



INNOMET

INTEGRATING FOR ROBUST BUSINESS.

Securing materials.
Strengthening knowledge and capabilities.
Enabling growth .



**Annual
report -
2025-26**



Annual Report 2026 – Innomet Advanced Materials Limited

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ABOUT US

Innomet Advanced Materials Limited (Innomet/Company) is a specialty powder metallurgy company with a heritage spanning more than four decades and expertise built over more than two decades in metal powders and advanced materials. The Company has evolved from a general engineering enterprise into a technology-driven manufacturer of specialty metal and alloy powders and Tungsten Heavy Alloys (THA). Today, Innomet serves customers across India and international markets, with a focus on engineered materials and customised solutions for applications where material performance, consistency and technical specifications are critical.

Powder metallurgy is at the core of Innomet's capabilities. The Company's approach combines materials expertise, process know-how and application-oriented product development to address specialised requirements across a range of industrial and high-performance applications.

Innomet Powders

Through its **Innomet Powders** division, the Company manufactures ferrous and non-ferrous metal and alloy powders using water and air atomisation technologies. Its portfolio includes copper, bronze, brass, nickel, tin, stainless steel and other alloy powders, with capabilities extending to customised grades containing combinations of iron, copper, nickel, tin, zinc, cobalt and other metals.

The Company has deliberately focused on specialty and customised powders, including products that support import substitution in India. Its powders are used across diverse applications including powder metallurgy components, diamond tools, welding and brazing, catalysts, surface coatings and other industrial applications. The Company works closely with customers on product development and qualification, enabling it to address specific material and performance requirements rather than competing primarily in commoditised powder segments.

Innomet is also expanding its capabilities in higher-value gas-atomised powders, opening opportunities in advanced applications including additive manufacturing, specialised coatings and aerospace-related materials.

Innotung – Tungsten Heavy Alloys

Innotung, the Company's THA business, represents its downstream value-added capability in tungsten-based materials. Innomet manufactures high-density tungsten heavy alloy products through powder metallurgy and high-temperature sintering, offering products in forms such as bars, plates, cubes, spheres and engineered components, including products manufactured to customer specifications.

THA products find applications across **defence, aerospace, radiation shielding, engineering and sporting applications**, where high density, strength and dimensional stability are important. The Company has developed capabilities across material grades and component geometries and has built relationships with customers and institutions in defence, aerospace and radiation-shielding applications.

The Company's THA business represents a specialised segment with significant technical and qualification requirements, creating meaningful barriers to entry. Its growing engagement with international markets also provides opportunities to leverage its capabilities beyond the domestic market.

Technology, Innovation and Growth

Innovation and customer-led product development have remained central to Innomet's evolution. The Company works with experienced scientists, technical experts and research organisations and undertakes in-house development to address emerging customer requirements. Its quality systems are supported by **ISO 9001:2015 certification**, while its aerospace capabilities have been strengthened through **AS 9100D certification**.

Innomet is progressively broadening its capabilities across the powder metallurgy value chain. The acquisition of a majority stake in **Swastik Tungsten Private Limited** in February 2026 provides a pathway towards greater integration in tungsten metal powder and creates a platform for downstream tungsten carbide and related products. At the same time, investments in advanced powder-making capabilities and international market development are expanding the Company's addressable opportunity.

With its combination of specialty powder manufacturing, tungsten heavy alloys, application-oriented R&D and growing international presence, Innomet is positioned to participate in the increasing adoption of advanced materials across defence, aerospace, engineering, additive manufacturing and other technology-intensive industries.

CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

DEAR SHAREHOLDERS,

It is my privilege to welcome you to the Annual General Meeting of Innomet Advanced Materials Limited. On behalf of the Board of Directors, I thank each of you for being with us today and for the confidence and trust you have placed in our Company.

FY26: A Year of Strong Growth

FY26 was a significant year in Innomet's journey. Following our successful listing on the NSE SME Platform in FY 2024-25, we continued to strengthen our capabilities, expand our customer base and position the Company for its next phase of growth.

We operate in a specialised segment of advanced materials, where technology, quality, precision and execution are critical. Over the years, we have invested in developing these capabilities, building customer relationships and obtaining certifications required to serve demanding applications. These investments are now translating into business opportunities and orders.

During FY26, the Company delivered strong growth, with Revenue from Operations increasing by 66% year-on-year to Rs 53.86 crore, while exports tripled during the year. This growth reflects the increasing acceptance of our products across domestic and international markets and marks an important inflection point in our journey. Profit After Tax stood at Rs 1.57 crore in FY26, compared with Rs 1.87 crore in the previous year, reflecting the impact of higher raw material costs and other expenses during the year.

Strengthening the Tungsten Value Chain

The year also saw important developments in our Tungsten Heavy Alloy business. Global supply-chain disruptions and geopolitical developments led to a sharp increase in tungsten prices and highlighted the importance of securing reliable sources of critical raw materials. In response, we proposed to acquire Swastik Tungsten Private Limited in February 2026.

This acquisition is strategically important for Innomet. It provides a path towards backward integration in tungsten metal powders and strengthens raw material security for our Tungsten Heavy Alloy division. It also creates an opportunity to build a complementary business around tungsten metal powders, tungsten carbide powders, ready-to-press powders and, over time, value-added tungsten carbide components.

We believe this will enable us to participate more meaningfully across the tungsten value chain—from powders to higher-value-added products—while reducing dependence on external sources for critical raw materials. The integration and ramp-up of these capabilities will remain an important focus in the coming years.

Building Capabilities for Aerospace & Defence

Another important milestone was the grant of **AS 9100D certification** for our Tungsten Heavy Alloy division. Aerospace and defence customers operate with stringent requirements for quality, traceability and process control. This certification strengthens our credentials and enhances our ability to engage with global aerospace and defence customers and OEMs, representing an important step towards becoming a trusted supplier for high-specification applications.

