of the year	4.98	4.75
- Impact due to increase of 1 %	(0.28)	(0.28)
- Impact due to decrease of 1 %	0.31	0.32
Impact of the change in salary		
Present value of obligation at the end of the year	4.98	4.75
- Impact due to increase of 1 %	0.32	0.32
- Impact due to decrease of 1 %	(0.29)	(0.29)
Impact of the change in withdrawal rate		
Present value of obligation at the end of the year	4.98	4.75
- Impact due to increase of 1 %	(0.01)	0.02
- Impact due to decrease of 1 %	0.01	(0.03)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

Maturity profile of defined benefit obligation

Description	31st MARCH, 2025	31st MARCH, 2024
Within next 12 months	0.67	0.52
Between 1-5 years	1.36	1.28
After 5 years	2.95	2.95



SMPP LIMITED

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Notes forming part of the Standalone Financial Statement for the year ended 31st MARCH 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note 39: Related Party Disclosures**Note 39.1: List of Related Parties as per Ind As 24**

A.	Nature of relationship	Names of parties
(i)	Key Managerial Personnel	Dr. Shiv Chand Kansal (Managing Director) Dr. Madhu Kansal (Whole-Time Director) (w.e.f. 23.08.2024) Padam Chand Jain (Chief Financial Officer) (w.e.f. 16.08.2024) Ashish Kansal (Whole Time Director & Chief Executive Officer) (w.e.f. 17.08.2024) Sachin Jain (Company Secretary) (w.e.f. 17.08.2024 and till 20.07.2025) Rohit Chamoli (Company Secretary) (w.e.f. 31.07.2025) Mahima Gupta (Independent Director) (w.e.f. 13.09.2024) Ajay Kumar (Independent Director) (w.e.f. 13.09.2024 and till 15.05.2025) Manoj Gupta (Independent Director) (w.e.f. 13.09.2024)
(ii)	Subsidiary Company (Wholly owned)	SMPP Ammunition Private Limited (w.e.f. 02.11.2021)
(iii)	Relatives of Key Managerial Personnel:	Ashish Kansal* Ashima Goel Pankaj Goel Surender Kansal Prem Kansal Kiran Singhla Naresh Kansal Achla Kansal Manoj Agarwal Aarti Choudhary Rekha Mittal
(iv)	Entity over which KMP's have significant influence	Sopan Properties Private Limited Innovative Tectex Private Limited (w.e.f. 17.08.2024) SM Engineers & Consultant Kansal Auto Spares Private Limited Shiv Chand Ashish Kansal HUF Macario Technologies Private Limited (w.e.f. 17.08.2024) Wiseman Systems Private Limited Ashish Kansal HUF (w.e.f. 17.08.2024) SMPP Foundation Trust (w.e.f. 19.09.2024)
(v)	The entity is controlled or jointly controlled by a person or a close member of that person's family of a reporting entity who has significant influence over the reporting entity.	Innovative Tectex Private Limited (till 16.08.2024) Macario Technologies Private Limited (till 16.08.2024) Ashish Kansal HUF (till 16.08.2024) Jai Foundation Sat Sahib Trading Company

* w.e.f. 17.08.2024 Ashish Kansal has been appointed as Whole Time Director considered as part of Key Managerial Personnel.



Nature of relationship	Name of Related Party	Nature of Transaction	31st MARCH, 2025	31st MARCH, 2024
Key Managerial Personnel	Dr. Shiv Chand Kansal	Advanced Received for Purchase of Share	-	1.00
		Remuneration	15.30	7.20
		Rent expense	2.49	-
	Dr. Madhu Kansal	Remuneration	10.80	7.20
		Advanced Received for Purchase of Share	-	1.00
		Rent expense	0.20	-
		Purchase of Patent	782.60	-
	Ashish Kansal	Patent/Royalty fee Paid	49.37	8.71
		Advance received against sale of property	190.00	-
		Repayment of advance against sale of property	190.00	-
		Remuneration	11.23	-
	Ajay Kumar (w.e.f. 13.09.2024 till 15.05.2025)	Sitting Fees	0.40	-
	Ajay Kumar (w.e.f. 13.09.2024 till 15.05.2025)	Commission	2.90	-
	Mahima Gupta (w.e.f. 13.09.2024)	Sitting Fees	0.60	-
	Mahima Gupta (w.e.f. 13.09.2024)	Commission	0.05	-
Subsidiary Company	Manoj Gupta (w.e.f. 13.09.2024)	Sitting Fees	0.70	-
	Padam Chand Jain (w.e.f. 16.08.2024)	Salary	4.51	-
	Sachin Jain (w.e.f. 17.08.2024 till 20.07.2025)	Salary	1.07	-
	SMPP Ammunition Private Limited	Loan Given	56.46	13.01
		Loan Repayment	0.42	23.22
		Interest income on loan	2.96	1.37
	Ashish Kansal (Till 16.08.2024)	Salary	2.71	7.20
	SM Engineers & Consultants	Purchases	1.76	1.64
		Sales	0.59	0.53
		Rent Income	0.06	0.07
		Purchases	381.98	615.12
	Macario Technologies Private Limited (w.e.f 17.08.2024)	Job Work	33.37	67.68
		Rent expense	0.06	0.07
		Sales	16.69	-
		Purchases	168.87	487.87
	Sales	23.76	-	
SMPP Foundation Trust (w.e.f 19.09.2024)	CSR amount transferred	68.33	-	
	Unspent CSR Amount received back	0.75	-	
Wiseman Systems Private Limited	Rent expense	16.00	-	
	Sale of Investment in Properties	193.00	-	
Macario Technologies Private Limited (till 16.08.2024)	Purchases	67.51	-	
	Job Work	23.24	-	
	Sales	1.31	-	
Innovative Techtex Private Limited (till 16.08.2024)	Purchases	22.37	-	
	Sales	0.24	-	
Jai Foundation	CSR amount transferred	-	17.72	
Sat Sahib Trading Company	Unspent CSR Amount received back	37.52	-	
	Job Work Expense	-	6.00	



Balances Outstanding at year end:

Nature of Relationship	Name of Related Party	Nature of Transaction	31st MARCH, 2025	31st MARCH, 2024
Key Managerial Personnel	Dr. Shiv Chand Kansal	Remuneration Payable	0.90	-
		Advance outstanding for purchase of shares	-	1.00
		Rent	0.01	-
		Remuneration Payable	0.67	-
	Dr. Madhu Kansal	Advance outstanding for purchase of shares	-	1.00
	Ashish Kansal (w.e.f. 17.08.24)	Remuneration Payable	0.90	-
	Padam Chand Jain (w.e.f. 16.08.2024)	Salary Payable	0.40	-
	Sachin Jain (w.e.f. 17.08.2024 till 20.07.2025)	Salary Payable	0.14	-
	Ajay Kumar (w.e.f. 13.09.2024 till 15.05.2025)	Sitting Fees Payable	0.10	-
	Ajay Kumar (w.e.f. 13.09.2024 till 15.05.2025)	Commission Payable	2.90	-
Subsidiary	Mahima Gupta (w.e.f. 13.09.2024)	Sitting Fees Payable	0.15	-
	Mahima Gupta (w.e.f. 13.09.2024)	Commission Payable	0.05	-
	Manoj Gupta (w.e.f. 13.09.2024)	Sitting Fees Payable	0.20	-
	SMPP Ammunition Private Limited	Loan Outstanding	56.12	-
	Macario Technologies Private Limited (w.e.f. 17.08.24)	Interest Receivable on Loan	-	1.37
Entity over which KMP's have significant influence		Receivable (Purchases)	0.48	-



Note 40: Expenditure on corporate social responsibility (CSR)

S. No.	Particulars	31st MARCH, 2025	31st MARCH, 2024
1	Gross amount required to be spent by the company during the Period		
	Opening balance		
	- With Company	-	-
	- In Separate CSR Unspent A/c	-	-
2	Amount required to be spent during the period	29.37	19.65
3	Amount spent during the period		
	- By Company		
	a. ongoing project		
	b. other than ongoing project	0.50	1.93
	- through Implementation Agency		
	a. ongoing project		
	b. other than ongoing project	4.67	-
4	Amount transferred CSR Unspent A/c (from Implementation Agency)	24.20	17.72
5	Closing balance *		
	- With Company	-	-
	- In Separate CSR Unspent A/c	-	-
6	Nature of CSR activities	As per schedule VII of Companies Act 2013	
7	Amount transferred to related party Jai foundation		17.72
8	Amount transferred to related party SMPP Foundation	68.33	

*For the FY 2024-2025 the company has transferred unspent Corporate Social Responsibility amount to unspent corporate social responsibility account on 14th July 2025 amounting to INR 24.20 millions, which was required to be transferred within 30 days from the end of the financial years.

*For the FY 2023-2024, the company has transferred unspent Corporate Social Responsibility amount to unspent corporate social responsibility account on 27th September 2024 amounting to INR 19.22 millions as against the unspent obligation for FY 2023-2024 of INR 17.72 which was required to be transferred within 30 days from the end of the financial years.

The Unspent CSR account movement

Particulars	31st MARCH, 2025	31st MARCH, 2024
Opening balance of unspent CSR Account	-	-
Add: Addition during the Period**	39.77	-
Less : Utilisation during the year	39.77	-
Closing balance of unspent CSR Account***	0.00	-

*During the reporting period, unspent CSR amount pertaining to the previous years of INR 39.77 millions [For FY 2021-2022, 2022-2023, 2023-2024 amounting to INR 2.10 millions, 17.70 millions, INR 19.22 (as against obligation of Rs. 17.72 millions) respectively] has been transferred to Company's unspent CSR A/c.

*As of 31st March 2025, an expenditure amounting to INR 0.53 million has been incurred. However, the payment for the said amount remains pending as on the reporting date.



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Notes forming part of the Standalone Financial Statement for the year ended 31st MARCH 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note 41: Financial Instruments
Financial Instruments- Accounting Classification and Fair Value Measurement
Fair value of instruments measured at amortised cost

The management assessed that fair values of cash and cash equivalents, trade receivables, other receivables, other financial assets, borrowings, trade payables and other financial liabilities approximate their respective carrying amounts largely due to short term maturities of these instruments.

Financial risk management
Categories of financial instruments

Particulars	31st MARCH, 2025	31st MARCH, 2024
Financial assets		
Financial assets at fair value through other comprehensive Income		
Non-current		
Investment in subsidiary	2.00	2.00
Financial assets at amortised Cost		
Non-current		
Other Financial Assets	10.69	11.33
Current		
Trade Receivables	2,177.31	1,847.11
Cash and cash Equivalents	96.18	2.56
Bank Balances other than cash and cash equivalents	1,969.82	2,074.34
Total	4,256.00	3,937.34
Financial liabilities at amortised cost		
Non-current		
Other financial liabilities	16.02	8.69
Current		
Trade payables	249.89	496.46
Other financial liabilities	15.08	9.18
Total	280.98	514.33

41.1 Fair value Hierarchy
i) Fair value measurements:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data re as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Financial assets measured at Fair Value

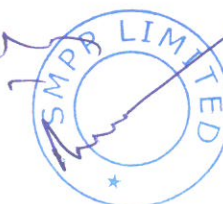
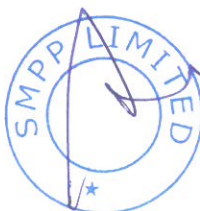
Particulars	31st MARCH, 2025	Level 1	Level 2	Level 3
Financial Assets Measured at Amortised Cost				
Security Deposit	10.69	-	-	-
Trade Receivables	2,177.31	-	-	-
Cash and Cash equivalents	96.18	-	-	-
Bank Balances other than cash and cash equivalents	1,969.82	-	-	-
Loan to subsidiary	56.12	-	-	-
Total financial assets	4,310.13	-	-	-

Particulars	31st MARCH, 2024	Level 1	Level 2	Level 3
Financial Assets Measured at Amortised Cost				
Security Deposit	11.33	-	-	-
Trade Receivables	1,847.11	-	-	-
Cash and Cash equivalents	2.56	-	-	-
Bank Balances other than cash and cash equivalents	2,074.34	-	-	-
Total financial assets	3,935.34	-	-	-

Financial Liabilities measured at Fair Value

Particulars	31st MARCH, 2025	Level 1	Level 2	Level 3
Financial Liabilities Measured at Amortised Cost				
Borrowings	-	-	-	-
Trade Payables	249.89	-	-	-
Other financial Liabilities	31.09	-	-	-
Total financial Liabilities	280.98	-	-	-

Particulars	31st MARCH, 2024	Level 1	Level 2	Level 3
Financial Liabilities Measured at Amortised Cost				
Borrowings	1.03	-	-	-
Trade Payables	496.46	-	-	-
Other financial Liabilities	17.87	-	-	-
Total financial Liabilities	515.37	-	-	-



41.2 Valuation techniques used to determine Fair Value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are recognised at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities measured at amortised cost is approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair value of other non-current financial assets and liabilities (security deposit taken/given and advance to employees) carried at amortized cost is approximately equal to fair value. Hence carrying value and fair value is taken same.
- 2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

41.3 Financial risk management

The Company's activities expose it to a variety of financial risks which includes market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimise potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarised ahead.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, which comprises of three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

Foreign currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rate.

