

Independent Auditor's Report**To The Members of Sterling E-Mobility Solutions Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **Sterling E-Mobility Solutions Limited** (formerly known as Sterling Gtake E-Mobility Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, the Loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 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 opinion on the financial statements.

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

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read Board's Report including Annexures to Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in



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

In preparing the financial statements, the 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 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 Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Report on Other Legal and Regulatory Requirements

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

2A. 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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B (f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B (f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

2B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company does not have any pending litigations which would impact its financial position.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d)
 - i. The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 41 to the accounts, 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, 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;
 - ii. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 41 to the accounts, 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding



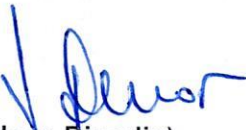
Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- iii. 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 (i) & (ii) above, contain any material misstatement.
- e) The Company has not declared or paid any dividend during the year.
- f) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which have feature of recording audit trail (edit log) facility for all relevant transactions recorded in the software. The feature of recording audit trail (edit log) facility at database level is not enabled to log any direct data changes for the accounting software used for maintaining the books of account. Further Audit trail (edit log) facility was operated throughout the year for the accounting software, and we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- 3) With respect to the matter to be included in the Auditors' report under Section 197(16):
In our opinion and according to the information and explanation given to us, the Company has paid remuneration to its directors during the year is in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act.

For S.R. Dinodia & Co. LLP

Chartered Accountants,

Firm's Registration Number 001478N/N500005


(Sandeep Dinodia)

Partner

Membership Number 083689

UDIN: 26083689ZUNSU7305



Place of Signature: New Delhi

Date: 05.05.2026

Annexure 'A' to the Independent Auditors' Report of even date on the financial statements of Sterling E-Mobility Solutions Limited

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2026, we report that:

- i)
 - a) (A) Proper records showing full particulars and situation of Property, Plant and Equipment are maintained.
 - (B) The Company has maintained proper records showing full particulars of Intangible assets.
 - b) The Property, Plant and Equipment have been physically verified by the Management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) On the basis of information and explanation provided by the Management, no immovable properties are held by the Company (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) and hence 3(i)(c) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
 - d) According to the information and explanations given to us and the records examined by us, the Company has not revalued its Property, Plant and Equipment or intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
 - e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.
- ii)
 - a) On the basis of information and explanation provided by the Management, the physical verification of inventory has been conducted at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management. In our opinion, the coverage and procedure of such verification is appropriate having regard to the size of the Company and nature of its business. According to the information and explanations given to us, no discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on physical verification.
 - b) The Company has been sanctioned working capital limit in excess of five crore rupees, in aggregate, from bank on the basis of security of current assets. According to the information and explanations given to us, the quarterly returns or statements filed by the Company with bank are materially in agreement with the books of account of the Company except as disclosed in Note No. 45 of the financial statements. The Company has not been sanctioned any working capital limits by any financial institutions.
- iii) According to the information and explanations given to us, the Company has neither made any investments nor provided any guarantee or security nor granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, the provisions of clauses 3(iii) (a) to (f) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76



of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's operations and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) In respect to statutory dues:
 - a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, Income Tax, duty of customs and any other material statutory dues applicable to it with the appropriate authorities. Further, the statutory dues of sales tax, service tax, duty of excise and value added tax have subsumed in GST and accordingly not applicable to the operations of the Company. There were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date, they became payable.
 - b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues in respect of statutory dues referred to in sub-clause (vii) (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- viii) According to the information and explanations given to us and the records examined by us, there are no unrecorded transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- ix)
 - a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by the bank. The Company has not taken any loan from financial institutions or government or any government authority.
 - c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
 - d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(ix)(e) & 3(ix)(f) of the Order are not applicable.
- x)
 - a) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.
 - b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly, provisions of clause 3 (x)(b) of the Order are not applicable.



- xi)
- a) Based on the representation obtained from the Management and information and explanations given to us on our enquiries in this regard, we report that no fraud on or by the Company, resulting in a material misstatement on the financial statements has been noticed or reported during the year under audit.
 - b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed during the year and upto the date of this report in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii)(a) to (c) of the Order are not applicable.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards. Further, pursuant to Section 177 of the Companies Act, 2013, the Company being an unlisted public Company, does not meet any of the prescribed criteria as per Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014. Accordingly, the Company is not required to constitute an Audit Committee, and the provisions of Section 177 are not applicable.
- xiv)
- a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
 - b) We have considered the internal audit reports of the Company issued till date, for the year under audit.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the Order are not applicable.
- xvi)
- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, provisions of clause 3 (xvi) (a) of the Order are not applicable.
 - b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year; accordingly, provisions of clause 3 (xvi) (b) of the Order are not applicable.
 - c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3 (xvi) (c) of the Order are not applicable.
 - d) According to the information and explanations given to us, there are no core investment Company (CIC) within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3 (xvi) (d) of the Order are not applicable.
- xvii) According to the information and explanations given to us, the Company has incurred cash losses of ₹2,103.73 lakh in current financial year and ₹Nil in the immediately preceding financial year.

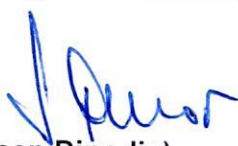


- xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, provisions of clause 3 (xviii) of the Order are not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx)
- a) According to the information and explanations given to us, there are no unspent amount, in respect of other than ongoing projects, which are required to be transferred to Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, provisions of clause 3 (xx)(a) of the order are not applicable.
- b) According to the information and explanations given to us, there are no unspent amount, in respect of ongoing projects, which are required to be transferred to special account in compliance with proviso to sub-section (6) of section 135 of the said Act. Accordingly, provisions of clause 3 (xx)(b) of the order are not applicable.
- xxi) The reporting under clause 3(xxi) of the Order is not applicable to the Company as it is not required to prepare consolidated Financial Statements since it doesn't have any subsidiaries, joint ventures or associate. Accordingly, no comment in respect of the said clause has been included in this report.

For S.R. Dinodia & Co. LLP

Chartered Accountants,

Firm's Registration Number 001478N/N500005


(Sandeep Dinodia)

Partner

Membership Number 083689

UDIN: 2608368926NSUE 7305



Place of Signature: New Delhi

Date: 05.05.2026

Annexure 'B' to the Independent Auditor's Report of even date on the financial statements of Sterling E-Mobility Solutions Limited

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

We have audited the internal financial controls with reference to financial statements of **Sterling E-Mobility Solutions Limited ("the Company")** as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

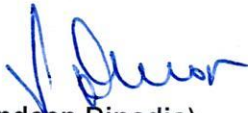
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Dinodia & Co. LLP

Chartered Accountants,

Firm's Registration Number 001478N/N500005



(Sandeep Dinodia)

Partner



Membership Number 083689

UDIN: 26083689ZGNSUE7305

Place of Signature: New Delhi

Date: 05.05.2026

Sterling E-Mobility Solutions Limited

(Formerly as Sterling Gtate E-mobility Limited)

Balance Sheet as at March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

Particulars	Notes	As At March 31, 2026	As At March 31, 2025
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	5,059.95	4,126.27
(b) Capital work-in-progress	3A	-	51.00
(c) Other Intangible Assets	4	103.07	155.32
(d) Intangible Assets Under Development	4A	944.22	578.73
(e) Right-of-use assets	4B	620.71	717.84
(f) Financial Assets			
(i) Other Financial Assets	5	19.88	14.53
(g) Deferred Tax Assets (net)	6	800.97	386.08
(h) Non-Current Tax Assets (Net)	7	35.46	53.18
(i) Other Non-Current Assets	8	282.34	32.41
Total Non-Current Assets		7,866.60	6,115.36
Current Assets			
(a) Inventories	9	4,557.74	5,522.26
(b) Financial Assets			
(i) Trade Receivables	10	2,738.32	772.58
(ii) Cash and Cash Equivalents	11	761.66	1,684.57
(iii) Bank Balances other than (ii) above	12	522.25	3,831.66
(iv) Other Financial Assets	5	28.79	66.63
(c) Other Current Assets	8	755.30	885.12
Total Current Assets		9,364.07	12,762.82
Total Assets		17,230.67	18,878.18
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	2,845.60	2,845.60
(b) Other Equity	14	2,968.63	4,732.30
Total Equity		5,814.23	7,577.90
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	805.50	1,247.13
(ii) Lease Liability	4B	659.91	739.27
(iii) Other Financial Liabilities	18	-	-
(b) Provisions	15	1,268.39	1,559.86
Total Non-Current Liabilities		2,733.80	3,546.26
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16B	3,241.24	3,005.17
(ii) Lease Liability	4B	60.70	52.18
(iii) Trade Payables	17		
(A) total outstanding dues of micro enterprises and small enterprises; and		56.60	90.17
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		2,845.91	2,903.74
(iii) Other Financial Liabilities	18	1,652.62	197.97



Sterling E-Mobility Solutions Limited

(Formerly as Sterling Gtack E-mobility Limited)

Balance Sheet as at March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

Particulars	Notes	As At March 31, 2026	As At March 31, 2025
(b) Other current Liabilities	19	216.47	746.75
(c) Provisions	15	609.09	758.04
Total Current Liabilities		8,682.64	7,754.02
Total Liabilities		11,416.44	11,300.28
Total Equity And Liabilities		17,230.67	18,878.18

Summary of Material Accounting Policies

2.3

The accompanying notes are integral part of the financials statements

As per our Audit Report of even date attached

For S.R. Dinodia & Co. LLP,

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689



For and on behalf of the Board of Directors of
Sterling E-Mobility Solutions Limited

(Anish Agarwal)

Director

DIN No 07056465

Place of Signature:

Date: 05.05.2026

(Jaideep Wadhwa)

Managing Director

DIN No 00410019

Place of Signature:

Date: 05.05.2026

(Neha Yadav)

Company Secretary

ICSI Membership No.A73416

Place of Signature:

Date: 05.05.2026

Place of Signature: New Delhi

Date: 05.05.2026

Sterling E-Mobility Solutions Limited

(Formerly as Sterling Gtate E-mobility Limited)