We also strengthened our engagement with industry and international markets through specialised exhibitions and industry platforms covering powder metallurgy, advanced materials, additive manufacturing, aerospace and defence. These initiatives have enhanced Innomet's visibility and deepened relationships with customers, partners and OEMs.

Advancing Indigenous Metal Powder Capabilities

We are investing in capabilities for the next generation of advanced materials. Our collaboration with IIT Hyderabad, under a DRDO-supported project, involves the development of a **100 kg gas atomiser** for manufacturing high-purity metal powders for aerospace, defence and additive manufacturing applications. The project has a sanctioned outlay of approximately Rs.8.73 crore and is funded by DRDO.

Importantly, this initiative supports India's drive towards greater self-reliance in critical advanced materials and will establish **India's largest indigenous clean metal and alloy powder manufacturing unit**. This capability will strengthen our technological base and support entry into higher-value applications where purity, consistency and precision are critical.

Strong Momentum into FY27

Momentum has continued beyond the close of FY26. Subsequent to the end of the financial year, the Company has built an order book of over Rs. 45 crore, with strong traction across our Metal Powder and Tungsten Heavy Alloy businesses. We have also received significant export orders, including orders from Scope Metals in Israel. These developments provide encouraging visibility for FY27 and demonstrate the growing relevance of our capabilities in international markets.

The continued traction in the Tungsten Heavy Alloy business is particularly encouraging. With global tungsten supply facing significant constraints, the importance of reliable and technically capable suppliers has increased. Our customer relationships, export opportunities and AS 9100D certification position us well to participate in this evolving market, while the Swastik acquisition provides an opportunity to strengthen our position across the tungsten value chain.

We remain conscious of significant volatility in tungsten and other metal prices. We therefore continue to focus on supply-chain strength, product mix, value addition and disciplined execution.

Priorities for the Road Ahead

Our priorities for the coming years are clear.

First, we will strengthen our manufacturing and technological capabilities, including gas atomisation, to address increasingly sophisticated applications.

Second, we will integrate Swastik Tungsten to establish operational captive raw material capabilities while accelerating our move into high-value tungsten carbide products.

Third, we will deepen relationships with domestic and international customers and expand our presence in aerospace, defence, additive manufacturing and other high-growth sectors.

Fourth, we will pursue strategic partnerships, technology collaborations and inorganic opportunities where they complement our capabilities and create sustainable value.

Finally, we will remain focused on operational discipline, quality and responsible capital allocation as we scale the business.

With current capacity expansion and demand visibility, our key milestone is to scale annual revenue to **Rs.100 crore**. Over the longer term, we aspire to build Innomet into a significantly larger advanced materials company, with a presence across high-growth strategic and defence materials and deeper participation in global supply chains.

Post year-end, we further strengthened our strategic capabilities with the appointment of **Shri P. Radha Krishna as Strategic Advisor**, bringing valuable experience and perspective to our growing defence-focused initiatives. He retired as Director (Production), with Additional Charge as Chairman & Managing Director of Bharat Dynamics Limited (BDL), after over 30 years of experience spanning defence production, indigenisation, quality systems and defence exports. His experience will support our growing opportunities in the defence and aerospace sectors.

As we pursue these ambitions, we remain mindful that sustainable growth must be built on governance, transparency, quality and ethical conduct. As a listed company, we remain committed to high standards of corporate governance and regulatory compliance and to communicating openly and responsibly with our stakeholders.

I sincerely thank our shareholders for their continued trust and support. I also thank our customers, employees, business partners and fellow Directors for their confidence, dedication, support and guidance.

The journey ahead presents significant opportunities, but also requires patience, discipline and consistent execution. We believe Innomet is well positioned to participate in the emerging opportunities in advanced materials, aerospace, defence and strategic manufacturing. The progress made during FY26 and the momentum in FY27 give us confidence in the road ahead.

We remain committed to building a strong, globally competitive advanced materials company and creating sustainable and enduring value for all our shareholders.

Thank you once again for your continued trust and support.



Vinay Choudary Chilakapati
Chairman & Managing Director

CORPORATE INFORMATION

Name of the Entity:

Innomet Advanced Materials Limited

ISIN

INE0S1D01010

Registered Office

B-31, Bhel Ancillary Industrial Estate
Ramachandrapuram, Medak, Hyderabad, Telangana,
India, 502032.

Website: www.innomet.net

Tel: +91 04023021726

Mobile: +91 7036869869

Fax: +91 40 2302 4647;

Mail: cs@innomet.net;

Registrar And Share Transfer Agent

Skyline Financial Services Private limited

Add.: A/506, Dattani Plaza, Andheri Kurla Road, Safeed
Pool, Andheri East, Mumbai – 400 072, Maharashtra,
India

Website: www.skylinerta.com

Statutory Auditor

M/s. C N D & Associates,

Chartered Accountants

FRN: 030019N

Membership No.: 519740 (Rohit Dhingra)

Secretarial Auditor (For the FY 2025-26)

Mr. M Ramana Reddy

Practising Company Secretary

M.No.37864

CP No.18415

Internal Auditors (for the FY 2025-26)

M/s. Hemant K Company, Chartered Accountants

FRN: 041911N

Secretarial Auditor (For the FY 2026-27)

PS Rao and Associates

Practising Company Secretaries

Internal Auditors (for the FY 2026-27)

VDP and Co.,

Chartered Accountants

FRN:024607S

CIN No.