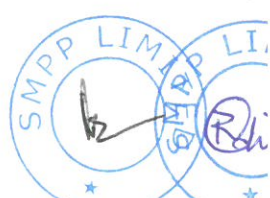
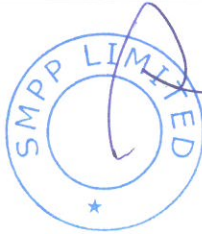
The Company derives significant portion of its revenue in foreign currency, exposing it to fluctuations in currency movements. The Company has laid down a foreign exchange risk policy as per which senior management team reviews and manages the foreign exchange risks in a systematic manner, including regular monitoring of exposures, proper advice from market experts, hedging of exposures, etc.

relating to a firm commitment or a highly probable forecast transaction, are marked to market at every reporting date. The company does not use forward contracts for speculative purposes.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Particulars	Foreign currency	INR
	31st MARCH 2025	31st MARCH 2025
Financial assets		
Trade Receivables		
In USD	2.31	197.89
In EURO	0.03	2.49
Advance given to Supplier		
In USD	0.60	50.14
In EURO	0.13	11.72
Financial liabilities		
Trade Payables		
In CNY	-	-
In USD	0.53	45.37
In EURO	-	-
Advance received from Customer		
In USD	0.61	43.67
In EURO	0.02	1.41

Particulars	Foreign currency	INR
	31st MARCH 2024	31st MARCH 2024
Financial assets		
Trade Receivables		
In USD	0.62	51.94
In EURO	0.00	0.23
Advance given to Supplier		
In USD	0.81	67.33
In EURO	0.01	0.46
Financial liabilities		
Trade Payables		
In CNY	5.17	59.63
In USD	2.41	201.04
In EURO	0.04	3.74
Advance received from Customer		
In USD	0.45	37.19
In EURO	0.00	0.27



Sensitivity Analysis

The Following table demonstrate the sensitivity in the foreign exchange rate (USD & EURO) to the Indian Rupees with all other variable held constant. The Impact on statement of profit & loss is given below:

Particulars	Exchange rate increase by 1%	Exchange rate Decrease by 1%
	31st MARCH 2025	31st MARCH 2025
	INR	INR
Financial assets		
Trade Receivables		
In USD	1.98	(1.98)
In EURO	0.02	(0.02)
Advance given to Supplier		
In USD	0.50	(0.50)
In EURO	0.12	(0.12)
Financial liabilities		
Trade Payables		
In CNY	-	-
In USD	0.01	(0.01)
In EURO	-	-
Advance received from Customer		
In USD	0.37	(0.37)
In EURO	0.00	(0.00)

Particulars	Exchange rate increase by 1%	Exchange rate Decrease by 1%
	31st MARCH 2024	31st MARCH 2024
	INR	INR
Financial assets		
Trade Receivables		
In USD	0.52	(0.52)
In EURO	0.00	(0.00)
Advance given to Supplier		
In USD	0.67	(0.67)
In EURO	0.00	(0.00)
Financial liabilities		
Trade Payables		
In CNY	0.60	(0.60)
In USD	2.01	(2.01)
In EURO	0.04	(0.04)
Advance received from Customer		
In USD	0.37	(0.37)
In EURO	0.00	(0.00)

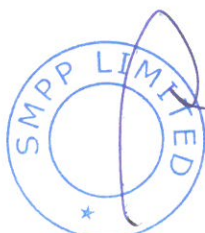
Credit Risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business;
- Actual or expected significant changes in the operating results of the counterparty;
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation;
- Significant increase in credit risk and other financial instruments of the same counterparty;
- Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

The company's major exposure is from trade receivables, which are unsecured and derived from external customer Credit risk on cash and cash equivalents is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.



Expected credit loss for trade receivable on simplified approach :

The ageing analysis of the trade receivables (gross of provision) has been considered from the date the invoice falls due:

Age Bracket	% of ECL	31st MARCH 2025
Not Due	Nil	1,485.1
Less than 6 Months	Nil	649.4
More than 6 Months to Less than 1 Year	10%	42.0
More than 1 Year to Less than 2 Years	50%	9.6
More than 2 Year to Less than 3 Years	100%	2.2
More than 3 Year	100%	24.0
Total		2,212.6
Trade Receivables- Credit Impaired		35.3
Net Trade Receivables		2,177.3

Age Bracket	% of ECL	31st MARCH 2024
Not Due	Nil	1,829.1
Less than 6 Months	Nil	17.2
More than 6 Months to Less than 1 Year	10%	-
More than 1 Year to Less than 2 Years	50%	-
More than 2 Year to Less than 3 Years	100%	-
More than 3 Year	100%	18.3
Total		1,865.4
Trade Receivables- Credit Impaired		18.3
Net Trade Receivables		1,847.1

Credit risk is managed through credit approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the company grants credit terms in the normal course of business.

The following table summarizes the change in the loss allowances measured using expected credit loss model (ECL):

Particulars	ECL for Trade Receivables
As at 01-04-2024	18.35
Provided/(Reversal) during	16.97
As at 31-03-2025	35.33

Particulars	ECL for Trade Receivables
As at 01-04-2023	23.39
Provided/(Reversal) during	(5.03)
As at 31-03-2024	18.35

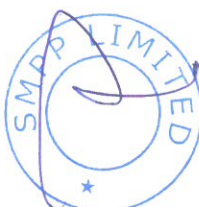
Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the company's short, medium, and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table detail the company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company may be required to pay.

Particulars	Not Due	Less than 1 year	1-2 year	2-3 year	More than 3 years	Carrying Amount
31st MARCH 2025						
Trade payable	135.19	9.37	68.18	35.98	1.16	249.88
Other financial liabilities	-	15.08	0.19	-	15.82	31.09
Total	135.19	24.45	68.37	35.98	16.98	280.98

Particulars	Not Due	Less than 1 year	1-2 year	2-3 year	More than 3 years	Carrying Amount
31st MARCH 2024						
Trade payable	198.43	211.88	86.15	-	-	496.46
Other financial liabilities	-	11.13	0.99	0.99	4.76	17.87
Total	198.43	223.01	87.14	0.99	4.76	514.33



SMPP LIMITED

(Formerly Known as SMPP PRIVATE LIMITED)

Notes forming part of the Standalone Financial Statement for the year ended 31st MARCH 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note 42: Segment information

The Company primarily engaged in the business of manufacturing of arms and ammunitions.

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".

Geographical Locations: The Company operates in Geographical Segment-India (Country of Domicile) and

Revenue from Operations

Particulars	Within India	Outside India	Total
Till 31st MARCH 2025	5,326.14	498.90	5,825.05
Till 31st MARCH 2024	4,075.06	1,085.65	5,160.70

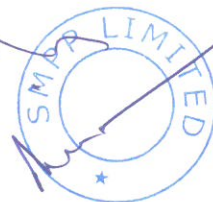
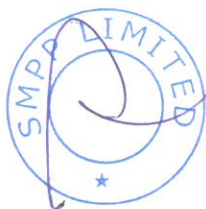
Trade Receivables

Particulars	Within India	Outside India	Total
Till 31st MARCH 2025	1,976.93	200.38	2,177.31
Till 31st MARCH 2024	1,780.80	52.17	1,832.97

Note 42: Reconciliation between the opening & closing balances in the balance sheet for Financial liabilities

Particulars	Note No	As at 01st April 2025	Cash flows	Non Cash	As at 31st MARCH 2025
Lease Liabilities	5	2.97	(18.66)	184.99	169.30

Particulars	Note No	As at 01st April 2023	Cash flows	Non Cash	As at 31st MARCH 2024
Lease Liabilities	5	3.84	(1.20)	0.34	2.97



SMPP LIMITED
(Formerly Known as SMPP PRIVATE LIMITED)
Notes forming part of the Standalone Financial Statement for the year ended 31st MARCH 2025
(All amounts are Rs. in Millions, unless otherwise stated)

Note 44 : Ratios

Ratio	Numerator	Denominator	Numerator	Denominator	As at 31st MARCH 2025	As at 31st March 2024	Variance	Remarks
Current ratio (in times)	Current assets	Current liabilities less: Lease Liabilities	5,820.05	340.68	17.08	6.12	179%	Majority due to decrease in Advance from Customers and Trade Payables
Inventory turnover ratio (in times)	Revenue from operations	Average inventory	5,837.11	1,147.16	5.09	8.02	-37%	Majority due to decrease in Inventory
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	5,837.11	2,012.21	2.90	3.88	-25%	Majority due to Decrease in Avergae Debtors
Trade payables turnover ratio (in times)	Net Purchases	Average trade payables	2,807.02	373.18	7.52	10.33	-27%	Majority due to Decrease in Avergae Trade Payables and Purchases
Net profit (in %)	Net Profit after tax	Revenue from operations	1,747.62	5,837.11	29.94%	28.44%	5%	Not Required
Return on equity (ROE) (in %)	Net Profit after tax	Average shareholders equity	1,747.62	5,564.97	31.40%	37.08%	-15%	Not Required
Return on capital employed (ROCE) (in %)	Net Profit after tax	Capital employed	2,346.39	6,439.35	36.44%	42.18%	-14%	Not Required



SMPP LIMITED**(Formerly Known as SMPP PRIVATE LIMITED)****Notes forming part of the Standalone Financial Statement for the year ended 31st March 2025**

(All amounts are Rs. in Millions, unless otherwise stated)

Note 44 : Dividend

The company has not declared or paid any dividend during the period.

Note 45 : Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with struck off companies.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the period.
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (vi) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Company has one subsidiary downward.
- (viii) The lender of the company has not declared company as willful defaulter and also company has not defaulted in loan repayment of loan to the lenders.
- (xi) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- (x) There is no transaction which are not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- (xi) The status of the Company has changed from "Private Company" to "Public Company". Pursuant to the provisions and any other applicable provisions of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, vide Board approval dated August 16, 2024 and approval of Shareholders dated August 23, 2024, the name of the Company has changed from "SMPP Private Limited" to "SMPP Limited" by deletion of the word "Private" from the name of the Company which was approved by Ministry of Corporate Affairs dated September 13, 2024.

(xii) Recent Accounting Pronouncements**(a) Ind AS 117 - Insurance Contracts**

The Ministry of Corporate Affairs (MCA), The MCA notified Ind AS 117 on 9 September 2024 to be applicable from 1 April 2024. However, the same was withdrawn vide notification dated 28 September 2024 wherein the applicability of Ind AS 117 was made subject to notification of IRDAI. IRDAI has not notified Ind AS 117. Therefore, as of now, Ind AS 117 has been issued but from when it will be applicable is uncertain. The company is evaluating the impact of the standard on its consolidated balance sheet, consolidated statement of profit and loss and consolidated statement of cash flows.

(b) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

Ministry of Corporate Affairs vide its notification no. G.S.R. 291(E) dated 7th May 2025 has issued an amendment to Ind AS 21 providing guidance on determining exchange rate in case of lack of exchangeability. The amendment is effective from 1 April 2025. In accordance with the amendment to Ind AS 21 – Lack of Exchangeability, the Company is required to estimate the exchange rate using the most reliable inputs available in case there is lack of exchangeability. The currencies in which the company has transacted during the current year or previous year were exchangeable into another currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism. Accordingly, the amendment to Ind AS 21 has no material impact on the financial position, financial performance and cash flows of the company.

- (xiii) The company has issued Bonus shares on 05th October 2024 through extra-ordinary general meeting to the existing shareholders in the ratio of 2:1.

- (xvi) The company has utilized tally, an accounting software for maintaining its books of account. Tally includes an audit trail (edit log) feature that has been consistently used w.e.f 12th April 2023 for all relevant transactions recorded in the software. Due to tally's integrated application and database, establishing audit trail functionality specifically for the tally database is not feasible. The retention of the Audit Trail is available for application level w.e.f 12th April 2023.



SMPP LIMITED

(Formerly Known as SMPP PRIVATE LIMITED)

Notes forming part of the Standalone Financial Statement for the year ended 31st MARCH 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note 47: Approval of financial statements

The Standalone financial statements for the year ended 31st March 2025 were approved by the Board of Directors and authorises to issue on 31st July 2025

As per our report of even date attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.000756N/N500441


Vivek Raut
Partner
Membership No.097489



Place: New Delhi
Date: 31st July 2025

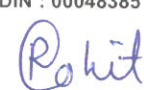
For Jagdish Sapra & Co LLP
Chartered Accountants
Firm Registration No.001378N/N500037

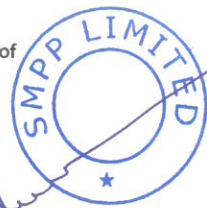

Vipal Kumar Kalra
Partner
Membership No.084583

Place: New Delhi
Date: 31st July 2025

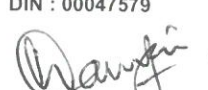
For and on behalf of Board of Directors of
SMPP Limited


Dr. Shiv Chand Kansal
Chairman & Managing Director
DIN : 00048385


Rohit
Company Secretary
M.No.- 73881




Ashish Kansal
Whole-Time Director & CEO
DIN : 00047579


Padam Chand Jain
President - Finance & CFO

S S Kothari Mehta & Co. LLP
Chartered Accountants
Plot no. 68 Okhla Industrial Area, Phase -III
New Delhi- 110020

Jagdish Sapra & Co. LLP
Chartered Accountants
23 Prakash Apartments, 5, Ansari Road,
Darya Ganj
New Delhi-110002

Independent Auditor's Report

To the Members of SMPP Limited

(formerly known as SMPP Private Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **SMPP Limited** (formerly known as SMPP Private Limited up to 13th September 2024) (**hereinafter referred to as the "Holding Company"**) and its subsidiary (**Holding Company and its subsidiary together referred to as "the Group"**), which comprise the Consolidated Balance Sheet as at 31 March, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income / (Loss)), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the material accounting policies and other explanatory information (herein after referred to as Consolidated "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31 March, 2025, and its consolidated profit, total comprehensive profit, consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters (KAM) are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Director's Report including annexures to Director's Report and



Shareholder information's but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

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

When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial position, Consolidated Financial Performance including Consolidated other comprehensive income / loss, Consolidated cash flows and Consolidated changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS").

The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error which have been used for the purpose of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Group financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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



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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 Holding and its subsidiary 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 Group'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 Consolidated Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of Financial Statements of entities included in the Consolidated Financial Statements of which we are the independent auditor.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the Consolidated 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 Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and subsidiary included in the Consolidated Financial Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we give in "**Annexure – A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.



As required by section 143(3) of the Act, based on our audit, 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 purpose of our audit of the aforesaid Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income /(loss), Consolidated Statement of Cash Flow and Statement of Consolidated Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act;
- e. On the basis of the written representations received from the Directors as on 31st March, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025, from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls 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 over financial reporting,
- g. 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:

As per the information and explanation given to us and on the basis of our examination of the records, managerial remuneration has been paid or provided as specified by the provisions of Section 197 read with Schedule V to the Act in case of holding company and there is no managerial remuneration paid or provided in case of subsidiary Company.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Company has disclosed the impact of pending litigations on its financial position in the Consolidated Financial Statements - Refer Note 35 to the Consolidated Financial Statement;
 - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - IV. A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

B) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations



under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- V. The Company has not declared or paid any dividend during the year, therefore reporting under this clause is not applicable.
- VI. Based on our examination, which includes test checks, the company has utilized tally, an accounting software for maintaining its books of account. Tally includes an audit trail (edit log) feature that has been consistently used w.e.f 12th April 2023 for all relevant transactions recorded in the software. Due to tally's integrated application and database, establishing audit trail functionality specifically for the tally database is not feasible. The audit trail has been preserved by the company as per the statutory requirements for record retention at application level w.e.f 12th April 2023.
- During the course of our audit, we did not come across any instance of the audit trail feature being tempered.