Statement of Profit & Loss For The Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

Particulars	Notes	For the Year ended March, 2026	For the Year ended March, 2025
Income			
I. Revenue From Operations	20	11,083.76	38,193.90
II. Other Income	21	233.80	466.79
III. Total Income (I + II)		11,317.56	38,660.69
IV. Expenses			
(a) Cost of Materials Consumed	22	5,845.82	26,136.39
(b) Change in Inventory of finished goods	23	189.85	(802.23)
(c) Employee Benefits Expense	24	2,702.44	3,027.43
(d) Finance Cost	25	403.33	395.16
(e) Depreciation and Amortisation Expense	26	559.49	327.39
(f) Other Expenses	27	4,384.62	7,565.00
Total Expenses		14,085.55	36,649.14
V. Profit Before Exceptional Items and Tax (III-IV)		(2,767.99)	2,011.55
VI. Exceptional Items	42	26.15	-
VII. Profit Before Tax (V-VI)		(2,794.14)	2,011.55
VIII Tax Expense:	29		
Current Tax		-	473.84
Deferred Tax Charge/ (Income)		(419.59)	(114.59)
Income tax adjustment of earlier years		(6.25)	(6.62)
Total Tax Expense		(425.84)	352.63
IX. Profit For The Year (VII-VIII)		(2,368.30)	1,658.92
X. Other Comprehensive Income			
(A) (i) Items that will not be reclassified to Statement			
(a) Re-measurement gains/ (losses) on defined benefit plans		27.40	(0.95)
(ii) Income tax relating to Items that will not be reclassified to Statement of Profit or Loss		(4.70)	0.16
(B) (i) Items that will be reclassified to Statement of Profit or Loss		-	-
(ii) Income tax relating to Items that will be reclassified to Statement of Profit or Loss		-	-
Total Other Comprehensive Income/ (Loss), Net of Tax		22.70	(0.79)
XI Total Comprehensive Income For The Year (X+IX)		(2,345.60)	1,658.13
XII Earnings Per Equity Share: (Face Value ₹ 10 Per Share)	34		
1) Basic (amount in ₹)		(8.32)	5.83
2) Diluted (amount in ₹)		(8.32)	5.83

Summary of Material Accounting Policies

2.3

The accompanying notes are integral part of the financials statements

As per our Audit Report of even date attached

For S.R. Dinodia & Co. LLP,

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689



For and on behalf of the Board of Directors of
Sterling E-Mobility Solutions Limited

Anish Agarwal

(Anish Agarwal)

Director

DIN No 07056465

Place of Signature:

Date: 05.05.2026

J 2

(Jaideep Wadhwa)

Managing Director

DIN No 00410019

Place of Signature:

Date: 05.05.2026

Neha Yadav

(Neha Yadav)

Company Secretary

ICSI Membership

No.A73416

Place of Signature:

Date: 05.05.2026

Place of Signature: New Delhi

Date: 05.05.2026

Sterling E-Mobility Solutions Limited
(Formerly as Sterling Gtuke E-mobility Limited)
Statement of Cash Flows for the Year Ended March 31, 2026
(All amounts ₹ in lakh, except otherwise specified)

Particulars	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
A. Cash Flow From Operating Activities		
Net Profit Before Tax	(2,794.14)	2,011.55
<i>Adjustments for :</i>		
Depreciation & Amortization	559.49	327.39
Profit on sale of property, plant & equipment	(0.69)	(2.08)
Provision for warranty (net of reversal)	557.81	2,275.08
Expense on employee stock option scheme	581.93	1,118.88
Unwinding of discount on deposits	1.08	(0.98)
Unrealized foreign exchange loss/(gain) (net)	132.00	(18.91)
Provision for expected credit loss (Net of amount written back)	1,494.71	74.91
Provision for doubtful advances	20.91	-
Finance costs	403.33	395.16
Interest Income	(215.65)	(120.98)
Operation Profit Before Working Capital Changes	740.77	6,060.02
<i>Adjustment For :</i>		
(Increase)/ Decrease in Financial Assets	(3,466.00)	1,792.97
(Increase)/ Decrease in inventories	964.52	(664.65)
(Increase)/ Decrease in Other Assets	110.13	(586.67)
Increase / (Decrease) in Financial Liabilities	1,245.25	(1,027.14)
Increase / (Decrease) in Other Liabilities	(531.35)	374.56
Increase / (Decrease) in Provisions	(970.82)	(1,606.53)
Net Cash Generated From Operations	(1,907.51)	4,342.56
Direct Taxes Paid(Net of Refund Received)	23.97	(487.34)
Net Cash From Operating Activities	(A) (1,883.54)	3,855.22
B. Cash Flow From Investing Activities		
Purchase of PPE & Intangible Assets (including CWIP, intangible assets under development, capital advance and capital creditors)	(1,958.39)	(3,178.89)
Proceeds from sale of PPE	4.05	18.13
Interest Received	253.68	84.60
Fixed deposits (other than cash equivalents)	3,309.41	(2,968.51)
Net cash Used In Investing Activities	(B) 1,608.75	(6,044.67)
C. Cash Flow From Financing Activities		
Long term borrowings received	-	1,311.44
Repayment of long term borrowing	(459.33)	(272.98)
Repayment of principal element of lease liabilities	(118.55)	(97.31)
Movement in cash credit facility	253.77	1,557.83
Interest paid	(324.01)	(315.71)
Net Cash Used In Financing Activities	(C) (648.12)	2,183.27
Net Increase in Cash & Cash Equivalent (A+B+C)	(922.91)	(6.18)
Cash And Cash Equivalents At The Beginning Of The Year	1,684.57	1,690.75
Cash And Cash Equivalents At The End Of The Year	761.66	1,684.57
Cash and cash equivalents include		
Cash in hand	0.31	0.79
Balances With Scheduled Banks :		
- Current Accounts	101.35	83.78
- Deposits with original maturity of three months or less	660.00	1,600.00
	761.66	1,684.57



Particulars	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
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Notes:-

a) All figures in brackets represent outflows.

b) The above Consolidated statement of Cash Flows has been prepared under the Indirect Method as set out in IND AS 7 'Statement of Cashflow'.

c) Non Cash Transactions: Financing activities

- Interest on lease liability	66.55	72.24
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Summary of Material Accounting Policies

Note 2.3

The accompanying notes are an integral part of the financials statements

As per our Audit Report of even date attached

For S.R. Dinodia & Co. LLP,

Chartered Accountants

Firm's Registration Number: 001478N/N500005

**For and on behalf of the Board of Directors of
Sterling E-Mobility Solutions Limited**



(Sandeep Dinodia)

Partner

Membership Number 083689



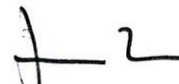

(Anish Agarwal)

Director

DIN No 07056465

Place of Signature:

Date: 05.05.2026



(Jaideep Wadhwa)

Managing Director

DIN No 00410019

Place of Signature:

Date: 05.05.2026



(Neha Yadav)

Company Secretary

ICSI Membership

No.A73416

Place of Signature:

Date: 05.05.2026

Place of Signature: New Delhi

Date: 05.05.2026

Sterling E-Mobility Solutions Limited

(Formerly as Sterling Gtack E-mobility Limited)

Statement of Changes in Equity for the Year Ended March 31, 2026

(All amounts in lakh, except otherwise specified)

(A) Equity share capital

	No. of Shares *	Amount (₹)
Balance as at April 01, 2024	28456000.00	2,845.60
Issued during the Year	-	-
Balance as at March 31, 2025	28456000.00	2,845.60
Issued during the year	-	-
Balance as at March 31, 2026	28456000.00	2,845.60

*Number of shares are absolute in nature

(B) Other Equity

Particulars	Reserve & Surplus		Total equity
	Deemed Capital Contribution	Retained earnings	
Balance as at April 01, 2024	199.69	1,755.61	1,955.30
Profit/ (Loss) For The Year	-	1,658.92	1,658.92
Add:Employee compensation under ESOP	1,118.87	-	1,118.87
Other Comprehensive Income/ (Loss) For The Year *	-	(0.79)	(0.79)
Balance as at March 31, 2025	1,318.56	3,413.74	4,732.30
Profit/ (Loss) For The Year	-	(2,368.30)	(2,368.30)
Add:Employee compensation under ESOP	581.93	-	581.93
Other Comprehensive Income/ (Loss) For The Year *	-	22.70	22.70
Balance as at March 31, 2026	1,900.49	1,068.14	2,968.63

* Represents Re-measurement of defined benefit plans (net)

Summary of Material Accounting Policies Note 2.3

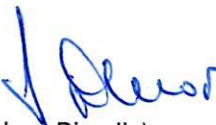
The accompanying notes are an integral part of the financials statements

As per our Audit Report of even date attached

For S.R. Dinodia & Co. LLP,

Chartered Accountants

Firm's Registration Number: 001478N/N500005


(Sandeep Dinodia)
Partner

Membership Number 083689



For and on behalf of the Board of Directors of
Sterling E-Mobility Solutions Limited



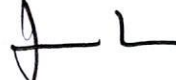
(Anish Agarwal)

Director

DIN No 07056465

Place of Signature:

Date: 05.05.2026



(Jaideep Wadhwa)

Managing Director

DIN No 00410019

Place of Signature:

Date: 05.05.2026


(Neha Yadav)

Company Secretary

ICSI Membership No. A73416

Place of Signature:

Date: 05.05.2026

Place of Signature: New Delhi

Date: 05.05.2026

(Formerly as Sterling Gtake E-mobility Limited)

Note 1 : Corporate Information

Note2.1 : Statement of Compliance

The financial statements are approved for issue by the Company's Board of Directors on May 05, 2026

Note 2.2 : Basis of Preparation

The financial statements are presented in Indian Rupees ₹, which is also company's functional currency. All financial values are rounded to the nearest lakh (upto two decimals) except otherwise stated.

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

Going Concern

The board of directors have considered the financial position of the Company at March 31, 2025 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements with respect to planned cost and cash improvement actions remains on course. Also, the board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations. In view of above, financial statements have been prepared on going concern assumption basis.

Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) has notified key amendments to Ind AS effective for the financial year beginning April 1, 2026. These changes focus on enhanced transparency. Most notably regarding debt classification under Ind AS 1. Companies must now classify liabilities as current if loan covenants are breached by the reporting date, as post-balance sheet waivers are no longer permitted to maintain non-current status. These changes also mandate enhanced covenant disclosures, the full adoption of Ind AS 117 by the insurance sector, and early preparation for Ind AS 118 (replacing Ind AS 1), which will require the restatement of FY 2026–27 figures as comparative data for the new presentation framework.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

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

All other assets are classified as non-current.

Liabilities:

A liability is current when:

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

All other liabilities are classified as non-current.

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

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Note 2.3 : Material accounting policy Information

a) Material accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods. The management's estimates and assessments are based in particular on assumptions regarding the development of the economy as a whole, the development of automobile markets, and the development of the basic legal parameters.



Sterling E-Mobility Solutions Limited

(Formerly as Sterling Gtate E-mobility Limited)

Notes to Financial Statements for the Year Ended March 31, 2026

Use of Estimates and Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the material effect on the amounts recognised in the financial statements:

Revenue

The Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Company has concluded that they operating on a principal to principal basis in all its revenue arrangements.

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its business partners are reviewed to determine each party's respective role in the transaction.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting year. This reassessment may result in change in depreciation expense in future periods.

Leases

Where the Company is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset and whether the the Company has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The Company revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Where the Company is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments.

Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

Defined Benefit Obligations (DBO)

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses.

Contingencies: Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims.

By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

Impairment of financial instruments: The Company analyses regularly for indicators of impairment of its financial instruments by reference to the requirements under relevant Ind AS. The management's estimates and assessments were based in particular on assumptions regarding the development of the economy as a whole, the development of textiles markets, and the development of the basic legal parameters.

c) Revenue

Revenue from contract with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding the amount collected on behalf of third parties (for example, taxes and duties collected on behalf of government). The Company has concluded that it is principal in its revenue arrangements.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated e.g. warranties. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. In determining the transaction price for the sale of products, the Company considers the effect of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer (if any).



Sterling E-Mobility Solutions Limited

(Formerly as Sterling Gtate E-mobility Limited)

Notes to Financial Statements for the Year Ended March 31, 2026

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of products provide the customers with volume rebates that give rise to variable consideration.

Generally, the Company does not receive long term advances from its customers except in certain scenarios. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of promised good or service to the customer and when the customer pays for good or service will be one year or less. The company does not expect to have any contracts where the period between the transfer of promised goods and services to the customer and payment by the customer exceeds one year except where the payment terms might provide the entity or the customer with protection from the other party failing to adequately complete some or all of its obligations under the contract. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Other Income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable and where no significant uncertainty as to measurability or collectability exists..

d) Property, Plant and Equipment

Property Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment includes non-refundable taxes, duties, freight, insurance, labour cost, allocable borrowing costs and other directly attributable cost to the construction / acquisition of the assets. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Gain or loss arising on account of sale of Property, Plant and Equipment are measured as the difference between the net proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss in the year in which the asset is sold.

The Schedule II to the Companies Act, 2013 requires that useful life and depreciation for significant components of an asset should be determined separately. Identification of significant components is matter of judgement and decided on case to case basis on the facts and circumstances of each cases. The company capitalise these cost as a separate component of the asset with consequent expensing of net carrying value of replaced part.

Depreciation on Property Plant and Equipment is provided on straight-line method over the useful lives of assets specified in Schedule II to the Companies Act, 2013, except in cases of assets costing up to Rs. 5,000 each, where each asset is fully depreciated in the year of purchase. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit & Loss. Leasehold improvements are amortised over the lease term or the useful life of the assets. Useful life specified in schedule II to the Act.

Depreciation is not recorded on capital work in progress until construction and installation are complete and asset is ready for its intended use.

Subsequent costs: The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Derecognition : Property, plant and equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in the statement of profit and loss.

Capital work in progress: Capital work in progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date. Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not available for intended use.

e) Intangible Assets

Intangible Assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Software which are not an integral part of related hardware, are treated as intangible asset and amortized over a period of three years or its licensed period, whichever is less.

f) Borrowing Costs

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

g) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost Includes purchase price, freight inwards, custom duty and other expenditure incurred in bringing such inventories to their present location and condition but does not includes those expenditure which are subsequently recoverable by the enterprise from concerned revenue authorities. The cost of various components of inventory is determined as follows:-



Sterling E-Mobility Solutions Limited

(Formerly as Sterling Gtate E-mobility Limited)

Notes to Financial Statements for the Year Ended March 31, 2026

Raw Materials	First in first out method
Stores, Spares and Packing Material	Weighted average method
Finished goods and work-in-progress	Raw material cost on first in first out method and includes conversion and other costs incurred in bringing the inventories to their present value and locations.

h) Employee's Benefits

Expenses and Liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19 – Employees Benefits issued by the Company (Indian Accounting Standard) Rules, 2015.

Short Term Employee Benefits: All employees' benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus are recognized in the period in which the employee renders the related services at undiscounted amount.

Defined Contribution Plan

For Defined Contribution Retirements Benefit Schemes, payments are charged as an expense as they fall due.

Defined Benefit Plan

The cost of providing defined benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Post Employment Benefit Plans

For Defined Benefit Schemes, the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

i) Foreign Currency Transactions

Initial Recognition: The transactions in foreign currency are initially accounted for at the rate prevailing as on the transaction date.

Conversion: Monetary items denominated in foreign currency are reported using the closing exchange rate on each Balance Sheet Date. Non-Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange Difference: The Exchange difference arising on the settlement of monetary items or reporting these items at rates different from rates at which these were initially recorded/ reported in previous financial statements are recognized as income/expense in the period in which they arise.

j) Taxes on Income : Tax expense comprises current and deferred tax.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.



Sterling E-Mobility Solutions Limited

(Formerly as Sterling Gtate E-mobility Limited)

Notes to Financial Statements for the Year Ended March 31, 2026

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefits will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

k) Financial instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another

Financial Assets

Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The category applies to the Company's trade and other receivables, cash and cash equivalents, security deposits and other loans and advances, etc.

A debt instrument is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as an income or expense in statement of profit and loss. The losses arising from impairment are

Equity instruments

All equity investments in the scope of Ind AS 109 are measured at fair value.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

De-recognition

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

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



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Notes to Financial Statements for the Year Ended March 31, 2026

Financial Liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables, security deposits received etc.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at Amortized cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to the borrowings.

De-recognition

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

(l) Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

m) Impairment

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- (b) Trade receivables; using the lifetime expected credit loss model.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings and derivative financial instruments.



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Notes to Financial Statements for the Year Ended March 31, 2026

Impairment of Non Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of the other assets or CGUs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

The Company's corporate assets (eg. Central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate assets belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit or loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to CGU, and then to reduce the carrying amounts of any other assets of the CGUs (or group of CGUs) on a pro-rata basis.

n) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in the accounts in respect of present probable obligations arising as a result of past events and it is probable that there will be an outflow of resources, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are neither recognized nor disclosed in the financial statements.

o) Leases

Accounting - As a lessee

The company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.



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Notes to Financial Statements for the Year Ended March 31, 2026

p) **Statement of Cash flows**

The cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated as specified in Indian Accounting Standard 7 - Cash Flow Statement.

q) **Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

r) **Earnings per share (EPS)**

Basic earnings per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.



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Sterling E-Mobility Solutions Limited

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Notes to Financial Statements for the Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

Note 3 : Property, Plant and Equipment

Particulars	Building*	Plant and Equipment	Furniture and Fixtures	Vehicle	Office Equipment	Electrical Installations and Equipment	Computers	Total
Gross Carrying Amount								
Balance as at April 01, 2024	-	1,059.39	101.21	69.98	75.28	62.85	180.96	1,549.67
Additions made during the Year	1,658.06	1,150.66	26.29	-	21.63	105.24	46.04	3,007.92
Less: Disposals/adjustments during the Year	-	11.75	-	18.18	-	-	-	29.93
Balance as at March 31, 2025	1,658.06	2,198.30	127.50	51.80	96.91	168.09	227.00	4,527.66
Additions made during the Year	271.74	976.99	11.19	4.63	8.55	58.43	20.55	1,352.09
Less: Disposals during the Year	-	-	-	-	-	6.29	-	6.29
Less/Add: Adjustments during the Year	(46.87)	46.87	-	-	-	-	-	-
Balance as at March 31, 2026	1,882.93	3,222.16	138.69	56.43	105.46	220.23	247.55	5,873.46
Depreciation and impairment								
Balance as at April 01, 2024	-	90.67	9.67	3.95	14.88	19.61	60.75	199.53
Depreciation charge for the Year	26.71	84.95	10.37	6.51	15.40	6.21	55.84	205.99
Less: Disposals/adjustments during the Year	-	2.01	-	2.12	-	-	-	4.13
Balance as at March 31, 2025	26.71	173.61	20.04	8.34	30.28	25.82	116.59	401.39
Depreciation charge for the Year	140.64	161.36	13.01	6.38	19.74	19.15	54.78	415.05
Less: Disposals during the Year	-	-	-	-	-	2.93	-	2.93
Less/Add: Adjustments during the Year	(0.01)	0.01	-	-	-	-	-	-
Balance as at March 31, 2026	167.34	334.98	33.05	14.72	50.02	42.04	171.37	813.51
Net Carrying amount as at March 31, 2025	1,631.35	2,024.69	107.46	43.46	66.63	142.27	110.41	4,126.27
Net Carrying amount as at March 31, 2026	1,715.60	2,887.18	105.64	41.72	55.44	178.19	76.18	5,059.95

* Notes (a) Borrowing cost capitalised on building during the year Nil (March 31, 2025: 6.70 Lakhs)

(b) Building is situated on leasehold land. Such building cost has been depreciated over the tenure of lease period of 12 years on straight line basis.