L27101TG2019PLC132262

Listing Status

Listed on NSE Emerge – SME Platform

BOARD OF DIRECTORS & KMP

Mr. Vinay Choudary Chilakapati	Chairman & Managing Director (KMP)
Mrs. Saritha Devi Chilakapati	Whole-time director and CFO (KMP)
Mrs. Lakshmi Kanthamma Chilakapati	Non-executive Non-independent Director
Ms. Sanjna Chowdary Chilakapati	Additional Director (Non-executive Non-independent) (from February 11, 2026)
Mr. Bhanu Sankara Rao Kota	Non-Executive Independent Director
Mr. Myneni Narayana Rao	Non-Executive Independent Director (till January 29, 2026)
Mr. Venkata Bhaskara Rao Chadavada	Non-Executive Independent Director
Mr. Sai Kiran Chakravadhanula	Additional Director (Non-Executive Independent) (from May 23, 2026)
Company Secretary & Compliance Officer	
Ms. Aanchal Sethia	Company Secretary & Compliance Officer (KMP) (till June 01, 2026)

AUDIT COMMITTEE

Mr. Venkata Bhaskara Rao Chadavada	Chairman
Mr. Bhanu Sankara Rao Kota	Member
Mr. Vinay Choudary Chilakapati	Member
Mr. Myneni Narayana Rao	Member (till January 29, 2026)

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Mr. Venkata Bhaskara Rao Chadavada	Chairman
Mr. Vinay Choudary Chilakapati	Member
Mr. Myneni Narayana Rao	Member (till January 29, 2026)
Ms. Sanjna Chowdary Chilakapati	Member (from February 11, 2026)

NOMINATION & REMUNERATION COMMITTEE

Mr. Venkata Bhaskara Rao Chadavada	Chairman
Mr. Bhanu Sankara Rao Kota	Member
Mr. Myneni Narayana Rao	Member (till January 29, 2026)
Ms. Sanjna Chowdary Chilakapati	Member (Non-Executive Non-Independent Director) (from February 11, 2026)

DIRECTOR'S REPORT

Dear Members,

Innomet Advanced Materials Limited

The Board of Directors is pleased to present the 7th (Seventh) Board's Report of your Company, together with the Audited Financial Statements for the financial year ended March 31, 2026 (FY 2025-26).

1. FINANCIAL SUMMARY

The Company's financial performance for the financial year ended March 31, 2026:

Particulars	(Rupees in Lakhs)	
	For the Year ended March 31	
	2026	2025
Revenue from Operations	5,386.41	3,252.48
Other income	31.91	38.61
Total Income	5,418.32	3,291.10
Operating expenditure	4,825.73	2,746.40
Depreciation and amortization expense	266.82	183.63
Total expenses	5,177.77	3,030.34
Profit Before Finance Costs and Tax	325.77	361.06
Finance costs	85.22	100.31
Profit before tax	240.55	260.75
Tax expense	83.28	74.22
Profit for the year	157.27	186.53

2. STATE OF AFFAIRS

During the FY 2025-26, the Company continued its operations as a listed entity on the NSE Emerge platform of the National Stock Exchange of India Limited ("NSE"), following its listing during the previous financial year.

During FY 2025 26, the Company recorded Revenue from Operations of Rs.5,386.41 lakhs, as compared to Rs. 3,252.48 lakhs in FY 2024 25, reflecting a robust growth in topline.

The Profit Before Tax (PBT) stood at Rs. 240.55 lakhs as against Rs.260.75 lakhs in the previous year, while the Profit After Tax (PAT) amounted to Rs.157.27 lakhs compared to Rs.186.53 lakhs in FY 2024 25.

The Company continued to focus on strengthening its business operations, enhancing its market presence and pursuing its growth objectives while maintaining appropriate standards of corporate governance and regulatory compliance.

3. RESERVES & SURPLUS/APPROPRIATIONS

During the FY 2025-26, the Board of Directors has not proposed to transfer any amount out of the profits of the Company to any specific reserve. The profit for the year has accordingly been retained in the retained earnings of the Company in accordance with the applicable accounting principles.

4. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the FY 2025-26

5. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FY 2025-26 AND THE DATE OF THIS BOARD'S REPORT.

During the period from April 1, 2026 to the date of this Report, except for the preferential issue(s) by way of allotment of further equity shares and equity share warrants and the proposed acquisition of 57.5% stake in Swastik Tungsten Private Limited, which is currently in progress, there have been no other material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year 2025-26 and the date of this Report.

The proposed acquisition of 57.5% stake in Swastik Tungsten Private Limited is strategically aligned with the Company's business objectives, particularly for strengthening and securing the supply of tungsten metal powder and allied materials for the Company's operations. Upon completion of the proposed acquisition, Swastik Tungsten Private Limited will become a subsidiary of the Company.

6. DIVIDEND

The Board of Directors has not recommended any final dividend for the FY 2025-26. Further, no interim dividend was declared or no dividend was paid during the FY 2025-26.

The Dividend Distribution Policy of the Company, adopted in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), is available on the Company's website at: <https://www.innomet.net/wp-content/uploads/2026/01/Dividend-Distribution-Policy.pdf>

7. SHARE CAPITAL OF THE COMPANY

A. AUTHORIZED SHARE CAPITAL

The authorised share capital of the Company remained unchanged during the FY 2025-26, at Rs.14,00,00,000 (Rupees Fourteen Crores Only) comprising 1,40,00,000 (One Crore Forty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each.

The Company proposes to increase the authorised share capital of the Company from Rs.14,00,00,000 (Rupees Fourteen Crores only) to Rs.16,00,00,000 (Rupees Sixteen Crores only) comprising 1,60,00,000 (One Crore Sixty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each, by creation of an additional 20,00,000 (Twenty Lakhs) Equity Shares of Rs. 10/- each, subject to the approval of the Members at the ensuing Annual General Meeting ("AGM").

B. ISSUED, SUBSCRIBED AND PAIDUP SHARE CAPITAL

The issued, subscribed and paid-up share capital of the Company as at March 31, 2026 stood at Rs. 12,94,01,380/- (Rupees Twelve Crores Ninety-Four Lakhs One Thousand Three Hundred and Eighty Only), comprising 1,29,40,138 (One Crore Twenty-Nine Lakhs Forty Thousand One Hundred and Thirty-Eight) Equity Shares of Rs. 10/- (Rupees Ten only) each. There was no change in the issued, subscribed and paid-up share capital of the Company during the FY 2025-26.