For **S S Kothari Mehta & Co. LLP**

Chartered Accountants
Firm Registration No. 000756N/N500441


Vivek Raut

Partner
Membership No. 097489
UDIN: 25097489BNUIUF7828



Place: New Delhi
Date: 31st July 2025

For **Jagdish Sapra & Co. LLP**

Chartered Accountants
Firm Registration No. 001378N /N500037


Vipal Kumar Kalra

Partner
Membership No. 084583
UDIN: 25084583BMLJYR3661



**“ANNEXURE – A” TO THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SMPP Limited
(formerly known as SMPP Private Limited)**

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

XXI. According to the information and explanations given to us and based on our examination, We report that there is no qualifications or adverse remarks in the CARO reports of the Holding and subsidiary.

For **S S Kothari Mehta & Co. LLP**

Chartered Accountants
Firm Registration No. 000756N/N500441


Vivek Raut

Partner
Membership No. 097489
UDIN: 25097489BNUIUF7828



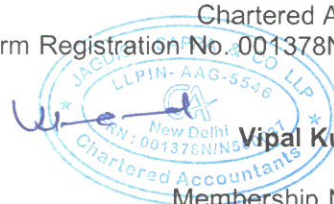
Place: New Delhi
Date: 31st July 2025

For **Jagdish Sapra & Co. LLP**

Chartered Accountants
Firm Registration No. 001378N /N500037


Vipal Kumar Kalra

Partner
Membership No. 084583
UDIN: 25084583BMLJYR3661



**“ANNEXURE – B” TO THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SMPP Limited
(formerly known as SMPP Private Limited)**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’ section

In conjunction with our audit of the Consolidated Financial Statements of **SMPP Limited** (formerly known as SMPP Private Limited) (hereinafter referred to as “Holding Company”) for the year ended 31st March 2025, We have audited the internal financial controls with reference to Consolidated Financial Statement of Holding Company and its subsidiary (the Holding Company and its Subsidiary together referred to as “ the Group”) which are companies incorporated in India.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Company which are incorporated in India are responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the respective Companies 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated financial Statements of Holding Company and its Subsidiary Company which are incorporated in India 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”) issued by Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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
- c) 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 with reference to Consolidated Financial Statement, 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, to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiary Company which are companies incorporated in India has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2025, based on "the internal control over financial reporting criteria established by the Holding Company and its subsidiary 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 **S S Kothari Mehta & Co. LLP**

Chartered Accountants
Firm Registration No. 000756N/N500441


Vivek Raut

Partner

Membership No. 097489

UDIN: 25097489BNUIUF7828



Place: New Delhi

Date: 31st July 2025

For **Jagdish Sapra & Co. LLP**

Chartered Accountants
Firm Registration No. 001378N/N500037




Vipal Kumar Kalra

Partner

Membership No. 084583

UDIN: 25084583BMLJYR3661

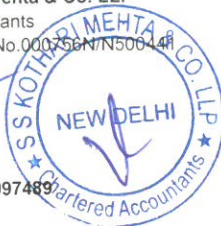
SMPP LIMITED
(Formerly Known as SMPP PRIVATE LIMITED)
Consolidated Balance Sheet As At 31st March 2025
(All amounts are Rs. in Millions, unless otherwise stated)

PARTICULARS	Note No.	As at 31st March 2025	As at 31st March 2024
I. ASSETS			
1) NON- CURRENT ASSETS			
(a) Property Plant & Equipment	3	221.65	236.54
(b) Capital Work in Progress	3.1	82.83	9.64
(c) Other Intangible Assets	3.2	760.22	0.00
(c) Investment Property	4	-	29.09
(d) Right of use of Assets	5	156.33	5.90
(e) Financial Assets			
Other Financial Assets	6	11.03	11.66
(f) Deferred Tax Assets (net)	7	4.23	12.90
TOTAL NON CURRENT ASSETS		1,236.29	305.73
2) CURRENT ASSETS			
(a) Inventories	8	1,066.82	1227.49
(b) Financial Assets			
(i) Trade Receivables	9	2,177.31	1847.11
(ii) Cash and Cash Equivalents	10	482.01	4.40
(iii) Bank Balances other than cash and cash equivalents	11	1,969.82	2074.34
(c) Current Tax Assets (Net)	12	0.87	1.93
(d) Other Current Assets	13	1,287.88	133.61
TOTAL CURRENT ASSETS		6,984.71	5288.88
TOTAL ASSETS		8,221.02	5594.61
II. EQUITY AND LIABILITIES			
1) Equity			
(a) Equity Shares Capital	14	1,200.00	400.00
(b) Other Equity	15	5,235.03	4287.74
2) Equity attributable to shareholders of the company			
(c) Non controlling interest	16	-	0.00
Total Equity		6435.03	4687.74
3) LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Lease Liabilities	5	141.64	1.77
(ii) Other Financial Liabilities	17	16.02	8.69
(b) Provisions	18	4.31	4.23
(c) Other Non Current Liabilities	19	0.06	6.45
TOTAL NON-CURRENT LIABILITIES		162.03	21.14
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	11.1	1,014.84	22.56
(ii) Lease Liabilities	5	27.66	1.20
(iii) Trade Payables	20		
- Total outstanding dues of micro enterprises and small enterprises and;		21.85	128.44
- Total outstanding dues of other than micro enterprises and small enterprises		228.04	368.05
(iv) Other Financial Liabilities	21	16.00	10.67
(b) Other Current Liabilities	22	314.90	354.30
(c) Provisions	23	0.67	0.52
TOTAL CURRENT LIABILITIES		1623.96	885.73
TOTAL LIABILITIES		1785.99	906.87
Total Equity and Liabilities		8221.02	5594.61

Summary of material accounting policies 1-2
The accompanying notes to form integral part of the consolidated financial statements. 3-46
As per our report of even date attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756N/N500448

Vivek Raut
Partner
Membership No. 097489



For Jagdish Sapra & Co LLP
Chartered Accountants
Firm Registration No. 001378N/N500037

Vipal Kumar Kalra
Partner
Membership No. 084583



For and on Behalf of the Board of Directors of SMPP Limited

Dr. Shiv Chand Kansal
Chairman & Managing Director
DIN: 00048385

Rohit
Company Secretary
M. No. - 73881

Ashish Kansal
Whole-Time Director & CEO
DIN: 00047579

Padam Chand Jain
President (Finance) & CFO



Place: New Delhi
Date:- 31st July, 2025

Place: New Delhi
Date:- 31st July, 2025

SMPP LIMITED

(Formerly Known as SMPP PRIVATE LIMITED)

Consolidated Statement of Profit and Loss for the year ended 31 March 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31.03.2025	For the year ended 31.03.2024
(a) Revenue from operations	24	5,837.11	5,160.77
(b) Other income	25	388.63	208.26
Total Income		6,225.73	5,369.03
II. EXPENDITURE			
(a) Cost of Materials consumed	26	2,774.14	2,946.99
(b) Changes in inventories of Finished goods	27	193.55	(249.48)
(c) Employee Benefits Expense	28	114.29	66.03
(d) Finance Cost	29	22.91	8.08
(e) Depreciation and Amortization expense	30	89.77	51.84
(f) Other Expenses	31	709.06	568.66
Total Expenses		3,903.71	3,392.13
III. Profit before Tax		2,322.02	1,976.90
IV. Tax Expense :	32		
Current Tax		567.94	502.73
Deferred Tax		8.27	6.67
Income Tax charge/(credit) for earlier years		(0.31)	2.29
Total tax expenses		575.90	511.69
V. Profit for the year		1,746.12	1,465.21
VI. Other comprehensive (income)/Loss	31		
(a) Items that will not be reclassified to statement of profit or loss:			
- Remeasurement of post-employment benefit plans		(1.56)	(1.19)
(b) Income tax relating to items that will not be reclassified to profit or loss		0.39	0.30
Total other comprehensive (income)/Loss		(1.17)	(0.89)
Profit / (Loss) attributable to			
Equity shareholders		1,746.12	1,465.21
Non Controlling interest		-	(0.00)
Other comprehensive (income)/Loss attributable to			
Equity shareholders		(1.17)	(0.89)
Non Controlling interest		-	-
VII. Total comprehensive Income for the year			
Equity shareholders		1,747.29	1,466.10
Non Controlling interest		-	(0.00)
VIII. Earnings per equity share (Face value of Rs. 2 each)	32		
Basic		2.91	2.44
Diluted		2.91	2.44

Summary of material accounting policies 1-2

The accompanying notes to form integral part of the consolidated financial statement 3-46

As per our report of even date attached

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm Registration No. 000756N/M500441

Vivek Raut
Partner

Membership No. 097489

For Jagdish Sapra & Co. LLP

Chartered Accountants

Firm Registration No. 001378N/N500037

Vipal Kumar Kalra
Partner

Membership No. 084583

For and on behalf of the Board of Directors of
SMPP LIMITED

Dr. Shiv Chand Kansal
Chairman & Managing Director
DIN: 00048385

Rohit
Company Secretary
M. No. - 73881

Ashish Kansal
Whole-Time Director & CEC
DIN: 00047579

Padam Chand Jain
President (Finance) & CFO

Place: New Delhi
Date:- 31st July, 2025

Place: New Delhi
Date:- 31st July, 2025

SMPP LIMITED
(Formerly Known as SMPP PRIVATE LIMITED)
Consolidated Statement of Cash Flow for the year ended 31st March,2024
(All amounts are Rs. in Millions, unless otherwise stated)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
A. Cash flow from Operating Activities		
Profit for the year before tax	2322.02	1,976.90
Adjustments for non operating and non cash transactions:		
Finance costs	21.86	8.08
Depreciation and amortisation expense	89.77	51.84
Loss on sale of PPE	-	0.09
Interest income	(187.77)	(147.26)
Rental Income	(20.91)	(31.96)
Gain on cancellation of Lease	(0.27)	-
Unrealised Foreign Fluctuation Loss/(Gain)	(6.10)	-
Gain on sale of Investment Property	(165.32)	-
Impairment loss recognised/(reversed) under ECL model	16.97	5.03
Operating Profit/(Loss) before working capital change	2070.24	1,862.73
Movements in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Other Financials Assets - Non Current	0.64	(3.57)
Inventories	160.67	(1,167.23)
Trade Receivables	(337.41)	(1,036.26)
Other Current Assets	(1,162.12)	(82.53)
Adjustments for increase / (decrease) in operating liabilities:		
Other Non Current Liabilities	1.05	(0.96)
Trade Payables	(250.27)	244.78
Other Current Liabilities	(39.41)	(207.30)
Other Financial Liabilities Non Current	0.95	0.26
Other Financial Liability - Current	5.33	2.51
Provisions - Current	0.15	0.05
Provisions - Non Current	1.64	1.78
Cash generated/(used in) from operations before tax	451.47	(385.73)
Income tax paid	(566.58)	(504.71)
Net cash generated by/(used in) operating activities (A)	(115.11)	(890.44)
B. Cash flow from Investing Activities		
Capital expenditure on capital assets (including CWIP)	(873.55)	(53.95)
Proceeds from sale/disposal of capital assets	-	0.04
Proceeds from sale of Investment Property	193.00	-
(Increase)/Decrease in fixed deposit	95.86	585.97
Interest received	196.44	134.14
Rental Income	27.71	26.94
Net cash generated by/(used in) investing activities (B)	(360.55)	693.14
C. Cash flow from Financing Activities		
Proceeds from Term Loan	1,014.00	21.50
Repayment of Loan from Related Party	(35.50)	-
Increase/(Decrease) in Working Capital Loan	(1.03)	1.03
Interest paid (Including Bank Charges)	(5.53)	(6.71)
Payment of Lease liabilities other than Interest	(2.30)	(0.86)
Payment of Interest on Lease liabilities	(16.36)	(0.34)
Payment for addition in Ownership Interest	(0.00)	-
Net cash generated by/(used in) financing activities (C)	953.28	14.63
Net Increase/(decrease) in Cash and cash equivalents (A+B+C)	477.62	(182.68)
Cash and cash equivalents at the beginning of the year	4.40	187.07
Closing Balance of Cash and cash equivalents	482.01	4.40
Balances with banks		
In Current accounts	324.45	1.59
Bank Deposit with Original maturity of less than 3 months	153.83	-
Cash in hand	3.73	2.81
Total	482.01	4.40

Notes:

- The above cash flows statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on cash flow statements.
- Figures in bracket indicate cash outflow/Loss.
- Refer Note 42

Summary of material accounting policies

The accompanying notes to form integral part of the consolidated financial statements.

As per our report of even date attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756N/N500441

Vivek Raut
Partner
Membership No.097489

For Jagdish Sapra & Co. LLP
Chartered Accountants
Firm Registration No.001378N/N500037

Vipal Kumar Kalra
Partner
Membership No.084583

For and on behalf of the Board of Directors of
SMPP LIMITED

Dr. Shiv Chand Kansal
Chairman & Managing Director
DIN : 00048385

Rohit
Company Secretary
M. No. - 73881

Ashish Kansal
Whole Time Director & CEO
DIN: 00047579

Padam Chand Jain
President (Finance) & CFO

Place: New Delhi
Date:- 31st July, 2025

Place: New Delhi
Date:- 31st July, 2025

Rohit
Company Secretary
M. No. - 73881

Padam Chand Jain
President (Finance) & CFO

A. Equity Share Capital

Balance as at 1 st April 2024	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 st April 2024	Changes in Equity Share Capital during the year	Balance as at 31 st March 2025	Balance as at 31 st March 2025
400.00	-	400.00	800.00	-	1,200.00

Balance as at 1 st April 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 st April 2023	Changes in Equity Share Capital during the year	Balance as at 31 st March 2024	Balance as at 31 st March 2024
2.00	-	2.00	398.00	-	400.00

Refer Note: 14

B. Other equity

Particulars	Reserves and Surplus	Other Comprehensive Income	Total Attributable to Owners of the Company	Non Controlling Interest	Total Equity
	Retained earnings*	Remeasurement of post-employment benefit plans			
Balance as at 1 st April 2024	4,287.74	-	4,287.74	0.00	4,287.74
Profit for the year	1,746.12	-	1,746.12	-	1,746.12
Other comprehensive Income	-	1.17	1.17	-	1.17
Total Comprehensive Income for the year	6,032.68	1.17	6,035.03	0.00	6,035.03
Addition in Ownership Interest	-	-	-	(0.00)	(0.00)
Excess Amount paid on acquisition of Nominal Shares	(0.00)	-	-	-	(0.00)
Issue of bonus shares**	(800.00)	-	(800.00)	-	(800.00)
Dividend Distribution	-	-	-	-	-
Balance as at 31st March 2025	5,232.68	1.17	5,235.03	-	5,235.03

**During the FY 24-25, the company has issued Bonus shares in the ratio of 2:1 through extra-ordinary general meeting to the existing shareholders on 05th October 2024 and consequently the paid-up share capital of the Company has been increased to 60,00,00,000 equity shares of face value of Rs 2 each. General Reserves of Rs. 800.00 million was utilised for issue of bonus shares.