Note 3A : Capital work-in-progress

Particulars	Plant and Equipment	Building	Electrical Fitting	Total
Gross Carrying Amount				
As At April 1, 2024	26.90	270.15	-	297.05
Additions during the Year	468.53	1,401.00	136.47	2,006.00
Less: Capitalized during the Year	495.43	1,651.36	105.25	2,252.04
Net Carrying amount as at March 31, 2025	-	19.78	31.22	51.00
Additions made during the Year	802.52	246.55	24.80	1,073.87
Less: Capitalized during the Year	802.52	266.33	56.02	1,124.87
Net Carrying amount as at Mar 31, 2026	-	-	-	-

b) Ageing schedule of CWIP as at March 31, 2026:

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

b) Ageing schedule of CWIP as at March 31, 2025:

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
Projects in progress	51.00	-	-	51.00
Projects temporarily suspended	-	-	-	-

4(a) Refer Note No-16A and 16B, for information on Property, Plant and Equipment & CWIP pledged as security by the Company.

(d) There are no capital-work-in progress as at March 31, 2026 and as at March 31, 2025 completion of which is overdue or has exceeded its cost as compared to its original plan.



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Notes to Financial Statements for the Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

Note 4 : Other Intangible Assets

Particulars	Software	Total
Gross Carrying Amount		
As At April 1, 2024	110.97	110.97
Additions made during the Year	133.16	133.16
Less: Disposals/adjustments during the Year	-	-
As At March 31, 2025	244.13	244.13
Additions made during the Year	13.89	13.89
Less: Disposals/adjustments during the Year	-	-
As At March 31, 2026	258.02	258.02
Amortisation and impairment		
As At April 1, 2024	47.12	47.12
Depreciation charge for the Year	41.69	41.69
Less: Disposals/adjustments during the Year	-	-
As At March 31, 2025	88.81	88.81
Depreciation charge for the Year	66.14	66.14
Less: Disposals/adjustments during the Year	-	-
As At March 31, 2026	154.95	154.95
Net Carrying Amount as at 31 March 2025	155.32	155.32
Net Carrying Amount as at 31 March 2026	103.07	103.07

Note 4A : Intangible Assets Under Development

Particulars	R&D expense	Accounting Software (SAP)	Total
Gross Carrying Amount			
As At April 1, 2024	194.02	12.50	206.52
Additions during the Year	384.71	37.50	422.21
Less: Capitalized during the Year	-	50.00	50.00
Net Carrying Amount as at March 31 2025	578.73	-	578.73
Additions made during the Year	365.49	-	365.49
Less: Capitalized during the Year	-	-	-
Net Carrying Amount as at March 31 2026	944.22	-	944.22

b) Ageing schedule of Intangible Assets Under Development as at March 31, 2026:

Particulars	Amount in Intangible Assets Under Development for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	365.49	384.71	194.02	-	944.22
Projects temporarily suspended	-	-	-	-	-

b) Ageing schedule of Intangible Assets Under Development as at March 31, 2025:

Particulars	Amount in Intangible Assets Under Development for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	384.71	194.02	-	-	578.73
Projects temporarily suspended	-	-	-	-	-

(c) Development of Intangible assets has been overdue by two year as compared to its original plan as at March 31, 2025, however cost has not exceeded as compared to original budget.



Note 4B : Leases (ROU and Lease Liability)

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Right-of-use assets: movements in carrying value of assets	Buildings
Gross Block as at April 01, 2024	101.47
Add: Additions during the year	712.99
Less: Disposals / adjustments during the year	-
Gross Block As at March 31, 2025	814.46
As at April 01, 2025	814.46
Add: Additions during the year	-
Less: Disposals / adjustments during the year	(18.83)
Gross Block As at Mar 31, 2026	795.63
Accumulated Depreciation :	
As at April 01, 2024	16.91
Add: Depreciation charge for the year	79.71
Less: Disposals/adjustments during the year	-
As at March 31, 2025	96.62
As at April 01, 2025	96.62
Add: Depreciation charge for the year	78.30
Less: Disposals/adjustments during the year	-
As at March 31, 2026	174.92
Net Block :	
As at March 31, 2026	620.71
As at March 31, 2025	717.84

In F.Y 2025-26 and 2024-25, there were no impairment charges recorded for right-of-use assets.

<u>Leases: movements in carrying value of recognised liabilities</u>	As March 31,2026	At March 31,2025
Balance at the beginning of year	791.45	103.54
Addition in lease liabilities	-	712.99
Interest expense on lease liabilities	66.55	72.24
Repayment of lease liabilities	118.56	97.31
Adjustment of lease liabilities	18.83	-
Balance at the end of the year	720.61	791.45
Non-current lease liabilities	659.91	739.27
Current lease liabilities	60.70	52.18
Total lease liabilities	720.61	791.45

The maturity analysis of lease liabilities is given in Note 32 in the 'Liquidity risk' section.

Leases: Cash Flows

Cash flows from operating activities include cash flows from short-term lease and leases of low-value assets. Cash flows from financing activities include the payment of interest and the principal portion of lease liabilities .

Leases committed and not yet commenced: There are no leases committed which have not yet commenced as on reporting date.



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Notes to Financial Statements for the Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

Note 5 : Other Financial Asset

(Unsecured and considered good)

Security Deposits
Interest Accrued but not due on Fixed Deposits

Non-Current				Current			
As March 31,	At March 31,	As March 31, 2025	At March 31, 2025	As March 31, 2026	At March 31, 2025	As March 31, 2025	At March 31, 2025
	19.88	14.53		1.10		0.90	
	-	-		27.69		65.73	
	19.88	14.53		28.79		66.63	

Note 6 : Deferred Tax Assets (Net)

Gross Deferred Tax Assets
Gross Deferred Tax Liabilities

Total deferred tax assets (Net)

As March 31, 2026	At March 31, 2025	As March 31, 2025	At March 31, 2025
850.50		454.64	
(49.52)		(68.56)	
800.97		386.08	

Deferred tax assets relates to the following:

Provision for Employee Benefits
Provision for warranty
Bonus
Lease liability
Performance incentives
Provision for expected credit loss
Right of use Assets
Provision for Advances
Unabsorbed Depreciation
Business loss

As March 31, 2025	At March 31, 2025	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive	As March 31, 2026	At March 31, 2025
16.10	12.76		(4.70)	24.16	
381.66	(83.65)		-	298.01	
6.90	(0.06)		-	6.84	
135.81	(12.16)		-	123.66	
-	-		-	-	
12.85	247.89		-	260.75	
(98.69)	(7.82)		-	(106.51)	
-	3.59		-	3.59	
-	60.65		-	60.65	
-	179.35		-	179.35	
454.64	400.56		(4.70)	850.50	
68.56	(19.03)		-	49.52	
68.56	(19.03)		-	49.52	
386.08	419.59		(4.70)	800.97	

Deferred tax liability relates to the following:

Property, plant and equipment

Total deferred tax assets/(liabilities) (Net)

As March 31, 2024	At March 31, 2025	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive	As March 31, 2025	At March 31, 2025
7.80	8.14		0.16	16.10	
275.09	106.57		-	381.66	
5.25	1.65		-	6.90	
17.77	118.04		-	135.81	
2.65	(2.65)		-	-	
-	12.85		-	12.85	
0.80	(99.49)		-	(98.69)	
309.36	145.12		0.16	454.64	
38.03	30.53		-	68.56	
38.03	30.53		-	68.56	
271.33	114.59		0.16	386.08	

Deferred tax assets relates to the following:

Provision for Employee Benefits
Provision for warranty
Bonus
Lease liability
Performance incentives
Provision for expected credit loss
Right of Use Assets

Deferred tax liability relates to the following:

Property, plant and equipment

Total deferred tax assets/(liabilities) (Net)

Note 7 : Non-Current Tax Assets (net)

Advance tax {Net of Provision for Income Tax ₹Nil (March 31, 2025 : ₹ 473.84 lakh)}

As March 31, 2026	At March 31, 2025	As March 31, 2025	At March 31, 2025
35.46		53.18	
35.46		53.18	



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Notes to Financial Statements for the Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

Note 8 : Other Assets

	Non current				Current			
	As March 31, 2026	At March 31, 2025	As March 31, 2026	At March 31, 2025	As March 31, 2026	At March 31, 2025	As March 31, 2026	At March 31, 2025
Capital Advances	282.34	31.16						
Advance to Suppliers- Considered Good	-	-	28.29				116.21	
Advance to Suppliers- Considered Doubtful			20.49				-	
Less: Provision for Doubtful Advance			(20.49)				-	
Advance to employees- Considered Good	-	-	2.01				5.54	
Advance to employees- Considered Doubtful			0.42				-	
Less: Provision for Doubtful Advance to Employees			(0.42)				-	
Prepaid Expenses	-	1.24	70.27				85.20	
Balance with Government Authorities	-	-	386.74				336.93	
Other Receivable (GST recoverable)	-	-	267.99				341.24	
	282.34	32.41	755.30				885.12	

Note 9 : Inventories

(Valued at lower of cost and net realisable value)

	As March 31, 2026	At March 31, 2025
Raw Material	3,047.10	3,870.35
Finished Goods	862.74	622.86
Goods in Transit- Finished Goods	554.08	983.81
Stores, Spares and Consumables	92.62	34.03
Packing Material	1.20	11.20
	4,557.74	5,522.26

(a) Refer Note No-16A and 16B, for Information on Inventory pledged as security by the Company.

(b) The above inventory is net of provision for obsolescence or slow moving inventory of ₹1,993.06 lakh as at March 2026 and ₹3,090.88 lakh as at March 2025.