Subsequent to the closure of the FY 2025-26, the Company undertook a preferential issue of 4,50,000 (Four Lakh Fifty Thousand) Equity Shares and 5,00,000 (Five Lakh) Equity Share Warrants in accordance with the provisions of the Companies Act, 2013 ("the Act") SEBI Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and other applicable Listing Regulations. The Board of Directors, at its meeting held on July 06, 2026, approved the proposal for the preferential issue, which was subsequently approved by the Members of the Company at the Extraordinary General Meeting held on August 05, 2026. The Company also received in-principle approval from the National Stock Exchange of India Limited Reference No. NSE/LIST/56303 dated 13 August 2026.

Pursuant to the aforesaid approvals, the Board of Directors, at its meeting held on August 18, 2026, allotted 4,50,000 (Four Lakh Fifty Thousand) fully paid-up Equity Shares of Rs. 10/- each at an issue price of Rs. 131/- (Rupees One Hundred Thirty-One only) per Equity Share, including a securities premium of Rs. 121/- (Rupees One Hundred Twenty-One only) per Equity Share, on a preferential basis to non-promoter allottees. The aggregate subscription consideration of Rs. 5,89,50,000/- (Rupees Five Crores Eight Nine Lakhs Fifty Thousand only) was received by the Company towards the aforesaid Equity Shares.

Accordingly, consequent upon the allotment of 4,50,000 (Four Lakh Fifty Thousand) Equity Shares on August 18, 2026, the issued, subscribed and paid-up share capital of the Company, as on the date of this Report, stands at Rs. 13,39,01,380/- (Rupees Thirteen Crores Thirty-Nine Lakhs One Thousand Three Hundred and Eighty only), comprising 1,33,90,138 (One Crore Thirty-Three Lakhs Ninety Thousand One Hundred and Thirty-Eight) Equity Shares of Rs. 10/- each.

Further, on August 18, 2026, the Company allotted 5,00,000 (Five Lakh) Equity Share Warrants at an issue price of Rs. 131/- (Rupees One Hundred Thirty One Only) per warrant on a preferential basis to promoter allottees. The Company received 25% of the issue price of the warrants, amounting to Rs. 1,63,75,000/- (Rupees One Crore Sixty Three Lakhs Seventy Five Thousand only), from the warrant holders at the time of allotment. The balance 75% of the issue price, amounting to Rs. 4,91,25,000/- (Rupees Four Crores Ninety-One Lakhs Twenty-Five Thousand only), shall be payable upon exercise of the warrants. Each warrant is convertible/exercisable into one equity share of the Company at the option of the respective warrant holder within a period of Eighteen (18) months from the date of allotment, subject to the terms of the issue and applicable laws.

The 5,00,000 (Five Lakh) Equity Share Warrants allotted on August 18, 2026 do not form part of the issued, subscribed and paid-up share capital of the Company as on the date of this report, as the same are convertible into Equity Shares upon exercise by the respective warrant holders and payment of the balance consideration, in accordance with the terms of the issue and applicable laws.

Subject to the approval of the shareholders in the ensuing AGM and subject to other approvals, the Board of Directors in its meeting held on August 24, 2026 considered and approved:

- a) the issue and allotment of 11,92,200 (Eleven Lakh Ninety Two Thousand Two Hundred) Equity Share Warrants at a price of Rs. 210/- (Rupees Two Hundred Ten Only) per warrant, determined in accordance with the applicable provisions of the SEBI ICDR Regulations, 2018, which includes a premium of Rs.200/- (Rupees Two Hundred Only) per warrant. Each warrant is convertible/exercisable into one equity share of the Company
- b) The Innomet Advanced Materials Limited Employee Stock Option Scheme – 2026, providing for the issue of up to 2,60,000 (Two Lakh Sixty Thousand) options to eligible employees of the Company and its future subsidiary(ies), to be implemented through an irrevocable trust to be incorporated by the Company in accordance with provisions of the Act and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

During the FY 2025-26:

- The Company has not bought back any of its securities. Accordingly, the provisions of Section 68 of the Act are not applicable.
- The Company has not issued any sweat equity shares. Hence, the provisions of Section 54 of the Act are not applicable.
- The Company has not granted any stock options to its employees. Accordingly, the provisions of Section 62(1)(b) of the Act are not applicable.
- The Company has not issued any bonus shares. Hence, the provisions of Section 63 of the Act are not applicable.

8. INITIAL PUBLIC OFFER (“IPO”) AND LISTING OF EQUITY SHARES

The Company had raised an amount of Rs. 3,423.60 lakhs through its Initial Public Offer (“IPO”) of Equity Shares pursuant to the Prospectus dated September 02, 2024. The Equity Shares of the Company are listed on the SME Platform (NSE Emerge) of the National Stock Exchange of India Limited.

As at March 31, 2026, no portion of the IPO proceeds remained unutilised in the Escrow Account maintained by the Company for the purposes specified in the Prospectus.

During the FY 2025-26 the Company utilised the unutilised IPO proceeds in accordance with the objects specified in the Prospectus. The details of the utilisation of the IPO proceeds are as follows:

Sl No	Particulars	Amount (Rs. in Lakhs)
1	Total amount raised through IPO	3,423.60
2	Amount utilised during FY 2024-25	3,057.05
3	Amount unutilised as at March 31, 2025	366.55
4	Balance amount unutilised as at March 31, 2026	Nil
5	Amount utilised post closure of FY 2025-26	Not Applicable

The IPO proceeds have been utilized for the objects specified in the Prospectus. There has been no material deviation or variation in the utilization of the IPO proceeds from the stated objects during FY 2025 26. The Company has complied with the applicable provisions of the Act, the SEBI ICDR Regulations, and other applicable laws and regulations relating to the utilisation of the IPO proceeds.

9. CHANGE IN NAME OF THE COMPANY

There was no change in the name of the Company during the FY 2025-26.

10. CHANGE IN REGISTERED OFFICE

There was no change in the registered office of the Company during the FY 2025-26.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2026, the Board of Directors of the Company comprised Six (6) Directors, consisting of:

- Two (2) Executive Directors
- Two (2) Non-Executive Non Independent Directors
- Two (2) Non Executive Independent Directors

The composition of the Board is in conformity with the provisions of the Act.