Particulars	Reserves and Surplus	Other Comprehensive Income	Total Attributable to Owners of the Company	Non Controlling Interest	Total Equity
	Retained earnings*	Remeasurement of post-employment benefit plans			
Balance as at 1 st April 2023	3,219.63	-	3,219.63	0.00	3,219.63
Profit for the year	1,465.21	-	1,465.21	(0.00)	1,465.21
Other comprehensive (Income)/Loss	(0.89)	-	(0.89)	-	(0.89)
Total Comprehensive Income for the year	4,685.74	-	4,685.74	0.00	4,685.74
Issue of bonus shares**	(398.00)	-	(398.00)	-	(398.00)
Dividend Distribution	-	-	-	-	-
Balance as at 31st March 2024	4,287.74	-	4,287.74	0.00	4,287.74

**Pursuant to a resolution passed by the Shareholders on 24th November 2023 and subsequent allotment on 24th November 2023, the Company has sub-divided the face value of its equity shares from Rs 100 each to Rs 2 each. Further, the Company has allotted 199,900,000 equity shares of face value of Rs. 2 each by way of bonus issue to its shareholders and consequently the paid-up share capital of the Company has been increased to 20,00,00,000 equity shares of face value of Rs 2 each. General Reserves of Rs. 398.00 million was utilised for issue of bonus shares.

Refer Note: 15

Retained Earnings

*This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

Summary of material accounting policies

The accompanying notes to form integral part of the consolidated financial statements.

As per our report of even date attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. - 000766NN500441

Vivek Bhat
Partner
Membership No.097489

Place: New Delhi
Date:- 31st July, 2025

For Jagdish Sapra & Co. LLP
Chartered Accountants
Firm Registration No.001378NN500037

Vipul Kumar Kalra
Partner
Membership No. - 084583

Place: New Delhi
Date:- 31st July, 2025

1-2
3-46

For and on behalf of the Board of Directors of
SMPP LIMITED

Dr. Shiv Chand Kansal
Chairman & Managing Director
DIN - 00048385

Rohit
Company Secretary
M. No. - 73881

Ashish Kansal
Whole-Time Director & CEO
DIN : 00047579

Padam Chand Jain
President (Finance) & CFO

SMPP LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st March, 2025

1. Corporate Information

Background and nature of operations

M/s SMPP Limited, incorporated in October 1985 under the Companies Act 1956, is engaged in the business of providing design, development and upgrade, refurbishment and production of arms and ammunition. Currently the Group has manufacturing facilities at Palwal (Haryana).

The Group including its subsidiaries is herein after together referred to as the 'Group'.

1.1 Statement of compliance

The financial statements are the Consolidated financial statements which are prepared in accordance with Indian Accounting Standards (Ind AS), as prescribed under section 133 of the Companies Act, 2013('the Act') (to the extent notified) read with the Rule 3 of the Companies (Indian Accounting Standard) Rules 2015 as amended and relevant amendment rules issued thereafter. These IND AS has been adopted w.e.f. 1st April 2023 and the date of Transition is 1st April 2022.

1.2. Functional & Presentational Currency

The financial statements of the Group are presented in Indian Rupees. The Group has operations in India. The functional currency has been determined as Indian Rupee.

1.3 Basis of measurement

These financial statements have been prepared on an accrual and going concern basis under the historical cost convention except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities.
- The defined benefit asset/(liability) is recognised as the present value of defined benefit obligation less fair value of plan assets.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

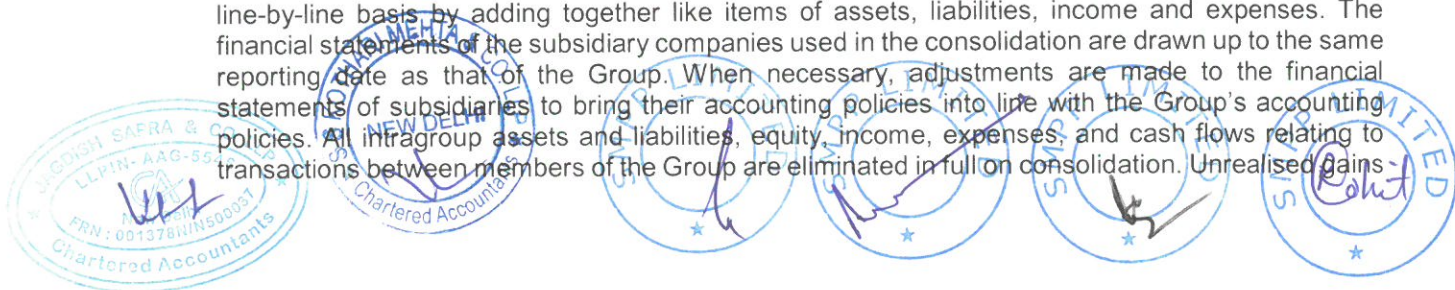
All values are rounded to the nearest Millions (INR 000,000) except when otherwise indicated.

1.4 Basis of consolidation of Subsidiary

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component's other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Group and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised gains



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31st March, 2025**

on transactions between group companies are eliminated. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the transferred asset.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

1.5 Use of estimates and judgement

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis.

The estimates and underlying assumptions made by management are explained under respective notes. Revisions to accounting estimates include useful lives of Property, Plant and Equipment and Intangible Assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, fair value/recoverable amount measurement, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

2. Accounting Policies

2.1 Operating Cycle

Assets and liabilities (i.e. supply of products or service) are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

2.2 Measurement of fair values

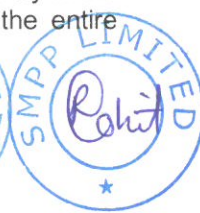
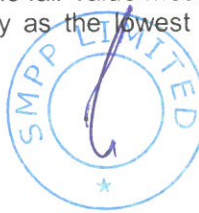
Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values and the valuation team regularly reviews significant unobservable inputs and valuation adjustments.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31st March, 2025**

2.3 Revenue recognition

The Group derives revenue principally from following streams:

- i) Sale of Products
- ii) Sale of Services
- iii) Other operating Revenue

i) Sale of products

Revenue from sale of products is recognised upon satisfaction of performance obligations i.e 'at Point in time' based on an assessment of the transfer of control as per the terms of the contract.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit or loss immediately in the period in which such costs are incurred..

In determining the transaction price for sale of product, the Group considers the effects of variable consideration based on expected value method. Changes to total estimated contract costs, if any, are recognise in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Group estimates the amount of consideration to which it will be entitled in exchange for work performed using Expected value method.

Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discount, if any. The Group considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained.

Amounts billed and due from customers are classified as receivables on the Balance Sheet. The portion of the payments retained by the customer until final contract settlement is not considered for significant financing component since it is usually intended to provide customer with a form of security for Group's remaining performance as specified under the contract, which is consistent with the industry practice.

A liability is recognised for advance payments and the time taken between the receipt of advance and satisfaction of performance obligation against advance is substantially completed within a year. Therefore, the Group has taken the practical expedient for not recognising significant financing component.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

lii) Sale of services:

Revenue from sale of services include job work charges and other services is recognised upon satisfaction of performance obligations i.e 'at Point in time' based on accounting period in which the services are rendered.

iv) Other Income

Interest income from a financial asset is recognised using effective interest rate (EIR) method.



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31st March, 2025**

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income which are earned on temporary investment of borrowings are deducted from borrowing costs. Any other interest income is recognized as interest income in profit or loss.

2.5 Government Grants

The Group receives government grants in the form of duty drawback & Rodtep licenses. The grant is relates to income. The Group recognises the grant on gross basis aggregating the same in line item other operating revenue in profit or loss as and when the costs that are intended to be compensate have been recognised in profit and loss.

2.6 Leases

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which comprises of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

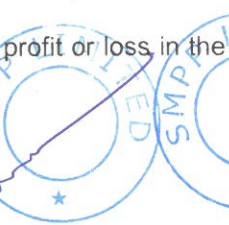
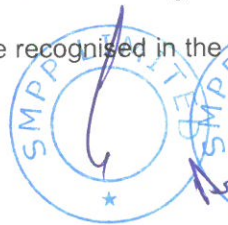
The Group has elected to account for short-term leases using the practical expedients. Instead of recognizing a right of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

2.7 Foreign currencies

Presentation currency is the currency in which the Group's financial statements are presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the profit or loss in the period in which they arise.



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31st March, 2025**

2.8 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with borrowing of funds. Borrowing costs attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of asset, until such time as the assets are substantially ready for the intended use or sale. Other borrowing costs are recognised as expense in the Profit or Loss in the period in which they are incurred.

2.9 Employee benefits

Short-term employee benefits

All short-term employee benefits such as salaries, wages, bonus, special awards and medical benefits which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the profit or loss.

Defined contribution plan

The Group makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

The contribution to the provident fund are charged to the Profit & Loss for the year when the contribution are due. The Group has no further obligation, apart from the contribution made on a monthly basis.

Defined benefit plan

The defined benefit plan of Group i.e. gratuity plan, provides for lump sum payment to vested employees on retirement / separation as per the Payment of Gratuity Act, 1972. Gratuity liability is covered by payment thereof to gratuity fund.

The Group's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary using projected unit credit method, taking effect of Re-measurement gain and losses in Other Comprehensive Income.

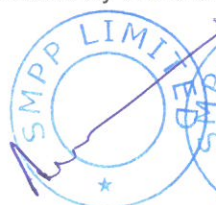
Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Profit and Loss.

2.10 Taxation

Income tax expense comprises Current tax and deferred tax. Current and deferred tax are recognised in the profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively

a) Current tax:

The current tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

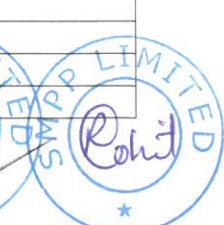
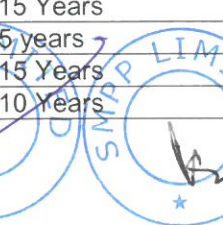
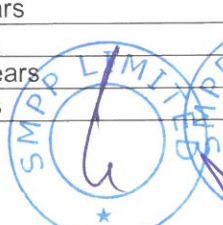
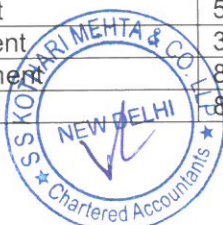
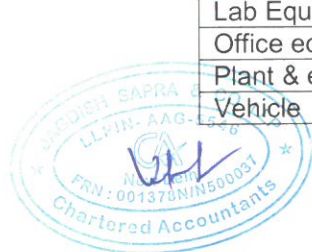
The Group offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Property, Plant and Equipment are stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation / amortization and impairment loss if any. Cost of acquisition / construction includes all direct cost net of recoverable taxes and expenditures incurred to bring the asset to its working condition and location for its intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land, right of use assets) and properties under construction) less their residual values over their useful lives, using the Written Down value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation commences when the assets are ready for their intended use and Right of use assets are amortised using straight-line basis method.

For following class of assets, based on internal assessment and technical evaluation, the management has reassessed the useful lives as different from the useful lives indicated under Part C of Schedule II of the Companies Act 2013. Management believes that the useful lives as given below, best represent the period over which these assets are expected to be used.

Asset Class	Useful Life	Useful Life Indicated under Part C of Schedule II
Buildings	30 to 60 years	5 to 60 Years
Computer and Data Processing	3 Years	3 Years
Furniture and fixtures	8 Years	10 Years
Lab Equipment	5-6 Years	15 Years
Office equipment	3 years	5 years
Plant & equipment	8-15 Years	15 Years
Vehicle	8 Years	10 Years



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31st March, 2025**

Derecognition of PPE

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

Capital work-in-progress

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost less any recognised impairment loss. Cost comprises direct cost, related incidental expenses and borrowing cost. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2.12 Intangible Assets

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.

De-recognition

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

2.13 Impairment of assets

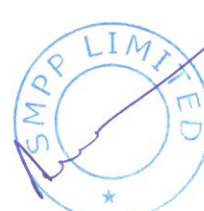
Impairment of financial assets

The Group recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for all the financial assets. Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. The Group recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience and adjusted for forward-looking information as permitted under Ind AS 109.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as gain or loss in the Profit or Loss.

Impairment of non-financial assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the profit or loss.



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31st March, 2025**

2.14 Inventories

Inventories (Raw material, work-in-progress, finished goods, stores and spares) are stated at the lower of cost and net realisable value. Cost of inventory is determined on the first In first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of work-in-progress and finished goods includes material cost, labour cost, and manufacturing overheads absorbed on the basis of normal capacity of production

2.15 Provisions, Contingent Liabilities and Contingent Asset

Provisions are recognised when there is present obligation (legal or constructive) as a result of a past event, it is probable that Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as expenses for legal claims, service warranties and other obligations are the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent Assets are not recognised but are disclosed in financial statements when economic inflow is probable.

2.16 Financial Instruments

Recognition of financial assets:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments

Financial assets and liabilities are initially recognised at fair value except trade receivables which is measured at transaction price. Transaction costs that are directly attributable to financial assets and liabilities (other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)) are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in profit & loss. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in market place. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of financial assets.

A) Financial Assets

a) Classification and Measurement of financial assets:

Financial assets at Amortised cost



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31st March, 2025**

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

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

ii) **Financial Assets at Fair value through profit or loss (FVTPL):**

A financial asset that meets the amortised cost criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the profit or loss. The net gain or loss recognised in the profit or loss includes any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

b) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and does not retain control of the assets. The Group continues to recognise the assets to the extent of Group's continuing involvement

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset

c) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the profit or loss except for those which are designated as hedging instruments in a hedging relationship.