Note 10 : Trade Receivable

	As March 31, 2026	At March 31, 2025
Trade Receivables Considered Good- Unsecured	1,242.77	772.58
Trade Receivables Considered Doubtful- Unsecured (Refer note b below)	3,015.05	74.91
Trade Receivables Considered Good- Secured	-	-
Allowance for credit loss	(1,519.50)	(74.91)
	2,738.32	772.58

a) Refer Note No-16A and 16B, for Information on Trade Receivable pledged as security by the Company.

b) Trade receivables ageing schedule as at March 31, 2026:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	533.26	709.33		0.18		-	1,242.77
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired		-	-	-	13.69	-	13.69
(iv) Disputed Trade Receivables – considered good		-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		402.50	1,285.39	1,313.47	-	-	3,001.36
(vi) Disputed Trade Receivables – credit impaired		-	-	-	-	-	-
Less: Allowance for credit loss							(1,519.50)
Net Trade receivables							2,738.32



Sterling E-Mobility Solutions Limited

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Notes to Financial Statements for the Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

Trade receivables ageing schedule as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	579.93	192.27	-	0.38	-	-	772.58
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	24.80	50.11	-	74.91
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	(24.80)	(50.11)	-	(74.91)
Net Trade receivables							772.58

c) The provision for expected credit loss has been recognized in accordance with Ind AS 109 to present the receivables in the Balance Sheet at their appropriate carrying value after considering expected credit risk, uncertainty, and timing of realization, thereby ensuring a true and fair presentation of financial position. Such recognition is solely an accounting assessment and does not constitute any concession, waiver, or dilution of the Company's contractual, legal, or other rights to pursue and enforce full recovery of the amounts due. The accounting treatment is prudential in nature, solely for financial reporting purposes, and does not reflect upon the legal enforceability, commercial strength, or merits of the Company's claims against any debtor.

Note 11 : Cash and Cash Equivalents

Balances With Scheduled Banks :

- Current Accounts

Cash on hand

Deposits with original maturity upto 3 months

As	At	As	At
March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025

101.35	83.78
0.31	0.79
660.00	1,600.00

761.66	1,684.57
---------------	-----------------

Note 12 : Bank Balance other than Cash and Cash Equivalent

Deposits with original maturity of more than 3 months but not more than 12 months *

Deposits with original maturity of more than 12 months *

As	At	As	At
March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025

342.25	3,831.66
180.00	-

522.25	3,831.66
---------------	-----------------

* Includes deposit of ₹ 123.48 lakh (March 31, 2025: ₹ 232.65 lakh) pledged with bank against credit facility.

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Sterling E-Mobility Solutions Limited

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Notes to Financial Statements for the Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

Note 13 : Share Capital

As At As At
March 31, 2026 March 31, 2025

Authorised:

30000000 (March 31, 2025: 30000000 equity shares of ₹10 each)

3,000.00 3,000.00

Issued, Subscribed & Paid Up:

28456000 (March 31 2025: 28456000 equity shares of ₹10 each)

2,845.60 2,845.60

2,845.60 2,845.60

a) Reconciliation of Authorised, Issued and Subscribed Share Capital:

I. Reconciliation Of Authorised Share Capital :

	March 31 ,2026		March 31 ,2025	
	No. of Shares*	Amount	No. of Shares*	Amount
Outstanding at the Beginning Of The Year	30000000	3,000.00	30000000	3,000.00
Increase/(decrease) during the year	-	-	0	-
Outstanding at the End Of The Year	30000000	3,000.00	30000000	3,000.00

II. Reconciliation of Issued and Subscribed Share Capital:

	March 31 ,2026		March 31 ,2025	
	No. of Shares*	Amount	No. of Shares*	Amount
Outstanding at the Beginning Of The Year	28456000	2,845.60	28456000	2,845.60
Add: Increase/(Decrease) During The Year	-	-	-	-
Outstanding at the End Of The Year	28,456,000	2,845.60	28456000	2,845.60

b) Terms/rights Attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. No dividend is proposed by Board of Directors of the company.

c) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2026		As at March 31, 2025	
	No. of Shares *	% holding	No. of Shares *	% holding
Sterling Tools Limited *	28456000	100.00%	28456000	100.00%

(including 6 shares held by nominee shareholders)

d) Shares held by holding company

Sterling Tools Limited *

28456000 (March 31,2025: 28456000) Equity Shares of ₹ 10 each

(including 6 shares held by nominee shareholders)

	As at March 31, 2026		As at March 31, 2025	
	No. of Shares *	% holding	No. of Shares *	% holding
	28456000	100.00%	28456000	100.00%

e) Shareholding of Promoters

Shares held by promoters as at March 31, 2026				Shares held by promoters as at March 31, 2025		
Promoter name	No. of Shares *	%of total shares	% Change during the	No. of Shares *	%of total shares	% Change during the year
Sterling Tools Limited	28456000	100.00%	0.00%	28456000	100.00%	0.00%

(including 6 shares held by nominee shareholders)

* No. of shares have been given in absolute numbers



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Note 14 : Other Equity

	As March 31, 2026	At March 31, 2025
Deemed Capital Contribution	1,900.49	1,318.57
Retained Earnings	1,068.14	3,413.73
Total	2,968.63	4,732.30

a) For Movement during the year in Other Equity, refer "Statement of Change in Equity".

b) Nature and Purpose of Other Equity

i) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

ii) **Deemed Capital Contribution:** Under the Employee Stock Option Plan 2023 ("ESOP 2023" or "the Plan"), share options of the holding company i.e. Sterling Tools Limited are granted to a director of the Company. The Share Options Outstanding Account is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration. The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Deemed Capital Contribution



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Sterling E-Mobility Solutions Limited

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Notes to Financial Statements for the Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

Note 15 : Provisions

	Non-current		Current	
	As March 31, 2026	At March 31, 2025	As March 31, 2026	At March 31, 2025
Provisions For Employee Benefits				
• Compensated Absences		41.16	23.99	5.12
Gratuity (Refer Note No. 28)		69.45	6.21	11.55
Other Provisions				
• Provision for warranty	1,157.78	1,482.75	578.89	741.37
	1,268.39	1,559.86	609.09	758.04

i) Movement of provision for warranty :

The Company is liable towards warranty claims made by users of its products. A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and related cost. It is expected that most of this cost will be incurred over the warranty period, which extends upto 3 years.

Opening Balance as on April 1, 2025	Actual utilisation/ Reversal during the year	Provision created during the year	Closing Balance as on March 31, 2026
2,224.12	1,045.27	557.81	1,736.67

Opening Balance as on April 1, 2024	Actual utilisation/ Reversal during the year	Provision created during the year	Closing Balance as on March 31, 2025
1,603.10	1,654.05	2,275.08	2,224.12

ii) Contingent Liabilities and commitments:

Capital Commitments :

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to ₹ 403.81 lakh (March 31, 2025: ₹ 99.16 lakh). The Company does not have any other long term commitments or material non-cancellable Contractual Commitments, which may have a material impact on the financial statements.

Contingent Liabilities :

As on March 31, 2026, Company has contingent liability of ₹ 380.66 Lakhs (Previous Year: ₹ 75.09 Lakhs) towards ₹ 180.21 lakh (Previous Year: ₹ 22.33 lakh) basic custom duty (including SWS) & ₹ 200.44 lakh (Previous Year: ₹ 52.76 lakh) towards IGST for capital goods imported under Manufacturing & Other operation in Warehouse Regulation (MOOWR) scheme. The liability towards such custom duty shall be contingent upon conditions (Rate of custom duty/decision of company to export, etc) at the time of filing of ex-bond bill of entry at the time of disposal. In case the Company decides to export such capital goods, the associated costs shall not be significant.

Note 16A: Long Term Borrowings

	Non Current		Current	
	As March 31, 2026	At March 31, 2025	As March 31, 2026	At March 31, 2025
Long Term:				
Term Loan - Secured				
From Banks	805.50	1,247.13	441.24	458.94
	805.50	1,247.13	441.24	458.94
Less: Amount disclosed under the head "Short Term Borrowings" (refer note 16B)	-	-	441.24	458.94
	805.50	1,247.13	-	-

Note 16B : Short Term Borrowings

Secured:

Current Maturities of Long Term borrowings (Refer Note 16A)

Cash Credit Facilities From Banks



As March 31, 2026	At March 31, 2025
441.24	458.94
2,800.00	2,546.23
3,241.24	3,005.17

a) For Interest rate and Liquidity risk related disclosures, refer note 32.

b) The Nature of Security for Term Loan are :

The Term loan from HDFC is secured by way exclusive charge on entire movable fixed assets and by first pari-passu charge on entire current assets of the Company. The loan is also secured by corporate guarantee of Holding Company i.e Sterling Tools Limited. The term loan carries variable interest rate of 8.60% linked with 3m-Tbill rate.

Term loans from SBI are secured by first charge by way of hypothecation on the fixed assets acquired out of said loan (plant & machinery and others) and first pari-passu charge on unencumbered movable fixed asset of the Company. This loan is also secured by corporate guarantee of Holding Company i.e Sterling Tools Limited. The term loan carries variable interest rate linked with 6m-MCLR rate plus 0.15%

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Notes to Financial Statements for the Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

c) The Nature of Security for Cash Credit Facility are :

The Cash Credit facility from HDFC is secured by way exclusive charge on entire movable fixed assets & current assets of the Company. The loan is also secured by corporate guarantee of Holding Company i.e Sterling Tools Limited. The term loan(s) carries variable interest rate of 9.25% linked with 3m-Tbill rate.

The Cash Credit facility from SBI is primarily secured by corporate guarantee from holding company 'Sterling Tools Ltd', and secured by way of first pari passu charge on entire current assets of the company. Cash credit facility carries variable interest rate linked with 6M MCLR rate plus 0.15%.

d) Maturity Profile- Secured Term Loans

Maturity profile of Secured Term Loans is as set out below :	2026-27	2027-28	Beyond 2027-28
Term loan from the bank is repayable in quarterly installments	441.24	365.56	439.94

Note 17 : Trade Payables

As At
March 31, 2026 March 31, 2025

- Total outstanding dues to micro enterprises and small enterprises (Refer Sub-note iii below)
- Total outstanding dues of creditors other than micro enterprises and small enterprises

56.60	90.17
2,845.91	2,903.74
2,902.51	2,993.91

i) Trade Payables ageing schedule as at March 31, 2026:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Micro & Small enterprises	56.33	-	0.27	-	-	-	56.60
(b) Others	529.34	60.70	2,217.76	35.13	0.44	2.54	2,845.91
(c) Disputed dues - Micro & Small enterprises	-	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-	-

ii) Trade Payables ageing schedule as at March 31, 2025:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Micro & Small enterprises	90.17	-	-	-	-	-	90.17
(b) Others	112.48	151.72	2,634.81	1.59	0.79	2.35	2,903.74
(c) Disputed dues - Micro & Small enterprises	-	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-	-

(iii) As per Schedule III of the Companies Act, 2013 and as certified by the management, the amount due to Micro & Small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

Principal Amount Interest Total

- (a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;

- Trade Creditors (includes Medium Enterprises also)
- Capital Creditors

62.21	-	62.21
107.16	-	107.16

- (b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;

- - -

- (c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

- - -

- (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and

- - -

- (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

- - -

- (iv) The amount does not include any amount due to be transferred to Investor Protection and Education fund.