Changes during FY 2025 26:

- Mr. Myneni Narayana Rao, Non-Executive Independent Director, resigned with effect from January 29, 2026.
- Ms. Sanjna Chowdary Chilakapati was appointed as an Additional Director (Non Executive Non Independent) with effect from February 11, 2026, and will hold the office till the AGM.

Except as stated above, there were no other changes in the composition of the Board of Directors or Key Managerial Personnel during FY 2025 26.

Changes subsequent to FY 2025 26:

- Mr. Sai Kiran Chakravadhanula was appointed as an Additional Director-Non-Executive Independent Director with effect from May 23, 2026.
- Ms. Aanchal Sethia, Company Secretary and Compliance Officer of the Company, resigned from the position with effect from June 1, 2026, subsequent to the end of the FY 2025-26.

The Company has listed its specified securities on the SME Exchange and, accordingly, the corporate governance provisions specified under Regulation 17 and other provisions covered by Regulation 15(2)(b) of the SEBI LODR Regulations are not applicable to the Company.

The Directors and Key Managerial Personnel who held office during the FY 2025-26 and the changes thereafter up to the date of this Report are set out below:

Sr. No.	Name of Directors/KMPs	Designation /KMP Status	Nature of Directorship/postion
1	Mr.Vinay Choudary Chilakapati	Chairman & Managing Director (KMP)	Executive
2	Mrs.Saritha Devi Chilakapati	Whole-time Director and CFO (KMP)	Executive
3	Mrs.Lakshmi Kanthamma Chilakapati	Director	Non-executive Non-independent
4	Ms. Sanjna Chowdary Chilakapati	Additional Director	Non-executive Non-independent (from February 11, 2026)
5	Mr. Bhanu Sankara Rao Kota	Independent Director	Non- Executive
6	Mr. Venkata Bhaskara Rao Chadalavada	Independent Director	Non- Executive`
7	Mr.Myneni Narayana Rao	Independent Director	Non- Executive (till January 29, 2026)
8	Mr.Sai Kiran Chakravadhanula	Independent Director	Non- Executive (from May 23, 2026)
9	Ms. Aanchal Sethia	Company Secretary	Company Secretary & Compliance Officer (till June 01, 2026)

12. DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 134(3)(d) read with Section 149(6) and 149(7) of the Act, the Company has received the requisite declarations from each of the Independent Directors confirming that they meet the criteria of independence specified under Section 149(6) of the Act and that they are not aware of any circumstance or situation which exists or may reasonably be anticipated to impair or impact their ability to discharge their duties with an objective and independent judgment. The Independent Directors have also confirmed that they have complied with the applicable provisions of Schedule IV to the Act, including the Code for Independent Directors, and have made the requisite disclosures to the Company in accordance with the applicable provisions of the Act.

The Board of Directors is of the opinion that the Independent Directors of the Company fulfil the conditions of independence specified under the Act and the rules made thereunder and are independent of the management. The Board is further of the opinion that the Independent Directors possess the requisite integrity, expertise, experience and proficiency required for the effective discharge of their duties and responsibilities.

13. DISCLOSURE ON DIRECTORS' DISQUALIFICATION

Pursuant to Section 134(3)(f) of the Act, it is hereby confirmed that none of the Directors of the Company are disqualified under Section 164(2) of the Act as on March 31, 2026. The Board further affirms that all Directors continue to comply with the limits on directorships prescribed under Section 165 of the Act,.

14. DETAILS OF MEETINGS OF BOARD OF DIRECTORS AND ITS COMMITTEE(S)

A. BOARD OF DIRECTORS

During the FY 2025-26, 12 (Twelve) meetings of the Board of Directors were held and the details of number of Directors attended are as follows:

Sr. No.	Date of Meeting	Number of Directors Present
1	April 05, 2025	6
2	April 17, 2025	6
3	April 29, 2025	6
4	May 29, 2025	6
5	June 26, 2025	6
6	August 12, 2025	6
7	August 28, 2025	6
8	October 07, 2025	6
9	October 24, 2025	6
10	November 14, 2025	6
11	February 11, 2026	3
12	February 13, 2026	6

Attendance of Board of Directors

Name of Director	No. of Meetings Entitled to Attend for the FY 2025-26	No. of Meetings Attended
Mr. Vinay Choudary Chilakapati	12	12
Mrs. Saritha Devi Chilakapati	12	12
Mrs. Lakshmi Kanthamma Chilakapati	12	11
Ms. Sanjna Chowdary Chilakapati	1	1
Mr. Bhanu Sankara Rao Kota	12	11
Mr. Venkata Bhaskara Rao Chadavada	12	12
Mr. Myneni Narayana Rao	10	10
Mr. Sai Kiran Chakravadhanula	—	—

Notes:

a) Mr. Myneni Narayana Rao was entitled to attend 10 (Ten) Board Meetings held during the period prior to his cessation and attended all of them.

b) Ms. Sanjna Chowdary was entitled to attend 1 (One) Board Meeting held after her appointment

Mr. Sai Kiran Chakravadhanula was appointed w.e.f 23 May 2026 and was not entitled to attend Board Meetings held during the FY 2025-26.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Company has constituted an Audit Committee in accordance with the applicable provisions of Section 177 of the Act and the rules made thereunder. The Company, being listed on the SME Exchange, is exempt from Regulation 18 of the SEBI LODR Regulations pursuant to Regulation 15(2)(b) of the said Regulations.

Accordingly, the Audit Committee of the Company is constituted in accordance with the applicable provisions of the Act and the rules made thereunder and Listing Regulations. The Audit Committee assists the Board in discharging its responsibilities relating to financial reporting, internal financial controls, audit processes and such other matters as may be prescribed under applicable laws or entrusted to it by the Board. During the FY 2025-26, there were no instances where the Board of Directors did not accept any recommendation of the Audit Committee. The Committee continues to function in accordance with its terms of reference as specified under the Act and SEBI LODR Regulations (to the extent applicable).