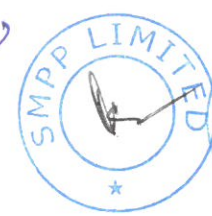
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

B) Financial liabilities, classification, subsequent measurement and derecognition:

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities..

Other Financial liabilities:



SMPP LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st March, 2025

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

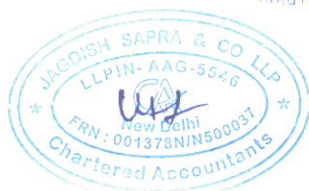
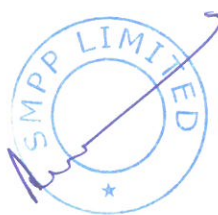
2.17 Cash and Cash Equivalents

Cash and cash equivalents comprise cash and cash on deposit with bank. The Group considers all highly liquid investments with original maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.18 Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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



SMPP LIMITED
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Note 3: Property, Plant and Equipment (PPE)

Particulars	Land Freehold	Buildings	Plant & Machinery	Office equipment	Furniture and fixtures	Vehicles	Lab Equipment	Computer	Tools & Equipments	Total
Cost as at 1 st April 2024	37.07	4.05	333.09	2.17	1.56	12.47	0.99	1.02	-	392.42
Additions	-	0.13	27.08	1.02	2.32	0.09	-	0.76	0.12	31.52
Disposals	-	-	-	-	-	-	-	-	-	-
Cost as at 31st March 2025	37.07	4.18	360.17	3.19	3.87	12.56	0.99	1.78	0.12	423.94
Accumulated depreciation as at 1 st April 2024	-	0.51	146.68	1.67	0.57	5.00	0.59	0.86	-	155.88
Depreciation	-	0.22	42.23	0.49	0.58	2.43	0.11	0.33	0.02	46.41
Disposals	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31st March 2025	-	0.73	188.91	2.16	1.15	7.43	0.70	1.20	0.02	202.29
Net Carrying amount as at 31 st March 2025	37.07	3.45	171.27	1.03	2.72	5.13	0.29	0.58	0.10	221.65

Particulars	Land Freehold	Buildings	Plant & equipment	Office equipment	Furniture and fixtures	Vehicles	Lab Equipment	Computer	Tools & Equipments	Total
Cost as at 1 st April 2023	33.69	2.53	297.10	1.87	1.07	10.91	0.99	0.93	-	349.09
Additions	3.38	1.52	35.99	0.30	0.48	4.02	-	0.09	-	45.78
Disposals	-	-	-	-	-	2.45	-	-	-	2.45
Cost as at 31st March 2024	37.07	4.05	333.09	2.17	1.56	12.47	0.99	1.02	-	392.42
Accumulated depreciation as at 1 st April 2023	-	0.31	101.31	1.26	0.27	4.55	0.45	0.68	-	108.85
Depreciation	-	0.20	45.37	0.41	0.29	2.77	0.14	0.18	-	49.36
Disposals	-	-	-	-	-	2.33	-	-	-	2.33
Accumulated depreciation as at 31st March 2024	-	0.51	146.68	1.67	0.57	5.00	0.59	0.86	-	155.88
Net Carrying amount as at 31 st March 2024	37.07	3.53	186.42	0.50	0.99	7.48	0.40	0.16	-	236.54

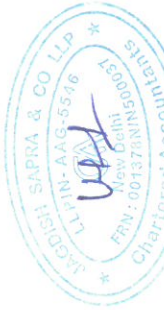
Notes:

- Assets are mortgaged/hypothecated against secured credit facilities availed from banks.
- The Company has opted to continue with carrying value of all of its Property, Plant and Equipment as deemed cost and net carrying value under previous GAAP is recognised as gross carrying amount in Ind AS, on transition date i.e. 1st April 2022.

Note 3.2: Other Intangible Assets

Particulars	Patent	Total
Cost as at 1 st April 2024	-	-
Additions	783.99	783.99
Patents*	782.60	782.60
Software	1.39	1.39
Disposals	-	-
Cost as at 31st March 2025	783.99	783.99
Accumulated depreciation as at 1 st April 2024	-	-
Depreciation on Patent	23.73	23.73
Depreciation on Softwares	0.04	0.04
Disposals	-	-
Accumulated depreciation as at 31st March 2025	23.77	23.77
Net carrying amount as at 31st March 2025	760.22	760.22

* During the year company has purchased Patent rights amounting to INR 782.60 Millions based on the valuation dated 30-06-2024.



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Notes Forming Part of the Consolidated Financial Statements for the year ended 31st March, 2025

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Note 5: Right of Use Assets (ROU)

Following are the changes in the carrying value of right of use assets

Particulars	Category ROU Assets		Total
	Buildings	Lease hold rights	
Balance as at 1 st April 2024	2.71	3.19	5.90
Additions	171.45	-	171.45
Deletion	2.55	-	2.55
Depreciation	18.43	0.03	18.47
Balance as at 31 st March 2025	153.18	3.15	156.33

Particulars	Category ROU Assets		Total
	Buildings	Lease hold rights	
Balance as at 1 st April 2023	3.67	3.22	6.89
Additions	-	-	-
Deletion	-	-	-
Depreciation	0.96	0.03	0.99
Balance as at 31 st March 2024	2.71	3.19	5.90

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expenses in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at 31st March 2025

Particulars	As at 31st March 2025	As at 31st March 2024
Current lease liabilities	27.66	1.20
Non-current lease liabilities	141.64	1.77
Total	169.30	2.97

The following is the movement in lease liabilities during the year ended 31st March 2025

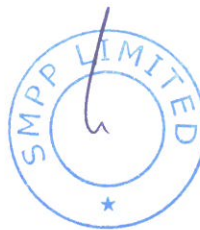
Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Balance at the beginning	2.97	3.84
Additions	171.45	-
Finance cost accrued during the period	16.36	0.34
Deletions	2.82	-
Payment of lease liabilities	18.66	1.20
Balance at the end	169.30	2.97

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March 2025 on an undiscounted basis:

Particulars	As at March 31 2025	As at March 31 2024
Less than one year	27.66	1.20
One to four years	219.10	2.20
Total	246.76	3.40

Note:-

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



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Notes Forming Part of the Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note 14: Share Capital

Particulars	Year Ended 31st March, 2025	As at 31st March, 2024
Authorised Share Capital*		
65,00,00,000 (PY 20,00,00,000) Equity Share of Rs. 2/- each (PY 2 /- each)	1,300.00	400.00
Issued, subscribed and paid-up capital		
60,00,00,000 (PY 20,00,00,000) Equity Share of Rs. 2/- each (PY 2 /- each)	1,200.00	400.00

* Pursuant to a resolution passed by the Shareholders of the Company on 5th October 2024 through extra-ordinary general meeting, the authorised share capital of the Company of Rs. 1300 million divided into 65,00,00,000 Equity Shares of Rs. 2 each.

* Pursuant to a resolution passed by the Shareholders of the Company on 30th October 2023 through extra-ordinary general meeting, the authorised share capital of the Company of Rs. 400 million divided into 20,00,00,000 Equity Shares of Rs. 2 each.

Reconciliation of number of equity shares outstanding at the beginning and end of the year

Particulars	Number of shares	As at 31st March, 2025	Number of shares	As at 31st March, 2024
Shares outstanding at the beginning of the year	200,000,000	400.00	20,000	2.00
Shares Sub-divided during the year/period*	-	-	980,000	-
Shares issued during the year/period**	400,000,000	800.00	199,000,000	398.00
Shares outstanding at the end of the year	600,000,000	1,200.00	200,000,000	400.00

**During the FY 24-25, the company has issued Bonus shares in the ratio of 2:1 through extra-ordinary general meeting to the existing shareholders on 05th October 2024 and consequently the paid-up share capital of the Company has been increased to 60,00,00,000 equity shares of face value of Rs 2 each. General Reserves of Rs. 800.00 million was utilised for issue of bonus shares.

* Pursuant to a resolution passed by the Shareholders on 24th November 2023 and subsequent allotment on 24th November 2023, the Company has sub-divided the face value of its equity shares from Rs 100 each to Rs 2 each.

**Further, during the FY 23-24 the Company has allotted 199,000,000 equity shares of face value of Rs. 2 each by way of bonus issue to its shareholders and consequently the paid-up share capital of the Company has been increased to 20,00,00,000 equity shares of face value of Rs 2 each. General Reserves of Rs. 398.00 million was utilised for issue of bonus shares.

Term/rights attached to the equity shares:

The Company has single a class of equity shares having a par value of Rs. 2 each. Each holder of equity shares is entitled to one vote per share. Voting rights cannot be exercised in respect of shares on which any call or other sum presently payable has not been paid.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shares held by shareholders holding more than 5% of equity shares:

Particulars	Number of shares	% Holding
Dr. Shiv Chand Kansal	299,999,991	50.00%
Dr. Madhu Kansal	180,000,000	30.00%
Mr. Ashish Kansal	99,750,000	16.63%
Total	579,749,991	96.63%

Shares held by promoters at the end of year

Promoter Name	As at 31st March 2025		As at 31st March 2024	
	No of Shares	(%) of total shares	No of Shares	(%) of total shares
Dr. Shiv Chand Kansal	299,999,991	50.00%	100,000,000	50.00%
Dr. Madhu Kansal	180,000,000	30.00%	60,000,000	30.00%
Mr. Ashish Kansal	99,750,000	16.63%	33,250,000	16.63%
Total	579,749,991	96.63%	193,250,000	96.63%

The Company has not bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

Note 15: Other equity

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Retained Earnings	5,235.03	4,287.7

Retained earnings

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Balance at the beginning of year	4,287.74	3,219.6
Utilised during the year for issue of Bonus shares and Split off Shares	(800.00)	(398.0)
Profit for the year	1,746.12	1,465.2
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	1.17	0.8
Excess Amount paid on acquisition of Nominal Shares	(0.00)	-
Balance at the end of the year	5,235.03	4,287.7

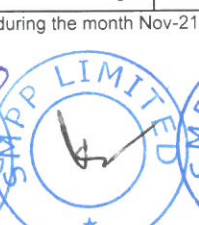
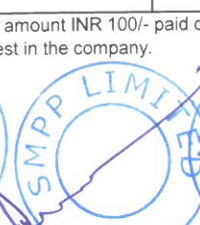
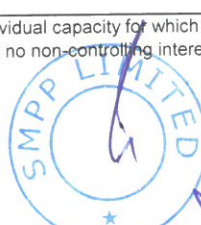
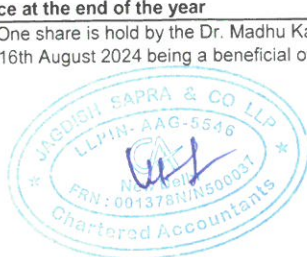
Nature and Purpose of Reserves

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

Note 16: Non Controlling Interest

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Balance at the beginning of year	0.00	0.0
Profit for the year	-	(0.0)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-
Addition in Ownership Interest	(0.00)	-
Balance at the end of the year	-	0.0

Note: One share is held by the Dr. Madhu Kansal (Key managerial person) in her individual capacity for which amount INR 100/- paid during the month Nov-21 was paid back dated 16th August 2024 being a beneficial owner of the share. Subsequently, there is no non-controlling interest in the company.



SMPP LIMITED

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Notes Forming Part of the Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note 3.1: Capital Work in Progress

Particulars	As at 31st March, 2025	As at 31st March, 2024
Capital Work in Progress*	82.83	9.64
Total	82.83	9.64

*The capital work in progress relates to the construction of factory building.

Note 3.1: Capital work in progress ageing

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March, 2025					
Projects in progress	71.81	11.01	-	-	82.83
Projects temporarily suspended*	-	-	-	-	-
Total	71.81	11.01	-	-	82.83

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March, 2024					
Projects in progress	9.64	-	-	-	9.64
Projects temporarily suspended*	-	-	-	-	-
Total	9.64	-	-	-	9.64

*There are no projects as at each reporting period where activity had been suspended. Also there are no projects as at the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

Note 4: Investment Property

Particulars	As at 31st March, 2025	As at 31st March, 2024
Investment in Building		
Opening value	29.09	30.58
Less: Depreciation	1.42	1.49
Deletion*	27.68	-
Total	-	29.09

The valuation of the building had been conducted by an independent valuer as at 31.08.2024 and the Fair Market Value estimated at Rs. 193.92 millions. There is no restriction on the realisability of investment property or the remittance of income and proceeds of disposal.