- (v) This information has been compiled in respect of parties to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the Management as at March 31, 2026.



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Notes to Financial Statements for the Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

Note 18 : Other Financial Liabilities

	Non-current		Current	
	As March 31, 2026	At March 31, 2025	As March 31, 2026	At March 31, 2025
• Creditors for Capital Expenditure (MSME) [Refer note 17 (iii)]	-	-	107.16	134.08
Creditors for Capital Expenditure (Other than MSME)	-	-	25.07	51.82
Interest Accrued but not due on borrowing	-	-	24.84	12.07
• Customer Obligation	-	-	1,495.55	-
	-	-	1,652.62	197.97

Note 19 : Other Current Liabilities

	As March 31, 2026	At March 31, 2025
Advances received from customers	-	499.70
Statutory Dues	216.47	247.06
	216.47	746.75



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Notes to Financial Statements for the Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

	For the Year ended March, 2026	For the Year ended March, 2025
Note 20 : Revenue from Operations		
Sale of Products		
- Finished Goods	9,482.23	38,084.57
Sale of Services		
- Product Support Services	51.60	82.74
Other Operating Revenues		
- Sale of Scrap	72.89	26.59
Warranty Claim Received on Rejections	1,477.04	-
	11,083.76	38,193.90

a) Performance Obligation

Revenue is recognised upon transfer of control of products to the customers.

There are no long term contracts with customers against which, performance obligation is pending. Accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the Company.

b) Disaggregation of Revenue: The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the Company. The Company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Particulars	For the Year ended March, 2026	For the Year ended March, 2025
- Domestic	10,906.99	38,027.29
- Export	176.77	166.61
	11,083.76	38,193.90
- Related party	13.19	9.30
- Non-related party	11,070.57	38,184.60
	11,083.76	38,193.90

c) Assets and liabilities related to contracts with customers

	For the Year ended March 31, 2026	For The Year Ended March 31, 2025
Contract assets related to sale of goods	-	-
Contract liabilities related to sale of goods		
- Advance from customers	-	499.70
	-	499.70

d) Significant changes in contract assets and liabilities

Changes in balance of contract liabilities during the year:

	For the Year ended March 31, 2026	For The Year Ended March 31, 2025
Opening balance of contract liabilities	499.70	64.41
Amount of revenue recognised against opening contract liabilities	(499.70)	(64.41)
Addition in balance of contract liabilities for current year	-	499.70
Closing balance of contract liabilities	-	499.70

e) Reconciliation of Revenue from operations with contracted price

Contracted Price (Net of Sale return)	9,817.83	39,203.93
Less: Discounts and Other Schemes	211.11	1,010.03
	9,606.72	38,193.90



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Notes to Financial Statements for the Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

f) Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily of MCU (Motor Control Unit) under arrangements in which the transfer of control of the products and the fulfillment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognised when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the buyer and who takes possession of the goods, depending on the delivery terms. In case of the Company's operations, generally the criteria to recognize revenue has been met when its products are delivered to its customers, this is the point in time when the Company has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

Note 21 : Other Income

	For the Year ended March, 2026	For the Year ended March, 2025
Interest Income		
- on Fixed Deposits	215.65	120.98
Unwinding of discount on deposits	1.08	0.98
Profit on Sale of Property Plant & Equipment	0.69	2.08
Insurance Claim	-	339.13
Provision for Doubtful Debt Written Back	11.10	-
Miscellaneous Income	5.28	3.62
	233.80	466.79

Note 22 : Cost of Materials Consumed

	For the Year ended March, 2026	For the Year ended March, 2025
Opening Stock	3,870.35	2,853.24
Add : Purchases during the year	5,022.57	27,153.50
Less: Closing Stock	3,047.10	3,870.35
	5,845.82	26,136.39

Note 23 : Changes in Inventories of Finished Goods

	For the Year ended March, 2026	For the Year ended March, 2025
Inventory at the beginning of year		
- Finished Goods (Including goods in transit)	1,606.67	804.44
Inventory at the end of year		
- Finished Goods (Including goods in transit)	1,416.82	1,606.67
(Increase)/Decrease in Inventory	189.85	(802.23)

Note 24 : Employee Benefits Expense

	For the Year ended March, 2026	For the Year ended March, 2025
Salary, Wages & Bonus	1,838.43	1,682.72
Contribution to Provident & Other Funds	82.96	63.40
Expense on employee stock option schemes*	581.93	1,118.88
Compensated absences	39.17	25.70
Gratuity	33.63	28.74
Staff Welfare Expenses	126.32	107.98
	2,702.44	3,027.43

* Refer Note 33



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Notes to Financial Statements for the Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

Note 25 : Finance Costs

	For the Year ended March, 2026	For the Year ended March, 2025
Interest on Borrowings		
- CC & WCDL	196.46	211.81
- Term Loan	130.18	81.65
- On Lease Liability	66.55	72.24
- Delayed payment of taxes	-	0.25
Other borrowing cost		
-LC Issuance Charges	0.80	9.47
-Other Bank Charges	9.34	19.75
	403.33	395.16

Note 26 : Depreciation and Amortization

	For the Year ended March, 2026	For the Year ended March, 2025
Depreciation expense on Property Plant and Equipment	415.05	205.99
Amortization expense on Intangible Assets	66.14	41.69
Amortization expense on ROU	78.30	79.71
	559.49	327.39

Note 27 : Other Expenses

	For the Year ended March, 2026	For the Year ended March, 2025
Stores and Spares Consumed	79.28	205.87
Packing Material Consumed	30.91	51.63
Electricity Expenses	69.14	56.25
Jobwork Charges	377.27	2,386.35
Labour Charges	228.36	420.07
Freight Outward	67.56	233.22
Rent	2.40	0.83
Rates & Taxes	7.76	15.47
Travelling & Conveyance	159.63	163.01
Insurance	69.64	81.12
Repair & Maintenance		
-Plant & Machinery	6.23	4.88
-Building	11.28	14.30
-Other	18.52	56.38
Business Promotion	28.82	218.92
Business support service	56.16	65.31
Royalty	165.53	528.64
IT enabled services	210.56	199.36
Legal & Professional Charges	174.10	105.32
Payment to Auditors (Refer Sub-note (a) below)	8.36	9.15
Exchange Fluctuation (Net)	227.41	25.32
Bad debt written off	50.12	-
Less: Provision for Expected Credit Loss	(50.12)	-
Provision for warranty expenses	557.81	2,275.08
CSR Expense	34.00	16.74
Provision for Expected Credit Loss	1,505.81	74.91
Provision for Doubtful Advances	20.91	-
Miscellaneous Expenses	267.19	356.87
	4,384.62	7,565.00

a) Details of Payments to Auditors:

As Auditor:

- For Audit	4.50	4.50
- For Tax Audit	1.50	1.50
- For other Services	2.15	1.50
- Reimbursement of Expenses	0.21	1.65
	8.36	9.15



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Notes to Financial Statements for the Year Ended March 31, 2026

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Note 28 : Gratuity and Other Post-Employment Benefit Plans

I) Defined Contribution Plans

The Company makes contribution towards provident fund/ pension fund. Under the scheme, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to the defined contribution scheme.

Particulars	For the Year ended March, 2026	For the Year ended March, 2025
Provident Fund	82.15	62.57
ESI Contribution	-	0.10
Labour Welfare Fund	0.81	0.73
Total	82.96	63.40

II) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

Gratuity Scheme

The Company has defined benefit gratuity plan. Gratuity is calculated as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity asset/ Liability in the books of accounts on the basis of actuarial valuation as per projected unit credit method; net with annual contribution made by Company to insurer to provide gratuity benefits by taking scheme of

The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan - gratuity. These have been provided on accrual basis, based on year end actuarial valuation.

Particulars	For the Year ended March, 2026 Gratuity (Unfunded)	For the Year ended March, 2025 Gratuity (Unfunded)
i) Change in Benefit Obligation		
1 Opening Defined Benefit Obligation	58.97	29.28
2 Interest cost	4.21	2.08
3 Current service cost	29.41	26.67
4 Benefits paid	(3.31)	-
5 Actuarial (gain) / loss on obligation	(27.40)	0.95
6 Past service cost	13.77	-
Present value of obligation as at the end of the year	75.66	58.97
ii) Net Benefit Expense Recognised in the Statement of Profit or		
Current service cost	29.41	26.67
Past Service cost	13.77	-
Net Interest cost	4.21	2.08
Net cost	47.39	28.74
iii) Expense Recognised in Other Comprehensive Income :		
Remeasurements - Due to Financial Assumptions	85.65	1.56
Remeasurements - Due to Experience Adjustments	(20.55)	(0.61)
Remeasurements - Due to Demographic Adjustments	(92.50)	-
Total Remeasurement	(27.40)	0.95



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iv) Principal actuarial assumptions at the balance sheet date are as follows:

Economic assumptions

1 Discount rate	6.95%	6.88%
2 Rate of Increase in Compensation Levels	10.50%	6.00%

Demographic assumptions

1 Retirement Age (years)	58	58
2 Mortality Table	Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2012-14) (modified) ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

v) A Quantitative Sensitivity Analysis for Significant Assumption as is as Shown Below:

	For the Year ended March, 2026	For the Year ended March, 2025
Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)
A. Discount rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	72.15	52.09
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	79.44	67.39
B. Salary escalation rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	79.25	67.75
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	72.24	51.69
C. Maturity Profile of Defined Benefit Obligation is as Follows:		
1 year	6.21	11.54
2 to 5 years	54.84	4.82
Above 5 years	49.14	8.19

The Sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to morality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

d) Risk

Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the gratuity valuation can impact the liabilities.