The composition of the Audit Committee is as follows:

SI No.	Name of Member	Nature of Directorship	Status in Committee
1	Mr.Venkata Bhaskara Rao Chadalavada	Non-Executive Independent Director	Chairman
2	Mr.Bhanu Sankara Rao Kota	Non-Executive Independent Director	Member
3	Mr.Vinay Choudary Chilakapati	Managing Director	Member
4	Mr. Myneni Narayana Rao (till January 29,2026)	Non-Executive Independent Director	Member

Notes:

- a) Mr.Myneni Narayana Rao ceased to be a member of the Audit Committee consequent upon his resignation as an Independent Director with effect from 29 January, 2026.
b) Mr. Sai Kiran Chakravadhanula was appointed as a member of the Audit Committee with effect from 23 May, 2026.

Meetings of the Audit Committee

During the FY 2025-26, the Audit Committee met 6 (Six) times. The meetings were duly convened in accordance with the applicable provisions of the Act and the rules made thereunder. The Committee considered and deliberated upon various matters within its scope, including financial reporting, internal financial controls, audit-related matters and other matters placed before it by the Board and the management.

The requisite quorum was present at all the meetings and the members actively participated in the deliberations. The proceedings of the Audit Committee meetings were duly recorded and placed before the Board for its consideration and noting, as applicable. During the FY 2025-26, 6 (Six) meetings of the Audit Committee were held and the details of number of Directors attended are as follows

SI No	Date of Audit Committee Meeting	Number of Committee Members Present
1	May 29, 2025	4
2	June 26, 2025	4
3	August 12, 2025	4
4	November 14, 2025	4
5	February 11, 2026	3
6	February 13, 2026	3

Attendance of Audit Committee Members

Sr. No.	Name of Committee Member	No. of Meetings Entitled to Attend for the FY 2025-26	No. of Meetings Attended
1	Mr.Venkata Bhaskara Rao Chadalavada	6	6
2	Mr.Bhanu Sankara Rao Kota	6	6
3	Mr.Vinay Choudary Chilakapati	6	6
4	Mr.Myneni Narayana Rao (till January 29, 2026)	4	4

Mr. Myneni Narayana Rao was entitled to attend four (4) Audit Committee meetings held during the period prior to his cessation and attended all of them. He did not attend the meetings held on February 11, 2026 and February 13, 2026, and ceased to be a member consequent upon his resignation as an Independent Director with effect from January 29, 2026

B. NOMINATION & REMUNERATION COMMITTEE

The Company has constituted the Nomination and Remuneration Committee in accordance with the applicable provisions of Section 178 of the Act and the rules made thereunder. The Company, being listed on the SME Exchange, is exempt from Regulation 19 of the SEBI LODR Regulations pursuant to Regulation 15(2)(b) of the said Regulations. Accordingly, the Nomination and Remuneration Committee functions in accordance with the applicable provisions of the Act, and the rules made thereunder and SEBI LODR Regulations (to the extent applicable). The Company has formulated a Nomination and Remuneration Policy in accordance with Section 178 of the Act, which lays down the criteria for appointment, evaluation, and remuneration of Directors and Key Managerial Personnel. During the FY 2025-26, there were no instances where the Board did not accept any recommendation of the Nomination and Remuneration Committee.

The Nomination and Remuneration Policy is accessible on the Company's website at <https://www.innomet.net/wp-content/uploads/2026/01/Nomination-and-Remuneration-Policy.pdf>.

The composition of the Nomination and Remuneration Committee is as follows:

Sr. No.	Name of Member	Nature of Directorship	Status in Committee
1	Mr. Venkata Bhaskara Rao Chadalavada	Non-Executive Independent Director	Chairman
2	Mr. Bhanu Sankara Rao Kota	Non-Executive Independent Director	Member
3	Ms. Sanjna Chowdary Chilakapati (from February 11, 2026)	Non-Executive Non-Independent Director	Member
4	Mr. Myneni Narayana Rao (till January 29, 2026)	Non-Executive Independent Director	Member

During the FY 2025-26, 2 (Two) meetings of the Nomination and Remuneration Committee were held and the details of number of Directors attended are as follows

Sl No	Date of Nomination and Remuneration Committee Meeting	Number of Committee Members Present
1	August 12, 2025	3
2	November 14, 2025	3

Attendance of Nomination and Remuneration Committee Meetings

During the FY 2025-26, the Nomination and Remuneration Committee met 2 (Two) times. The attendance of the members at the meetings held during the year is as follows:

Sr. No.	Name of Committee Member	No. of Meetings Entitled to Attend for the FY 2025-26	No. of Meetings Attended
1	Mr. Venkata Bhaskara Rao Chadalavada	2	2
2	Mr. Bhanu Sankara Rao Kota	2	2
3	Mr. Myneni Narayana Rao	2	2
4	Ms. Sanjna Chowdary Chilakapati	0	0

Notes:

a) Ms. Sanjna Chowdary Chilakapati, was not entitled to attend NRC Committee meetings, as all the meeting held prior to her appointment

C. STAKEHOLDER RELATIONSHIP COMMITTEE

The Company has constituted the Stakeholders' Relationship Committee in accordance with the applicable provisions of Section 178 of the Act and the rules made thereunder. The Company, being a listed entity whose specified securities are listed on the SME Exchange, is exempt from the applicability of Regulation 20 of the SEBI LODR Regulations, pursuant to Regulation 15(2)(b) of the said Regulations. The Stakeholders' Relationship Committee is responsible for considering and facilitating the effective resolution of grievances and complaints of security holders and for such other matters as may be assigned to it by the Board. The Committee reviews and addresses grievances of shareholders, investors, and other stakeholders in accordance with Section 178 of the Act. During FY 2025-26, there were no instances where the Board did not accept any recommendation of the Stakeholders Relationship Committee

Composition of the Stakeholders' Relationship Committee

The composition of the Stakeholders' Relationship Committee during the FY 2025-26 and as applicable at different points of time was as follows:

Sr. No.	Name of Member	Nature of Directorship	Status in Committee
1	Mr. Venkata Bhaskara Rao Chadalavada	Non-executive Independent Director	Chairman
2	Mr. Vinay Choudary Chilakapati	Executive Director	Member
3	Mr. Myneni Narayana Rao (till January 29, 2026)	Non-executive Independent Director	Member
4	Ms. Sanjna Chowdary Chilakapati (from February 11, 2026)	Non-executive Non-Independent Director	Member

Notes:

- Mr. Myneni Narayana Rao ceased to be a member of the Stakeholders' Relationship Committee consequent upon his resignation as an Independent Director with effect from 29 January 2026.
- Ms. Sanjna Chowdary Chilakapati was appointed as a member of the Stakeholders' Relationship Committee with effect from 11 February 2026.