Note 6: Other financial assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
Security Deposits (given)	11.03	11.66
Total	11.03	11.66



Note 7: Deferred Tax Assets

Note 7: Deferred Tax Assets		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Deferred Tax	4.23	12.90
Total	4.23	12.90

* Deferred Tax assets is not created on losses of earlier years

Movement in Deferred tax assets

FY 2024-25		Opening Balance	Recognised in Statement of Profit & Loss (income)/loss	Recognised in Other Comprehensive (Income)/ Loss	Closing Balance
Property, Plant & Equipment		8.80	0.21	-	8.58
Impairment Loss on Expected credit		4.62	(4.27)	-	8.89
Lease Liabilities		0.75	(41.86)	-	42.61
Provision on employee benefits		1.20	(0.45)	0.39	1.25
Others		2.11	1.94	-	0.17
Total		17.46	(44.43)	0.39	61.51

Movement in Deferred tax Liabilities

FY 2024-25		Opening Balance	Recognised in Statement of Profit & Loss (income)/loss	Recognised in Other Comprehensive (Income)/ Loss	Closing Balance
Right to Use Assets		0.68	37.87	-	38.55
Other Intangible Assets		-	18.68	-	-
Others		3.89	(3.85)	-	0.04
Total		4.57	52.71	-	57.27

Movement in Deferred tax assets

movement in deferred tax assets				
FY 2023-2024	Opening Balance	Recognised in Statement of Profit & Loss (income)/loss	Recognised in Other Comprehensive (Income)/ Loss	Closing Balance
Property, Plant & Equipment	6.41	2.38	-	8.80
Impairment Loss on Expected credit	5.89	(1.27)	-	4.62
Lease Liabilities	0.97	(0.22)	-	0.75
Provision on employee benefits	1.03	0.46	0.30	1.20
Others	9.61	(7.50)	-	2.11
Total	23.91	(6.14)	0.30	17.46

Movement in Deferred tax Liabilities

movement in deferred tax liabilities					
FY 2023-2024		Opening Balance	Recognised in Statement of Profit & Loss (income)/loss	Recognised in Other Comprehensive (Income)/ Loss	Closing Balance
	Right to Use Assets	0.92	(0.24)	-	0.68
	Others	3.12	0.77	-	3.89
	Total	4.04	0.53	-	4.57



Note 8: Inventories

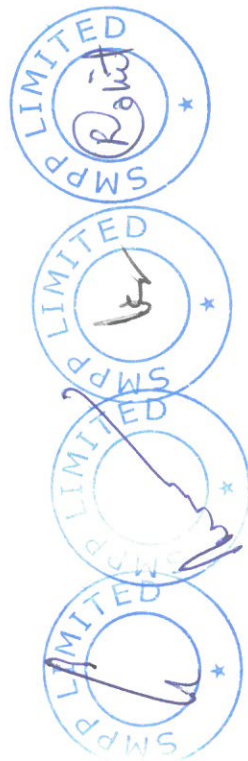
Particulars	As at 31st March, 2025	As at 31st March, 2024
Raw Materials	1,010.89	978.01
Finished goods	55.93	249.48
Total	1,066.82	1,227.49

Note 9: Trade Receivables

Particulars	As at 31st March, 2025	As at 31st March, 2024
Current		
(a) Trade Receivables - Unsecured		
Trade Receivables considered good	2,177.31	1,847.11
Trade Receivables considered doubtful	-	-
Total	2,177.31	1,847.11
(b) Trade Receivables - credit impaired		
Less- Allowances for credit losses	35.33	18.35
Total	2,177.31	1,847.11

Trade Receivables ageing schedule as at 31st March 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	
(i) Undisputed Trade Receivables	1,485.24	649.42	42.03	9.65	2.29	2,212.64
– considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables	-	-	-	-	-	-
– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-
Total	1,485.24	649.42	42.03	9.65	2.29	2,212.64
Less:- Allowance for Doubtful trade receivables						35.33
Trade Receivables						2,177.31



Trade Receivables ageing schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	
(i) Undisputed Trade Receivables – considered good	1,829.91	17.20	-	-	18.36	1,865.46
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	1,829.91	17.20	-	-	18.36	1,865.46
Less:- Allowance for Doubtful trade receivables						18.35
Trade Receivables						1,847.11

Note 10: Cash and cash equivalents

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balances with banks		
- in current accounts	324.45	1.59
Cash on hand	3.73	2.81
Bank Deposit with Original maturity of less than 3 months	153.83	-
Total	482.01	4.40

Note 11: Bank Balances other than cash and cash equivalents

Particulars	As at 31st March, 2025	As at 31st March, 2024
Current		
Fixed Deposit receipt (FDR)*	1,969.82	2,074.34
Total	1,969.82	2,074.34

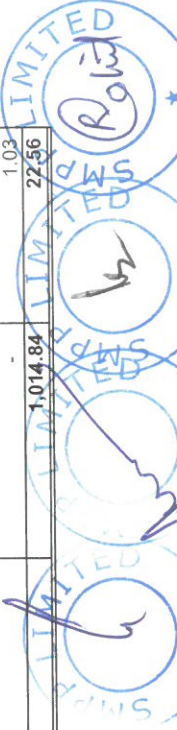
*FDR's amounting to 316.88 millions (PY INR 802.11 millions(March 2024)) is pledged towards margin for issuance of Letter of Credit and Bank Guarantee held as margin money.

*FDR's amounting to INR 1050 million given as security , towards loan taken by SMPP Ammunition Private Limited amounting to INR 1000 Million for the period not exceeding 12 months from State Bank of India.

*These FDR's are of temorary nature and are in multiple of majorly less value and are being regularly made/renewed and closed are pre-maturity basis as per the need of the business operation and hence it is default to disclosed the ageing of FDR's.

Note 11.1: Borrowings

Particulars	As at 31st March, 2025	As at 31st March, 2024
Secured - at amortised cost		
Loan from Bank	1,014.84	-
Unsecured - at amortised cost		
- Loan from Related Parties	-	21.50
- Interest on loan from Related Parties	-	0.02
Cash credit Facilities from Bank	-	1.03
Total	1,014.84	22.56



Note 12: Current Tax Assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for Income Tax	567.94	502.73
Less: Advance Tax, TDS & TCS	(568.82)	(504.66)
Total	0.87	1.93

Note 13: Other Current Assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advances to vendors	113.35	83.68
Advances for capital goods	820.17	-
Balance with Statutory Authorities		
- Gst Recoverable	215.06	40.86
- TDS Receivable	0.46	-
Export Incentive Receivable	3.92	0.04
ROSCIL/RODTEP Scrip Received	4.74	-
Prepaid Expenses	2.20	1.10
Advance against IPO	127.89	-
Operating lease Rent Receivable	0.09	7.94
Total	1,287.88	133.61

Note 17: Other Financial Liabilities

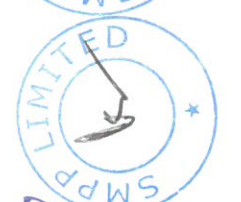
Particulars	As at 31st March, 2025	As at 31st March, 2024
Security Deposits received	16.02	8.69
Total	16.02	8.69

Note 18: Provisions - Non Current

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for employee benefit - Gratuity	4.31	4.23
Total	4.31	4.23

Note 19: Other Non Current Liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Prepaid rent received	0.06	6.45
Total	0.06	6.45



Note 20: Trade payables		As at	As at
		31st March, 2025	31st March, 2024
Particulars			
Total outstanding dues of micro enterprises and small enterprises(Refer Note. No. 20.1)		21.85	128.44
Total outstanding dues of creditors other than micro enterprises and small enterprises		228.04	368.05
Total		249.89	496.49

Note 20.1: Details of dues to micro and small enterprises as per MSMED Act, 2006 :-

have been determined to the extent such enterprises have been identified on the basis of information collected by the Management.

Trade Payables ageing schedule		Outstanding for following periods from due date of payment				Total
Particulars	Not Due	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
As at 31st March 2025						
(i) MSME*	20.56	1.29	-	-	-	21.85
(ii) Others	114.64	8.09	68.18	35.98	1.16	228.04
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	135.19	9.37	68.18	35.98	1.16	249.89

Trade Payables ageing schedule

*MSMF as per the Micro, Small and Medium Enterprises Development Act 2006

*MSME as per the Micro, Small and Medium Enterprises Development Act 2006

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Note 21: Other financial liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Expenses Payable	7.23	6.87
Employee related Dues	8.77	1.80
Advance from related Parties	-	2.00
Total	16.00	10.67

Note 22: Other Current Liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance from Customers	310.62	347.81
Advance Rent received	0.02	1.05
Statutory Liabilities	-	-
- GST (net)	4.26	5.43
-Others*	-	-
Total	314.90	354.30

*Includes statutory dues with respect to Withholding tax, Provident fund, Employee state insurance etc.

Note 23: Provisions - Current

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for employee benefit - Gratuity	0.67	0.52
Total	0.67	0.52



SMPP LIMITED
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Notes Forming Part of the Consolidated Financial Statements for the year ended 31st March, 2025
(All amounts are Rs. in Millions, unless otherwise stated)

Note 24: Revenue From Operations

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Sale of Products	5,825.05	5,160.70
Total (A)	5,825.05	5,160.70
Other operating revenue		
Export incentives	12.06	0.07
Total (B)	12.06	0.07
Total (A) + (B)	5,837.11	5,160.77

Note 24.1: Revenue from contracts with customers disaggregated based on geography

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
India	5,326.14	4,075.06
Outside India	498.90	1,085.65
Total	5,825.05	5,160.70

Note 24.2: The following is analysis on the Company's revenue disaggregates on the basis of timing of revenue recognition

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Point in Time	5,825.05	5,160.70
Total	5,825.05	5,160.70

Note 24.3: Revenue based on business segment

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which

The amount receivable from customers becomes due after fulfillment of performance obligation and becomes over due after expiry of credit period. There is no significant financing component in any transaction with the customer.

Note 25: Other income

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Rent Income	20.91	31.96
Interest Income	187.77	147.26
Gain on Sale of Investment Property*	165.32	-
Gain on Cancellation of Lease	0.27	-
Freight Income	0.07	-
Net gain on foreign currency transaction & translation	14.27	24.01
Impairment Gain on reversal of ECL Provision	-	5.03
Profit on sale of PPE	-	-
Misc Income	0.01	-
Total	388.63	208.26

*During the year company has sold Investment in Building amounting to INR 193.00 Millions (Carrying value INR 27.68 Millions) dated 26.03.2025, based on the valuation report by the independent valuer dated 31.08.2024.

Note 26: Cost of Material Consumed

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Raw Material Consumed	2,774.14	2,946.99
Total	2,774.14	2,946.99

Note 27: Changes in Inventories of Finished Goods

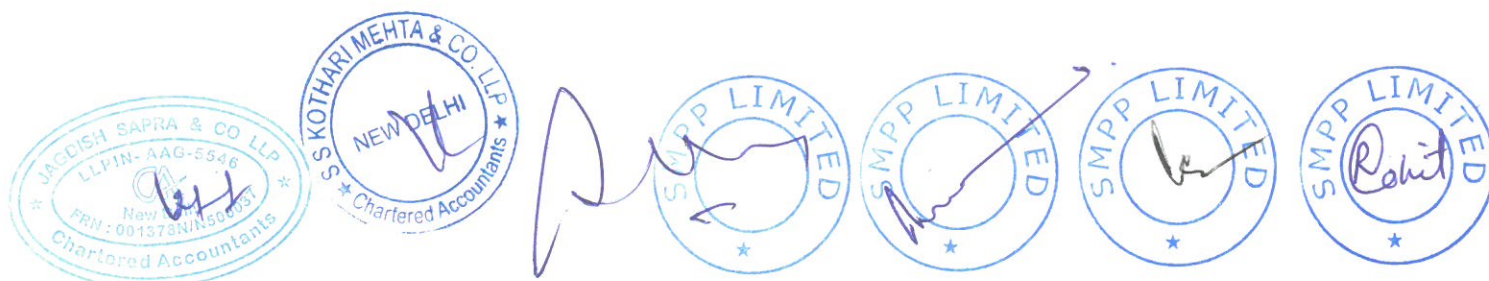
Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Opening Inventory	249.48	-
Closing Inventory	55.93	249.48
Changes in Inventories of Finished Goods	193.55	(249.48)

Note 28: Employee Benefits Expense

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Salaries & wages	109.92	62.97
Contribution to provident and other funds	1.87	1.93
Workman and staff welfare	2.50	1.13
Total	114.29	66.03

Note 29: Finance Cost

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Bank Charges related to Bank Guarantee	5.50	6.71
Interest on Lease Liability	16.36	0.34
Interest on Security Deposit	1.05	1.04
Total	22.91	8.08



Note 30: Depreciation and Amortization expense

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Depreciation on Property, Plant and Equipment	46.11	49.36
Amortization of Intangible Assets	23.77	-
Depreciation on Investment in Properties	1.42	1.49
Depreciation of Right of use Assets	18.47	0.99
Total	89.77	51.84

Note 31: Other Expenses

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Consumption of stores & spare parts for machinery	23.55	27.99
Power & Fuel	186.82	200.96
Job work	117.26	133.85
Testing/Firing Expenses	36.13	42.64
Freight Inward	4.96	2.50
Lab. & Consumable Stores	2.23	1.08
Clearing Forwarding Charges	1.79	11.57
Printing and Stationary	1.46	1.05
Fees and Subscriptions	27.25	8.68
Legal and Professional Charges	24.22	8.77
Royalty	49.37	8.71
Audit Remuneration (refer note 31.1)	1.70	1.70
Telephone & Internet Expenses	0.60	0.42
Travelling Expenses	37.26	20.55
Conveyance	5.53	3.89
Vehicle Running and Maintainance Expenses	0.77	0.93
Insurance Charges	1.46	1.21
Electricity & Water Charges (Office)	3.66	2.23
Impairment loss recognised under ECL model	16.97	-
Loss on sale of PPE	-	0.09
Property Tax	6.43	6.21
Exhibition Expenses	75.24	24.79
Sales Promotion	26.09	9.28
Freight & Cartage Outward	6.76	7.11
Commission on Sales	1.15	4.66
Corporate Social Responsibility (Refer Note 39)	29.37	19.65
Loading & Unloading Charges	-	-
Security Guard Expenses	-	-
Director Commission	2.95	-
Miscellaneous Expenses	18.08	18.12
Total	709.06	568.66

Note 31.1: Auditor Remuneration

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Statutory Audit fee	1.50	1.50
Tax Audit fee	0.20	0.20
Total	1.70	1.70

Note 32: Tax Expenses

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
(a) Income tax expense recognised in Statement of profit and loss		
Current tax:		
In respect of current year	567.94	502.73
In respect of earlier year	(0.31)	2.29
	567.64	505.02
Deferred tax:		
In respect of current year	8.27	6.67
Total income tax expense recognised in statement of profit and loss	575.91	511.69

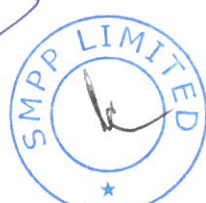
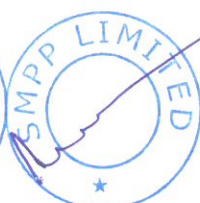
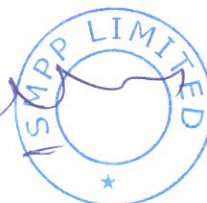
Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Profit before tax	2,324.97	1,976.90
Statutory income tax rate	25.17%	25.17%
Income tax expense calculated at statutory income tax rate	585.15	497.55
Adjustments:		
Tax impact of non-deductible/(deductible) expense	(17.21)	5.18
Tax due to temporary differences	8.27	6.67
Adjustment recognised in the current year in relation to the current tax of prior years	(0.31)	2.29
Income tax expense recognised in statement of profit and loss	575.91	511.69

Note 33: Other comprehensive (Income)/Loss

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Items that will not be reclassified to profit and loss	(1.56)	(1.19)
Income tax relating to items that will not be reclassified to profit or loss	0.39	0.30
Total	(1.17)	(0.89)



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SMPP LIMITED

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Notes Forming Part of the Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note 34: Earnings per share

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.