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Note 29 : Income Tax Expense

i) Income tax recognised in the statement of profit or loss

	For the Year ended March, 2026	For the Year ended March, 2025
Current tax	-	473.84
Deferred tax	(419.59)	(114.59)
Income tax adjustments of earlier years	(6.25)	(6.62)
Total Income tax expense/(Income) reported in the statement of profit or loss	(425.83)	352.64

ii) Deferred tax related to items recognised in OCI during the year:

	For the Year ended March, 2026	For the Year ended March, 2025
Remeasurement of defined benefit plans	(4.70)	0.16
Net tax recognised in retained earnings	(4.70)	0.16

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the Year ended March, 2026	For the Year ended March, 2025
Accounting profit/ (loss) before income tax	(2,794.14)	2,011.55
At India's statutory income tax rate of 17.16 %	(479.47)	345.18
Tax Effect of Expenses not deductible for tax purposes	5.83	2.92
Impact of difference in tax rate	17.27	9.69
Income tax adjustment of earlier years	(6.25)	(6.62)
Others	36.80	1.47
At the income tax rate	(425.83)	352.64
Income tax expense reported in the statement of profit and loss	(425.83)	352.64
Variance	-	-

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



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Notes to Financial Statements for the Year Ended March 31, 2026

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Note 30: Capital Management

The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

	As March 31, 2026	At March 31, 2025
Borrowings (Refer Note 16A & 16B)	4,046.74	4,252.31
Lease Liability (Refer Note 4B)	720.61	791.45
Trade Payables (Refer Note 17)	2,902.51	2,993.91
Other Financial liabilities (Refer Note 18)	1,652.62	197.97
Other Payables (Refer Note 19)	216.47	746.75
Less: Cash and Cash Equivalents (Refer Note 11)	761.66	1,684.57
Net debt (A)	8,777.29	7,297.81
Equity share capital (Refer Note 13)	2,845.60	2,845.60
Other equity (Refer Note 14)	2,968.63	4,732.30
Total Capital (B)	5,814.23	7,577.90
Capital and net debt (C = A + B)	14,591.53	14,875.71
Gearing ratio (D = A/C)	60.15%	49.06%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2026 and March



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Notes to Financial Statements for the Year Ended March 31, 2026

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Note 31 : Fair value measurements

(a) Financial instruments by category

All financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings including lease liabilities, are measured at amortised cost except such financial assets and liability which are measured at fair value through profit or loss.

(b) Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy:

As at March 31, 2026

Particulars	Carrying Amount					Fair Value			
	FVOCI	Mandatorily at FVTPL	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets measured at fair value	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Trade Receivables	-	-	2,738.32	-	2,738.32	-	-	-	-
Cash and Cash Equivalents	-	-	761.66	-	761.66	-	-	-	-
Other Bank Balances	-	-	522.25	-	522.25	-	-	-	-
Security Deposits	-	-	20.98	-	20.98	-	-	-	-
Interest Accrued on Fixed Deposit	-	-	27.69	-	27.69	-	-	-	-
	-	-	4,070.90	-	4,070.90	-	-	-	-
Financial Liability measured at fair value	-	-	-	-	-	-	-	-	-
Financial liability not measured at fair value									
Borrowings	-	-	-	4,046.74	4,046.74	-	-	-	-
Lease Liability	-	-	-	720.61	720.61	-	-	-	-
Creditors for Capital Expenditure	-	-	-	132.23	132.23	-	-	-	-
Interest Accrued but not due on Term	-	-	-	24.84	24.84	-	-	-	-
Customer obligation	-	-	-	1,495.55	1,495.55	-	-	-	-
Trade payables	-	-	-	2,902.51	2,902.51	-	-	-	-
	-	-	-	9,322.48	9,322.48	-	-	-	-

As at March 31, 2025

Particulars	Carrying Amount					Fair Value			
	FVOCI	Mandatorily at FVTPL	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets measured at fair value	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Trade Receivables	-	-	772.58	-	772.58	-	-	-	-
Cash and Cash Equivalents	-	-	1,684.57	-	1,684.57	-	-	-	-
Other Bank Balances	-	-	3,831.66	-	3,831.66	-	-	-	-
Security Deposits	-	-	15.43	-	15.43	-	-	-	-
Interest Accrued on Fixed Deposit	-	-	65.73	-	65.73	-	-	-	-
	-	-	6,369.96	-	6,369.96	-	-	-	-
Financial Liability measured at fair value	-	-	-	-	-	-	-	-	-
Financial Liability not measured at fair value									
Borrowings	-	-	-	4,252.31	4,252.31	-	-	-	-
Lease liability	-	-	-	791.45	791.45	-	-	-	-
Creditors for Capital Expenditure	-	-	-	185.90	185.90	-	-	-	-
Forward contract payable	-	-	-	-	-	-	-	-	-
Interest Payable	-	-	-	12.07	12.07	-	-	-	-
Trade payables	-	-	-	2,993.91	2,993.91	-	-	-	-
	-	-	-	8,235.63	8,235.63	-	-	-	-

Management has assessed that loans, cash and cash equivalents, other bank balances, trade payables, approximate their carrying amounts largely due to the short-term maturities of these instruments.



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Note 32: Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

The sensitivity analysis in the following sections relate to the position as at March 31, 2026 and March 31, 2025

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any interest rate as at reporting date.

ii) Foreign currency risk

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

Sensitivity analysis

A reasonably possible strengthening (weakening) of foreign currencies against INR at the end of the year, would have affected the measurement of financial asset and financial liability denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

March 31, 2026	Profit / (Loss) INR in lakh	
	Strengthening	Weakening
Changes in Currency rate (5% movement)		
Trade payables and other financial liabilities	(111.97)	111.97
Foreign Currency on Hand	1.79	(1.79)
March 31, 2025		
Changes in Currency rate (5% movement)		
Trade payables and other financial liabilities	(102.11)	102.11
Foreign Currency on Hand	0.04	(0.04)

B. Credit risk

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

i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Not due	Less than 6 Months	6 months -1 year	1-2 Yrs	2-3 Yrs	More than 3 Yrs	Total
Trade Receivables as of March 31,	533.26	709.33	-	0.18	-	-	1,242.77
Trade Receivables as of March 31,	579.93	192.27	-	0.38	-	-	772.58

ii) An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The company does not hold collateral as security.

Particulars	As At March 31, 2026	As At March 31, 2025
Opening allowance	74.91	-
Add: Addition in allowances during the year	1,505.81	74.91
Less: Written back during the year	61.22	-
Closing allowance	1,519.50	74.91



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iii Financial instruments and cash

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

C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2026	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	2,800.00	114.73	344.20	787.81	-	4,046.74
Lease Liabilities	-	-	60.70	268.35	391.56	720.61
Trade payables	-	2,902.51	-	-	-	2,902.51
Creditors for Capital Expenditure	-	132.23	-	-	-	132.23
Interest Payable	-	24.84	-	-	-	24.84
Customer Obligation	-	1,495.55	-	-	-	1,495.55
Total	2,800.00	4,669.87	404.90	1,056.16	391.56	9,322.48

As at March 31, 2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	2,546.23	114.73	344.20	1,247.14	-	4,252.30
Lease Liabilities	-	-	52.18	234.77	504.50	791.45
Trade payables	-	2,993.91	-	-	-	2,993.91
Creditors for Capital Expenditure	-	185.90	-	-	-	185.90
Interest Payable	-	12.07	-	-	-	12.07
Total	2,546.23	3,306.61	396.38	1,481.91	504.50	8,235.63



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Notes to Financial Statements for the Year Ended March 31, 2026

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Note 33: Share based payments (ESOP)

a) Under the Employee Stock Option Plan 2023 ("ESOP 2023" or "the Plan"), share options of the holding company i.e. Sterling Tools Limited are granted to a director of the Company. Such Employee Stock Option vested in an Employee under the Plan entitles the holder thereof to apply for and be allotted one equity share of the Company of ₹10 each upon exercise thereof. The share options will be vested over a period of 1-4 years with exercise price of Rs.2 per share. The exercise period commences from the date of vesting in respect of options granted under the Scheme and ends upon the expiry of ten years from the date of each vesting.

b) The expense recognised for employee services received during the year is shown in the following table -

Particulars	As At March 31, 2026	As At March 31, 2025
Expense arising from equity-settled share-based payment transactions	581.93	1,118.88
Total expense arising from share-based payment transactions	581.93	1,118.88

c) Movement during the year

Particulars	For the year ended			
	As At March 31, 2026	As At March 31, 2025		
	(No.)	(No.)		
Outstanding at the beginning of the year	480,324	640,431		
Add: Granted during the year	-	-		
Less: Vested during the year	160,108	160,107		
Less: Expired/ Lapsed/ Exercised during the year	-	-		
Outstanding at the end of the year	320,216	480,324		

d) The details of Employee Stock Option Plan 2023 are as under:-

Scheme	Date of Grant	Number of Options Granted	Vesting Date	Exercise period	Exercise price per share	Weighted Average Exercise price per share
Employee Stock Option Plan 2023 ("ESOP 2023" or "the Plan")	31/01/2024	160,107	31/Jan/25	upto 10 years from date of vesting	2.00	2.00
	31/01/2024	160,108	31/Jan/26	upto 10 years from date of vesting	2.00	2.00
	31/01/2024	160,108	31/Jan/27	upto 10 years from date of vesting	2.00	2.00
	31/01/2024	160,108	31/Jan/28	upto 10 years from date of vesting	2.00	2.00

e) The Fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Particulars	ESOP Scheme 2023- (January 31, 2024)			
	1 year	2 years	3 years	4 years
Grant date fair value	360.8	359.1	357.4	355.6
Risk -Free Interest Rate	7.3%	7.3%	7.3%	7.3%
Expected Life of Options (in years)	6	7	8	9
Expected Volatility	48.7%	48.3%	47.9%	47.6%
Expected Dividend Yield of the Options	0.5%	0.5%	0.5%	0.5%
Share Price (Fair Value of underlying equity shares)	366.1	364.4	362.6	360.9
Exercise Price	2.00	2.00	2.00	2.00
Method Used to Determine Expected Volatility	Expected volatility is estimated using the historical volatility of the Company during the period equivalent to the expected life of the Options from the grant date.			