Meetings of the Stakeholders' Relationship Committee

During the FY 2025-26, the Stakeholders' Relationship Committee met 3 (Three) times. The details of the meetings held during the year are as follows:

Sl No	Date of Committee Meeting	Number of Committee Members Present
1	May 29, 2025	3
2	November 14, 2025	3
3	February 13, 2026	3

The meetings were duly convened and conducted in accordance with the applicable provisions of the Act. The Committee considered matters relating to shareholders and security holders, including investor grievances and other matters placed before it. The proceedings of the meetings were duly recorded and the relevant matters were placed before the Board, as applicable.

Attendance of Stakeholders' Relationship Committee Meetings

Sr. No.	Name of Committee Member	No. of Meetings Entitled to Attend for the FY 2025-26	No. of Meetings Attended
1	Mr. Venkata Bhaskara Rao Chadalavada	3	3
2	Mr. Vinay Choudary Chilakapati	3	3
3	Mr. Myneni Narayana Rao	3	3
4	Ms. Sanjna Chowdary Chilakapati	1	1

Investor Grievances

During the FY 2025-26, the Company monitored and addressed investor grievances received through the applicable regulatory and investor grievance mechanisms. No investor complaints were received during the FY 2025-26 and no complaints were pending for resolution as at March 31, 2026.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The provisions relating to constitution of the Corporate Social Responsibility Committee under Section 135 of the Act, 2013 are not applicable to the Company for the FY ended March 31, 2026, as the Company does not meet the prescribed criteria for applicability of the said provisions. Accordingly, the Company has not constituted a Corporate Social Responsibility Committee during the FY 2025-26.

15. ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to Section 134(3)(p) of the Act, the Board of Directors carried out an annual evaluation of the performance of the Board, its Committees and individual Directors for the FY ended March 31, 2026, in accordance with the criteria and process laid down by the Nomination and Remuneration Committee.

The evaluation of individual Directors was undertaken with reference to their participation and contribution in the affairs of the Company, attendance and participation in Board and Committee meetings, understanding of the Company's business and operations, contribution to deliberations and decision-making, and discharge of their duties and responsibilities. The Nomination and Remuneration Committee reviewed the performance of the individual Directors in accordance with the evaluation criteria adopted by the Company and placed the outcome before the Board for its consideration. The performance of the Board and its Committees was evaluated collectively with reference to their composition, functioning, effectiveness, participation, deliberations and discharge of their respective responsibilities.

The performance evaluation was conducted in accordance with the Directors Performance Evaluation Policy of the Company. The Directors expressed their satisfaction with the evaluation process and the overall performance of the Board, its Committees and individual Directors. Since the Company has listed its specified securities on the SME Exchange, the corporate governance provisions under Regulations 17 to 27 of the SEBI LODR Regulations are not applicable to the Company pursuant to Regulation 15(2)(b) of the said Regulations. Accordingly, the above disclosure is made with reference to the applicable provisions of the Act and the Company's Directors Performance Evaluation Policy. The Directors evaluation policy is available on the Company's website and may be accessed at <https://www.innomet.net/wp-content/uploads/2026/01/Directors-Performance-Evaluation-Policy.pdf>

16. VIGIL MECHANISM

The Company has established a Whistle Blower Policy and Vigil Mechanism pursuant to the applicable provisions of Section 177(9) and Section 177(10) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014. Section 177(9) specifically provides for a vigil mechanism for Directors and employees to report genuine concerns.

The Vigil Mechanism provides a formal framework for Directors and employees to report genuine concerns relating to unethical behaviour, actual or suspected fraud, violation of the Company's rules, regulations and policies, improper activities or serious irregularities in the conduct of business. The mechanism provides for adequate safeguards against victimisation of persons who avail themselves of the Vigil Mechanism and provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases, in accordance with Section 177(10) of the Act. The Vigil Mechanism is intended to promote a culture of transparency, integrity and ethical conduct within the Company and to provide a secure framework for reporting improper activities and serious irregularities. The Policy also clarifies that the Vigil Mechanism is not intended to provide a route for raising personal grievances and does not absolve employees from their duty of confidentiality in the course of their work.

During FY 2025-26, the Vigil Mechanism remained operational. No person was denied access to the appropriate authority under the Vigil Mechanism. The Company has complied with the applicable provisions relating to the Vigil Mechanism during the FY ended March 31, 2026. The Whistle Blower Policy and Vigil Mechanism is available on the Company's website and may be accessed at <https://www.innomet.net/wp-content/uploads/2026/01/Whistle-Blower-Policy-and-Vigil-Mechanism.pdf>

17. FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties, and responsibilities. Furthermore, in accordance with the requirements of SEBI (LODR) Regulations, 2015, the Company also organizes a familiarization programme for the Independent Directors to enlighten them about the Company, their roles, rights, and responsibilities within the Company, the nature of the industry in which the Company operates, and the business model of the Company, among other aspects. Periodic presentations are made to the Board and Board Committee meetings on business and performance updates of the Company, business strategy, and associated risks. Quarterly updates on relevant statutory changes, encompassing important amendments, are provided to the Directors