(Amount in INR Millions except per share data)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Profit after tax as per statement of Profit & Loss	1,746.12	1,465.21
Net earning for computing basic earnings per share	1,746.12	1,465.21
Weighted average number of equity shares used in computing the basic earnings per share	600,000,000	600,000,000
Weighted average number of equity shares used in computing the diluted earnings per	600,000,000	600,000,000
Basic earnings per share of ₹ 2 each (PY Rs. 100/- each)	2.91	2.44
Diluted earnings per share of ₹ 2 each (PY Rs. 100/- each)	2.91	2.44
Face value per share (in ₹)	2.00	2.00

***Computation of weighted average number of equity shares used in calculating basic and diluted earning per share is set out**

Particulars	Year Ended 31st MARCH, 2025	Year Ended 31st MARCH, 2024
Opening Balance	200,000,000	20,000
Shares split from Rs. 100 per equity share to Rs.2 per equity share*	-	980,000
Capitalisation of bonus shares issued (199 Bonus share issued per equity share)**	-	199,000,000
Capitalisation of bonus shares issued (2 Bonus share issued per equity share)**	400,000,000	400,000,000
Weighted average number of equity shares	600,000,000	600,000,000

*During the FY 23-24 equity shares have been split dated 24th November, 2023 Face value of Rs. 2/- each from Face value Rs. 100/- each.

**During the FY 23-24, the company has issued Bonus shares in the ratio of 199:1 through extra-ordinary general meeting to the existing shareholders on 24th November, 2023.

Further, during the FY 24-25, the company has issued Bonus shares in the ratio of 2:1 through extra-ordinary general meeting to the existing shareholders on 05th October 2024.

The earning per share for Bonus has been adjusted for previous year after calculating EPS by considering impact of increase in shares in accordance with IND AS-33 Earning Per Share.

Note 35: Contingent Liabilities

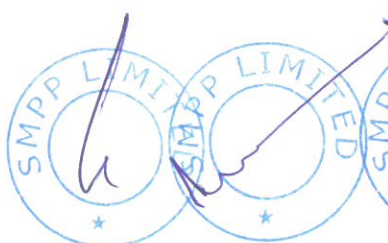
Particulars	As at 31st March, 2025	As at 31st March, 2024*
Income Tax	4.27	3.47
GST	442.14	41.77
Civil Cases	20.51	20.51

***Other than above:-**

Notice received under section 133(6) of the Income-tax Act, 1961 for the AY 21-22 dated 07/05/2024 for implication on taxable income amounted Rs. 14.20 millions related to Rent on plant & machinery, reply dated 23/05/2024 submitted by company that the company did not let out any Plant & Machinery but instead have let out the Building on rent. Response awaited from respective authority.

Note 36: Commitments

Particulars	As at 31st March, 2025	As at 31st March, 2024
Capital Commitments	1,785.00	17.40



Note 37: Employee Benefits

A The details of various employees benefits provided to employees are as under :

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Defined contribution plans:		
Employer's contribution to Provident Fund	0.03	0.04
Employer's contribution to Employee State Insurance Corporation	0.00	0.00
Total	0.03	0.04

B. Defined benefit plan:

In accordance with the payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to employee at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of the gratuity plan is provided based on actuarial valuation as at end of each financial year based on which the Company contributes the ascertained liability.

These plans typically expose the Company to actuarial risks as: investment risk, inherent interest rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government bonds. Currently for the plan in India, it has a relatively balanced mix of investments in Government securities and other debt instruments.
Interest Rate Risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	Higher than expected increases in salary will increase the defined benefit obligation.

The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows:

Actuarial assumptions	31st March, 2025	31st March, 2024
Description		
Discount rate	6.75	7.25
Salary growth rate	5.00	5.00
Retirement age	60 years	60 years
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal rate (Per annum) (18-30 years)	20%	20%
Withdrawal rate (Per annum) (30-44 years)	5%	5%
Withdrawal rate (Per annum) (44-60 years)	2%	2%

Amount recognised in the statement of profit and loss is as under:

Description	31st March, 2025	31st March, 2024
Current service cost	1.47	0.63
Interest cost	0.34	0.30
Other Adjustment	-	-
Net impact on profit (before tax)	1.81	0.92
Actuarial loss/(gain) recognised during the year	(1.56)	(1.19)
Amount recognised in the statement of profit and loss and other comprehensive income	0.25	(0.27)

Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	31st March, 2025	31st March, 2024
Opening defined obligation	4.74	4.11
Current service cost	1.47	0.63
Interest cost	0.34	0.30
Actuarial loss/(gain) arising from changes in financial assumptions	(1.56)	(1.19)
Past service cost	-	0.91
Benefits paid	-	-
Closing defined benefit obligation	4.98	4.75

Breakup of actuarial (gain)/loss:

Description	31st March, 2025	31st March, 2024
Actuarial (gain)/loss from change in financial assumption	0.10	(0.91)
Actuarial (gain)/loss from experience adjustment	(1.67)	(0.28)
Total actuarial loss/(gain)	(1.56)	(1.19)

The Company makes annual contribution to Life Insurance Corporation (LIC). As LIC does not disclose the composition of its portfolio investments, break-down of plan investments by investment type is not available to disclose.

Sensitivity analysis for gratuity liability

Description	31st March, 2025	31st March, 2024
Impact of the change in discount rate		
Present value of obligation at the end of the year	4.98	4.75
- Impact due to increase of 1 %	(0.28)	(0.28)
- Impact due to decrease of 1 %	0.31	0.32
Impact of the change in salary		
Present value of obligation at the end of the year	4.98	4.75
- Impact due to increase of 1 %	0.32	0.32
- Impact due to decrease of 1 %	(0.29)	(0.29)
Impact of the change in withdrawal rate		
Present value of obligation at the end of the year	4.98	4.75
- Impact due to increase of 1 %	(0.01)	0.02
- Impact due to decrease of 1 %	0.01	(0.03)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

Maturity profile of defined benefit obligation

Description	31st March, 2025	31st March, 2024
Within next 12 months	0.67	0.52
Between 1-5 years	1.36	1.28
After 5 years	2.95	2.95



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Notes Forming Part of the Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note No 38: Related Party Disclosures**Notes 38.1: List of Related Parties as per Ind As 24**

A.	Nature of relationship	Names of parties
(i)	Key management persons	Dr. Shiv Chand Kansal (Managing Director) Dr. Madhu Kansal (Whole-Time Director) (w.e.f. 23.08.2024) Ashish Kansal (Whole Time Director & Chief Executive Officer) (w.e.f. 17.08.2024) Padam Chand Jain (Chief Financial Officer) (w.e.f. 16.08.2024) Sachin Jain(Company Secretary) (w.e.f.17.08.2024 and till 20.07.2025) Rohit Chamoli (Company Secretary) (w.e.f. 31.07.2025) Ajay Kumar (Independent Director) (w.e.f. 13.09.2024 and till 15.05.2025) Mahima Gupta(Independent Director) (w.e.f. 13.09.2024) Manoj Gupta(Independent Director) (w.e.f. 13.09.2024)
(ii)	Relatives of Key Management Personnel:	Ashish Kansal* Ashima Goel Pankaj Goel Surender Kansal Prem Kansal Kiran Singhla, Naresh Kansal Achla Kansal Manoj Agarwal Aarti Choudhary Rekha Mittal
(iii)	Entity over which KMP's have significant influence	Sopan Properties Private Limited Innovative Techtex Private Limited (w.e.f.17.08.2024) SM Engineering & Consultant Kansal Auto Spares Private Limited Shiv Chand Ashish Kansal HUF Macario Technologies Private Limited (w.e.f.17.08.2024) Wiseman Systems Private Limited (w.e.f. 08.02.2024) Ashish Kansal HUF (w.e.f. 17.08.2024) SMPP Foundation Trust (w.e.f 19.09.2024)
(iv)	The entity is controlled or jointly controlled by a person or a close member of that person's family of a reporting entity who has significant influence over the reporting entity.	Innovative Techtex Private Limited (till 16.08.2024) Macario Technologies Private Limited (till 16.08.2024) Ashish Kansal HUF (till 16.08.2024) Jai Foundation Sat Sahib Trading Company

* w.e.f. 17.08.2024 Ashish Kansal has been appointed as Whole Time Director considered as part of Key Managerial Personnel



Note No 38.2 The following transactions were carried out with related parties in the ordinary course of business:

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year ended	
			31-Mar-25	31-Mar-24
Key Managerial Personnel	Dr. Shiv Chand Kansal	Advance received for purchase of shares	-	1.00
		Loan Taken	5.00	21.50
		Payment of Loan	26.50	-
		Rent Expense	2.49	-
		Interest Expense on Loan	0.58	0.02
		Remuneration	15.30	7.20
		Advance received for purchase of shares	-	1.00
		Loan Taken	9.00	-
	Dr. Madhu Kansal	Payment of loan	9.00	-
		Interest expense on loan	0.14	-
		Rent Expense	0.20	-
		Remuneration	10.80	7.20
		Patent/Royalty fee Paid	49.37	8.71
		Purchase of Patent	782.60	-
	Ashish Kansal (w.e.f 17.08.24)	Advance received against sale of property	190.00	-
		Repayment of advance against sale of property	190.00	-
		Remuneration	11.23	-
		Sitting Fees	0.40	-
Relatives of Key Management Personnel	Ajay Kumar (w.e.f. 13.09.2024 till 15.05.2025)	Commission	2.90	-
		Sitting Fees	0.60	-
		Commission	0.05	-
		Sitting Fees	0.70	-
	Padam Chand Jain (w.e.f. 16.08.2024)	Salary	4.51	-
		Salary	1.07	-
		Salary	2.71	7.20
		Purchases	1.76	1.64
Entity over which KMP's have significant influence	S M Engineer & Consultants	Sales	0.59	0.53
		Rent received	0.06	0.07
		Purchases	168.87	487.87
		Sales	23.76	-
	Innovative Techtex Private Limited (w.e.f 17.08.2024)	CSR amount transferred	68.33	-
		Unspent CSR Amount received back	0.75	-
		Rent expense	16.00	-
		Sale of Investment in Properties	193.00	-
The entity is controlled or jointly controlled by a person or a close member of that person's family of a reporting entity who has significant influence over the reporting entity	Wiseman Systems Private Limited	Purchases	381.98	615.12
		Job Work	33.37	67.68
		Sales	16.69	-
		Rent received	0.06	0.07
	Macario Technologies Private Limited	Purchases	67.51	615.12
		Job Work	23.24	67.68
		Sales	1.31	-
		Purchases	22.37	-
	Innovative Techtex Private Limited	Sales	0.24	-
		CSR amount transferred	-	17.72
		Unspent CSR Amount received back	37.52	-
		Job Work Expense	-	6.00



c) Balances Outstanding at year end:

Nature of Relationship	Name of Related Party	Nature of Transaction	31-Mar-25	31-Mar-24
Key Managerial Personnel	Dr. Shiv Chand Kansal	Remuneration Payable	0.90	-
		Advance outstanding for purchase of shares	-	1.00
		Interest Outstanding	-	0.02
		Rent	0.01	-
		Loan from director	-	21.50
	Dr. Madhu Kansal	Remuneration Payable	0.67	-
		Advance outstanding for purchase of shares	-	1.00
		Remuneration Payable	0.90	-
		Salary Payable	0.40	-
		Sitting Fees Payable	0.14	-
	Ashish Kansal (w.e.f. 17.08.24) Padam Chand Jain (w.e.f. 16.08.2024) Sachin Jain (w.e.f. 17.08.2024 till 20.07.2025) Ajay Kumar (w.e.f. 13.09.2024 till 15.05.2025) Ajay Kumar (w.e.f. 13.09.2024 till 15.05.2025) Mahima Gupta (w.e.f. 13.09.2024) Mahima Gupta (w.e.f. 13.09.2024) Manoj Gupta (w.e.f. 13.09.2024)	Commission Payable	2.90	-
		Sitting Fees Payable	0.15	-
		Commission Payable	0.05	-
		Sitting Fees Payable	0.20	-
Entity over which KMP's have significant influence	Macario Technologies Private Limited (w.e.f. 17.08.24)	Receivable (Purchases)	0.48	-



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Notes forming part of the Consolidated Financial Statement for the year ended 31st MARCH 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note 39: Expenditure on corporate social responsibility (CSR)

S. No.	Particulars	31st MARCH, 2025	31st MARCH, 2024
1	Gross amount required to be spent by the company during the Year		
	Opening balance		
	- With Company	-	-
	- In Separate CSR Unspent A/c	-	-
2	Amount required to be spent during the year	29.37	19.65
3	Amount spent during the year		
	- By Company		
	a. ongoing project		
	b. other than ongoing project	0.50	1.93
	- through Implementation Agency		
	a. ongoing project		
	b. other than ongoing project	4.67	-
4	Amount transferred CSR Unspent A/c (from Implementation Agency)	24.20	17.72
5	Closing balance *		
	- With Company	-	-
	- In Separate CSR Unspent A/c	-	-
6	Nature of CSR activities	As per schedule VII of Companies Act 2013	
7	Amount transferred to related party Jai foundation		17.72
8	Amount transferred to related party SMPP Foundation	68.33	

*For the FY 2024-2025 the company has transferred unspent Corporate Social Responsibility amount to unspent corporate social responsibility account on 14th July 2025 amounting to INR 24.20 millions, which was required to be transferred within 30 days from the end of the financial years.

*For the FY 2023-2024, the company has transferred unspent Corporate Social Responsibility amount to unspent corporate social responsibility account on 27th September 2024 amounting to INR 19.22 millions as against the unspent obligation for FY 2023-2024 of INR 17.72 which was required to be transferred within 30 days from the end of the financial years.

The Unspent CSR account movement

Particulars	31st MARCH, 2025	31st MARCH, 2024
Opening balance of unspent CSR Account	-	-
Add: Addition during the year**	39.77	-
Less : Utilisation during the year	39.77	-
Closing balance of unspent CSR Account***	0.00	-

*During the reporting period, unspent CSR amount pertaining to the previous years of INR 39.77 millions [For FY 2021-2022, 2022-2023, 2023-2024 amounting to INR 2.10 millions, 17.70 millions, INR 19.22 (as against obligation of Rs. 17.72 millions) respectively] has been transferred to Company's unspent CSR A/c.

*As of 31st March 2025, an expenditure amounting to INR 0.53 million has been incurred. However, the payment for the said amount remains pending as on the reporting date.