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Note 34 : Earning Per Share (EPS)

For the year ended
March 31, 2026

For the year ended
March 31, 2025

Basic/ Diluted Earning Per Share

Profit/ (Loss) attributable to Equity Shareholders	(A)	(2,368.30)	1,658.92
Weighted average number of equity shares for Basic EPS (in Nos.)	(B)	284.56	284.56
Basic & Diluted earnings per share(in ₹) (face value ₹ 10 per share)	(A/B)	(8.32)	5.83

Note 35 : Related Party Disclosures

a) Name of the Related Parties and Description of Relationship:

Holding Company	Sterling Tools Limited
Key Managerial Personnel (KMP)	Mr. Atul Aggarwal - Director Mr. Jaideep Wadhwa- Managing Director Mr. Anish Agarwal - Director Mr. Anil Aggarwal- Director - W.e.f 05/08/2024 Mrs. Rashmi Urdhwarshhe- Additional Director - w.e.f 21/10/2024 Mr. Rakesh Batra - Director Miss Neha Yadav - CS
Enterprises controlled or significantly influenced by KMP or their relatives	Sterling Technologies Private Limited Sterling Automobiles Private Limited Sterling Tech-Mobility Ltd

b) Transactions during the year with related party

Name of Related Party	Nature of Transaction	Relationship	For the Year ended March, 2026	For the Year ended March, 2025
Sterling Tools Limited	Business Support Services	Holding Company	56.16	65.34
	Purchase of Material		9.63	33.00
	Sale of Goods		-	9.30
Mr Jaideep Wadhwa *	Expense on employee stock option schemes	KMP	581.93	1,118.88
	Expenses reimbursed		24.32	38.83
	Remuneration		180.00	128.00
Mrs. Rashmi Urdhwarshhe	Director sitting fees	KMP	2.75	1.50
Mr. Rakesh Batra			2.75	3.00
Anish Agarwal	Commission	Enterprises controlled or significantly influenced by KMP or their relatives	100.00	100.00
Sterling Technologies Private Limited	Rent paid		85.59	80.72
Sterling Tech-Mobility Ltd	Services Rendered		13.19	-

* Under the Employee Stock Option Plan 2023 ("ESOP 2023" or "the Plan"), share options of the holding company i.e. Sterling Tools Limited are granted to a director of the Company. Refe Note 33.

c) Corporate Guarantee

The holding company Sterling Tools Limited has provided corporate guarantee to bank on behalf of the company for term loan and Cash Credit limit sanctioned to the Company.

d) Year end balances of related parties

Name of Related Party	As March 31, 2026	At March 31, 2025
Amount Payable		
Sterling Tools Limited	8.99	44.29
Anish Agarwal	45.00	45.00
Jaideep Wadhwa	0.22	1.31

Sub Note:

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances with related parties.

Note 36 : Segment Information

Company is in manufacturing of MCU (Motor Control Unit) and related components used in automobile sector. However, in line with the provision of Ind AS 108- Operating Segments and on the basis of review of prospective operations to done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under dealing in selling of MCU (Motor Control Unit), which is considered to be the only reportable segment.

Only one customer represents 10% or more of the Company's total revenue for the year ended March 31, 2026 and March 31, 2025.



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Notes to Financial Statements for the Year Ended March 31, 2026

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Note 37 : Unhedged Foreign Currency Exposure

a) Foreign currency exposure not hedged by derivative instruments or otherwise:-

Particulars	March 31, 2026		March 31, 2025	
	Foreign Currency amt in lakh	₹ Amount in lakh	Foreign Currency amt in lakh	₹ Amount in lakh
Foreign currency exposure not hedged (Buy)				
Amount Payable				
CNY	164.57	2,239.37	173.76	2,042.18
USD	0.22	20.74	-	-
Particulars	March 31, 2026		March 31, 2025	
Foreign currency exposure not hedged (Sell)	Foreign Currency amt in lakh	₹ Amount in lakh	Foreign Currency amt in lakh	₹ Amount in lakh
Amount Receivables				
GBP	0.47	58.03	0.22	24.64
Forex in Hand				
CNY	0.13	1.77	0.01	0.11
USD	-	-	0.01	0.57
GBP	-	-	-	-
HKD	0.00	0.02	0.00	0.05
VND	11.40	0.04	-	-

Note 38 : Ratios

Particulars	Base	March 31, 2026	March 31, 2025	% change	Explanation for change by more than 25%
(a) Current Ratio	Current Assets/Current Liability	1.08	1.65	-34%	Decrease in Bank Balances
(b) Debt-Equity Ratio (Net Debt/Total Equity)	Net Debt/ Shareholders' Equity	0.70	0.56	24%	Due to losses decrease in shareholder fund
(c) Debt Service Coverage Ratio	Earnings available for debt service / Debt Service	(2.03)	3.99	151%	Due to losses decrease in shareholder fund
(d) Return on Equity Ratio	Net Profit after tax/ Average Net Worth	(0.35)	0.27	231%	Due to increase in average net worth.
(e) Inventory turnover ratio	Cost of Goods Sold/ Average Inventory	1.34	5.47	-76%	Decrease in Consumption
(f) Trade Receivables turnover ratio	Net Credit Sale/ Average Accounts receivable	6.31	22.37	-72%	Increase in provision for expected credit loss
(g) Trade payables turnover ratio	Net Credit Purchase / Average Trade Payables	2.29	7.93	-71%	Decrease in Purchase
(h) Net capital turnover ratio	Net Sales/ Average Working Capital	3.90	8.51	54%	Due to decrease in Revenue
(i) Net profit ratio	Profit after tax/Total revenue from operations	(0.21)	0.04	592%	Due to decrease in Revenue and losses during the year
(j) Return on Capital employed	Earnings before interest & tax/Capital employed	(0.24)	0.20	221%	Comparative increase in borrowing as compared to EBIT
(k) Return on investment	Return on Investment/Cost of Investment	NA	NA		N/A

Note 39 : CSR Expenditure

The Company has spent ₹ 34.00 lakh (March 31, 2025 : ₹ 16.74 lakh) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are as follows:

a) Gross amount required to be spent by the Company during the year

b) Amount spent during the year

- i) Construction/acquisitions of any asset
ii) For purposes other than (i) above

- (iii) Shortfall/(Excess) at the end of the year
(iv) Total of previous years shortfall/(Excess)
(v) Shortfall adjusted against previous year excess spent
(vi) Total of excess spent carried forward

The Company does not have any ongoing projects as at March 31, 2026 and March 31, 2025.

	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Gross amount required to be spent by the Company during the year	34.00	16.74
b) Amount spent during the year	-	-
i) Construction/acquisitions of any asset	34.00	16.74
ii) For purposes other than (i) above	34.00	16.74
(iii) Shortfall/(Excess) at the end of the year	-	-
(iv) Total of previous years shortfall/(Excess)	-	-
(v) Shortfall adjusted against previous year excess spent	-	-
(vi) Total of excess spent carried forward	-	-



Sterling E-Mobility Solutions Limited

(Formerly as Sterling Gtate E-mobility Limited)

Notes to Financial Statements for the Year Ended March 31, 2026

(All amounts ₹ in lakh, except otherwise specified)

Note 40: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires the existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of the international and specified domestic transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required by law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note 41 : No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 42 : Exceptional Items

Pursuant to the notification by the Government of India on November 21, 2025 of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the "Labour Codes"), which consolidate 29 existing labour laws, and based on the draft Central Rules and FAQs issued by the Ministry of Labour & Employment, the Company has assessed the financial implications arising from the restructured employee compensation framework. Considering the material and non-recurring nature of the incremental impact attributable to the implementation of the Labour Codes, draft rules and related clarifications, the Company has recognised such amount under "Exceptional Items" as "Statutory impact of new Labour Codes" in the Statement of Profit and Loss for the year ended March 31, 2026. The Company continues to evaluate the impact of the finalisation of applicable Central and State Rules and any further governmental clarifications, and will account for consequential effects, on the basis of such developments as needed.

Note 43: Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

Note 44: The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

Note 45: Sanction working capital Limits

The Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

Trade Recivables, Stock and Creditors (Net off)	Amount as per Quarterly Statement	Amount as per Financials	Variance	Remarks
Jun-25	6,093.77	6,123.60	29.83	The variations between the quarterly statements submitted to banks and balances as per books of account are mainly attributable to timing differences, including cut-off of purchases/sales and goods in transit, adjustments (including credit/debit notes) along with certain estimations used for alignment with bank-specific reporting formats.
Sep-25	5,868.39	5,826.09	(42.30)	
Dec-25	6,156.43	5,181.57	(974.86)	
Mar-26	5,465.03	5,076.65	(388.38)	

Note 46: Other Statutory Information

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction pending with Registrar of Companies.
- (d) Relating to borrowed funds:
 - i) Wilful defaulter
 - ii) Utilisation of borrowed funds & share premium
 - iii) Borrowings obtained on the basis of security of current assets
 - iv) Discrepancy in utilisation of borrowings
- (e) Any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).



For and on behalf of the Board of Directors of
Sterling E-Mobility Solutions Limited

Anish Agarwal
(Anish Agarwal)

Director

DIN No 7056465

Place of Signature:

Dated: 05.05.2026

(Jaideep Wadhwa)
Managing Director

DIN No 00410019

Place of Signature:

Dated: 05.05.2026

(Neha Yadav)

Company Secretary

ICSI Membership No. A73416

Place of Signature:

Dated: 05.05.2026

Place of Signature: New Delhi

Dated: 05.05.2026