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Notes forming part of the Consolidated Financial Statement for the year ended 31st MARCH 2025

(All amounts are Rs. in Millions, unless otherwise stated)

Note No 40: Financial Instruments

Financial Instruments- Accounting Classification and Fair Value Measurement

Fair value of instruments measured at amortised cost

The management assessed that fair values of cash and cash equivalents, trade receivables, other receivables, other financial assets, borrowings, trade payables and other financial liabilities approximate their respective carrying amounts largely due to short term maturities of these instruments.

Financial risk management

Categories of financial instruments

Particulars	31st March 2025	31st March 2024
Financial assets		
Financial assets at amortised Cost		
Non-current		
Other Financial Assets	11.03	11.66
Current		
Trade Receivables	2,177.31	1,847.11
Cash and cash Equivalents	482.01	4.40
Bank Balances other than cash and cash equivalents	1,969.82	2,074.34
Total	4,640.17	3,937.51
Financial liabilities at amortised cost		
Non-current		
Other financial liabilities	16.02	8.69
Current		
Trade payables	249.89	496.49
Other financial liabilities	16.00	10.67
Total	281.90	515.85

Note No 40.1: Fair value Hierarchy

i) Fair value measurements:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Financial assets measured at Fair Value

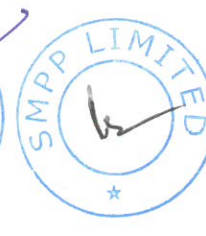
Particulars	31 March 2025	Level 1	Level 2	Level 3
Financial Assets Measured at Amortised Cost				
Security Deposit	11.03	-	-	-
Trade Receivables	2,177.31	-	-	-
Cash and Cash equivalents	482.01	-	-	-
Bank Balances other than cash and cash equivalents	1,969.82	-	-	-
Total financial assets	4,640.17	-	-	-

Particulars	31 March 2024	Level 1	Level 2	Level 3
Financial Assets Measured at Amortised Cost				
Security Deposit	11.66	-	-	-
Trade Receivables	1,847.11	-	-	-
Cash and Cash equivalents	4.40	-	-	-
Bank Balances other than cash and cash equivalents	2,074.34	-	-	-
Total financial assets	3,937.51	-	-	-

Financial Liabilities measured at Fair Value

Particulars	31 March 2025	Level 1	Level 2	Level 3
Financial Liabilities Measured at Amortised Cost				
Borrowings	1,014.84	-	-	-
Trade Payables	249.89	-	-	-
Other financial Liabilities	16.00	-	-	-
Total financial liabilities	1,280.73	-	-	-

Particulars	31 March 2024	Level 1	Level 2	Level 3
Financial Liabilities Measured at Amortised Cost				
Borrowings	22.56	-	-	-
Trade Payables	496.49	-	-	-
Other financial Liabilities	19.36	-	-	-
Total financial liabilities	538.40	-	-	-



Note No 40.2: Valuation techniques used to determine Fair Value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are recognised at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities measured at amortised cost is approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair value of other non-current financial assets and liabilities (security deposit taken/given and advance to employees) carried at amortized cost is approximately equal to fair value. Hence carrying value and fair value is taken same.
- 2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

Note No 40.3: Financial risk management

The Company's activities expose it to a variety of financial risks which includes market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimise potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarised ahead.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, which comprises of three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

Foreign currency risk

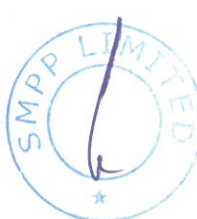
Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rate.

The Company derives significant portion of its revenue in foreign currency, exposing it to fluctuations in currency movements. The Company has laid down a foreign exchange risk policy as per which senior management team reviews and manages the foreign exchange risks in a systematic manner, including regular monitoring of exposures, proper advice from market experts, hedging of exposures, etc.

The Company uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate foreign exchange related risk exposures. Derivative financial instruments relating to a firm commitment or a highly probable forecast transaction, are marked to market at every reporting date. The company does not use forward contracts for speculative purposes.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Particulars	Foreign currency	INR
	31st March, 2025	31st March, 2025
Financial assets		
Trade Receivables		
In USD	2.31	197.89
In EURO	0.03	2.49
Advance given to Supplier		
In USD	0.60	50.14
In EURO	0.13	11.72
Financial Liabilities		
Trade Payables		
In CNY	-	-
In USD	0.53	45.37
In EURO	-	-
Advance received from Customer		
In USD	0.61	43.67
In EURO	0.02	1.41



Particulars	Foreign currency	INR
	31st March, 2024	31st March, 2024
Financial assets		
Trade Receivables		
In USD	0.62	51.94
In EURO	0.00	0.23
Advance given to Supplier		
In USD	0.81	67.33
In EURO	0.01	0.46
Financial liabilities		
Trade Payables		
In CNY	5.17	59.63
In USD	2.41	201.04
In EURO	0.04	3.74
Advance received from Customer		
In USD	0.45	37.19
In EURO	0.00	0.27

Sensitivity Analysis

The Following table demonstrate the sensitivity in the foreign exchange rate (USD & EURO) to the Indian Rupees with all other variable held constant. The Impact on statement of profit & loss is given below:

Particulars	Exchange rate increase by 1%	Exchange rate decrease by 1%
	31st March, 2025	31st March, 2025
	INR	INR
Financial assets		
Trade Receivables		
In USD	1.98	(1.98)
In EURO	0.02	(0.02)
Advance given to Supplier		
In USD	0.50	(0.50)
In EURO	0.12	(0.12)
Financial liabilities		
Trade Payables		
In CNY	-	-
In USD	0.01	(0.01)
In EURO	-	-
Advance received from Customer		
In USD	0.37	(0.37)
In EURO	0.00	(0.00)

Particulars	Exchange rate increase by	Exchange rate decrease
	31st March, 2024	31st March, 2024
	INR	INR
Financial assets		
Trade Receivables		
In USD	0.52	(0.52)
In EURO	0.00	(0.00)
Advance given to Supplier		
In USD	0.67	(0.67)
In EURO	0.00	(0.00)
Financial liabilities		
Trade Payables		
In CNY	0.60	(0.60)
In USD	2.01	(2.01)
In EURO	0.04	(0.04)
Advance received from Customer		
In USD	0.37	(0.37)
In EURO	0.00	(0.00)

Credit Risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodical assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of account receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business;
- Actual or expected significant changes in the operating results of the counterparty;
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation;
- Significant increase in credit risk and other financial instruments of the same counterparty;

The company's major exposure is from trade receivables, which are unsecured and derived from external customer Credit risk on cash and cash equivalents is limited as the company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.



Expected credit loss for trade receivable on simplified approach :

The ageing analysis of the trade receivables (gross of provision) has been considered from the date the invoice falls due:

Age Bracket	% of ECL	31st March 2025
Not Due	Nil	1,485.24
Less than 6 Months	Nil	649.42
More than 6 Months to Less than 1 Year	10%	42.03
More than 1 Year to Less than 2 Years	50%	9.65
More than 2 Year to Less than 3 Years	100%	2.29
More than 3 Year	100%	24.01
Total		2,212.64
Trade Receivables- Credit Impaired		35.33
Net Trade Receivables		2,177.31

Age Bracket	% of ECL	31st March 2024
Not Due	Nil	1,829.91
Less than 6 Months	Nil	17.20
More than 6 Months to Less than 1 Year	10%	-
More than 1 Year to Less than 2 Years	50%	-
More than 2 Year to Less than 3 Years	100%	-
More than 3 Year	100%	18.36
Total		1,865.46
Trade Receivables- Credit Impaired		18.35
Net Trade Receivables		1,847.11

Credit risk is managed through credit approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the company grants credit terms in the normal course of business.

The following table summarizes the change in the loss allowances measured using expected credit loss model (ECL):

Particulars	ECL for Trade Receivables
As at 01-04-2024	18.35
Provided/(Reversal) during	16.97
As at 31-03-2025	35.33

Particulars	ECL for Trade Receivables
As at 01-04-2023	23.39
Provided/(Reversal) during	(5.03)
As at 31-03-2024	18.35

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the company's short, medium, and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table detail the company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company may be required to pay.

Particulars	Not Due	Less than 1 year	1-2 year	2-3 year	More than 3 years	Carrying Amount
31st March 2025						
Trade payable	135.19	9.37	68.18	35.98	1.16	249.8
Other financial liabilities	-	16.00	0.19	-	15.82	32.0
Total	135.19	25.37	68.37	35.98	16.98	281.9

Particulars	Not Due	Less than 1 year	1-2 year	2-3 year	More than 3 years	Carrying Amount
31st March 2024						
Trade payable	198.43	211.90	86.15	-	-	496.4
Other financial liabilities	-	12.62	0.99	0.99	4.76	19.3
Total	198.43	224.52	87.14	0.99	4.76	515.8



SMPP LIMITED**(Formerly Known as SMPP PRIVATE LIMITED)****Notes forming part of the Consolidated Financial Statement for the year ended 31st MARCH 2025**

(All amounts are Rs. in Millions, unless otherwise stated)

Note 41: Segment information

The Company primarily engaged in the business of manufacturing of arms and ammunitions.

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates

Geographical Locations: The Company operates in Geographical Segment-India (Country of Domicile) and Outside India.**Revenue from Operations**

Particulars	Within India	Outside India	Total
2024-25	5,326.14	498.90	5,825.05
2023-24	4,075.06	1,085.65	5,160.70

Trade Receivables

Particulars	Within India	Outside India	Total
2024-25	1,976.93	200.38	2,177.31
2023-24	1,780.80	52.17	1,832.97

Note 42: Reconciliation between the opening & closing balances in the balance sheet for Financial liabilities

Particulars	Note No	As at 01st April 2024	Cash flows	Non Cash	As at 31st March 2025
Borrowings	11.1	21.52	978.50	14.82	1,014.84
Lease Liabilities	5	2.97	(18.66)	184.99	169.30

Particulars	Note No	As at 01st April 2023	Cash flows	Non Cash	As at 31st March 2024
Borrowings	11.1	-	21.50	0.02	21.52
Lease Liabilities	5	3.84	(1.20)	0.34	2.97



SMPP LIMITED**(Formerly Known as SMPP PRIVATE LIMITED)**

Notes Forming Part of the Consolidated Financials Statements for the year ended 31st March, 2025

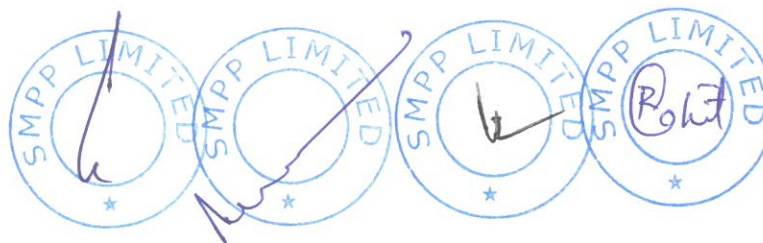
(All amounts are Rs. in Millions, unless otherwise stated)

Note 44: Dividend

The company has not declared or paid any dividend during the year.

Note 45: Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with struck off companies.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing otherwise) that the Company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (vi) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or
- b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or
- b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The lender of the company has not declared company as willful defaulter and also company has not defaulted in loan repayment of loan to the lenders.
- There is no transaction which are not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961
- (ix) The status of the Parent Company has changed from "Private Company" to "Public Company". Pursuant to the provisions and any other applicable provisions of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, vide Board approval dated August 16, 2024 and approval Shareholders dated August 23, 2024, the name of the Company has changed from "SMPP Private Limited" to "SMPP Limited" by deletion of the word "Private" from the name of the Company which was approved by Ministry of Corporate Affairs dated September 13, 2024.
- (xi) **Recent Accounting Pronouncements**
- (a) Ind AS 117 - Insurance Contracts**
- The Ministry of Corporate Affairs (MCA), The MCA notified Ind AS 117 on 9 September 2024 to be applicable from 1 April 2024. However, the same was withdrawn vide notification dated 28 September 2024 wherein the applicability of Ind AS 117 was made subject to notification of IRDAI. IRDAI has not notified Ind AS 117. Therefore, as of now Ind AS 117 has been issued but from when it will be applicable is uncertain. The company is evaluating the impact of the standard on its consolidated balance sheet, consolidated statement of profit and loss and consolidated statement of cash flows.
- (b) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates**
- Ministry of Corporate Affairs vide its notification no. G.S.R. 291(E) dated 7th May 2025 has issued an amendment to Ind AS 21 providing guidance on determining exchange rate in case of lack of exchangeability. The amendment is effective from 1 April 2025. In accordance with the amendment to Ind AS 21 – Lack of Exchangeability, the Company is required to estimate the exchange rate using the most reliable inputs available in case there is lack of exchangeability. The currencies in which the company has transacted during the current year or previous year were exchangeable into another currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism. Accordingly, the amendment to Ind AS 21 has no material impact on the financial position, financial performance and cash flows of the company.
- (xii) The Parent company and its Subsidiary being companies incorporated in India has utilized tally, an accounting software for maintaining its books of account. Tally includes an audit trail (edit log) feature that has been consistently used w.e.f 12th April 2023 for all relevant transactions recorded in the software. Due to tally's integrated application and database, establishing audit trail functionality specifically for the tally database is not feasible. The retention of the Audit Trail is available for application level w.e.f 12th April 2023 in both the companies.



SMPP LIMITED

(Formerly Known as SMPP PRIVATE LIMITED)

Notes Forming Part of the Consolidated Financials Statements for the year ended 31st March, 2025

Notes Forming Part of the Consolidated Financials Statements for the year ended 31st March, 2025

Note 46: Approval of financial statements

The financial statements for the year ended 31st March 2025 were approved by the Board of Directors and authorises to issue on 31st July, 2025.

As per our report of even date attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756/N/500441

Vivek Raut
Partner
Membership No.097489

Place: New Delhi
Date:- 31st July, 2025

For Jagdish Sapra & Co, LLP
Chartered Accountants
Firm Registration No. 001378/N/500037

Vipal Kumar Kalra
Partner
Membership No.084583

Place: New Delhi
Date:- 31st July, 2025

For and on behalf of the Board of Directors of
SMPP LIMITED

Dr. Shiv Chand Kansal
Chairman & Managing Director
DIN : 00048385

Rohit
Company Secretary
M.No.- 73881

Ashish Kansal
Whole-Time Director & CEO
DIN : 00047579

Padam Chand Jain
President (Finance) & CFO