All details necessary for Independent Directors to familiarize themselves with the business and culture of the Company, including the details of such programmes imparted to them, are available on the Company's website and can be accessed at: [//www.innomet.net/wp-content/uploads/2026/01/Familiarization-Programme-for-Independent-Directors.pdf](https://www.innomet.net/wp-content/uploads/2026/01/Familiarization-Programme-for-Independent-Directors.pdf)

18. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Pursuant to Section 134(3)(e) read with Section 178(3) of the Act, the Company has formulated and adopted a Nomination and Remuneration Policy laying down the criteria for determining the qualifications, positive attributes and independence of Directors and providing the framework for appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

The Policy, inter alia, provides for the criteria for appointment of Directors, KMP and Senior Management Personnel, their qualifications, experience, skills and other attributes, as well as the principles governing their remuneration. The Policy also provides the framework for evaluation of the performance of the Board, its Committees and individual Directors.

The Nomination and Remuneration Policy is reviewed by the Nomination and Remuneration Committee and the Board of Directors, as and when considered necessary, to ensure that it remains aligned with the applicable provisions of the Act and the requirements of the Company. The Company has complied with the applicable provisions of the Act relating to appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel during the FY 2025-26. Since the Company has listed its specified securities on the SME Exchange, the corporate governance provisions specified under Regulations 17 to 27 of the SEBI LODR Regulations, including Regulation 19 relating to the Nomination and Remuneration Committee, are not applicable to the Company pursuant to Regulation 15(2)(b) of the said Regulations. The provisions of the Act, wherever applicable, continue to apply.

In accordance with the proviso to Section 134(3)(e) of the Act, the salient features of the Nomination and Remuneration Policy are disclosed herein and the complete Policy is available on the Company's website and may be accessed at: <https://www.innomet.net/wp-content/uploads/2026/01/Nomination-and-Remuneration-Policy.pdf>

19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

1. in the preparation of the annual accounts for the FY 2025-26, the applicable accounting standards have been followed and there are no material departures from the same;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit of the Company for the FY ended on that date;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the annual accounts on a going concern basis;
5. the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Pursuant to Section 134(5)(e) of the Act, the Company has laid down adequate internal financial controls to be followed by the Company. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and compliance with applicable policies and procedures.

The internal financial controls are commensurate with the size and nature of the Company's operations and are integrated with its overall risk management and business processes. The adequacy and effectiveness of such controls are reviewed periodically through the internal audit and other monitoring mechanisms. During the FY 2025-26, the internal financial controls were evaluated and tested and no material weakness in the design or operating effectiveness of such controls was identified. The Statutory Auditors of the Company have also evaluated the internal financial controls with reference to financial reporting and, as stated in their Independent Auditors' Report, have expressed an unmodified opinion that the Company has, in all material respects, an adequate internal financial controls system over financial reporting and that such controls were operating effectively as at March 31, 2026. Accordingly, the Board of Directors confirms that the Company has adequate internal financial controls and that such controls were operating effectively during the FY 2025-26, in accordance with the requirements of Section 134(5)(e) of the Act.

21. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

As at March 31, 2026, the Company does not have any Holding Company, Subsidiary Company, Associate Company or Joint Venture Company.

During the FY 2025-26 no company has become or ceased to be a Subsidiary Company, Associate Company or Joint Venture Company of the Company. Accordingly, the provisions relating to reporting on the performance and financial position of Subsidiary Companies, Associate Companies and Joint Venture Companies and their contribution to the overall performance of the Company are not applicable for the FY 2025-26.

ACQUISITION OF SWASTIK TUNGSTEN PRIVATE LIMITED

During the FY 2025-26, the Company approved the proposal for acquisition of 57.5% of the equity share capital of Swastik Tungsten Private Limited ("Swastik Tungsten"), a company engaged in the business of tungsten metal powder and having its registered office at Shrirampur, Maharashtra. Swastik Tungsten was incorporated on September 29, 2010. The Board of Directors, at its meeting held on February 13, 2026, approved the proposal for acquisition of 57.5% stake in Swastik Tungsten for a consideration of Rs. 1.50 Crores, subject to the terms and conditions of the Share Purchase Agreement and completion of the applicable process under the approved Resolution Plan. The proposed acquisition is strategically aligned with the Company's business objectives, particularly for strengthening and securing the supply of tungsten metal powder for the Company's operations. Upon completion of the proposed acquisition, Swastik Tungsten would become a subsidiary of the Company. The proposed acquisition does not constitute a Related Party Transaction, and none of the Promoter, Promoter Group or Group Companies of the Company has any interest in the entity proposed to be acquired. As at March 31, 2026, the proposed acquisition of **Swastik Tungsten Private Limited** was still in process and, accordingly, the company was not a subsidiary of the Company as at the end of the financial year 2025-26. The requisite disclosure in respect of the proposed acquisition, including the material details of the transaction, was made to the stock exchange by the Company.

22. ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Act, read with the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the FY 2025-26, is available on the website of the Company and can be accessed at: <https://www.innomet.net/investor-relations/>

23. AUDITORS AND AUDITOR'S REPORT

A. STATUTORY AUDITOR AND AUDIT REPORT

STATUTORY AUDITORS

M/s. C N D & Associates, Chartered Accountants (Firm Registration No. 030019N) were appointed as the Statutory Auditors of the Company at the AGM held on September 14, 2024, for a term of five consecutive years, commencing from FY 2024-25 and continuing up to FY 2028-29, to hold office from the conclusion of the said AGM until the conclusion of the 10th [AGM Annual General Meeting of the Company, subject to the provisions of the Act and the rules made thereunder. Accordingly, M/s. C N D & Associates, Chartered Accountants, continue to be the Statutory Auditors of the Company for FY 2025-26.

The Statutory Auditors have issued their Independent Auditor's Report on the standalone financial statements of the Company for the FY ended March 31, 2026. The Auditor's Report is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer. Accordingly, the Auditor's Report does not call for any explanation or clarification from the Board of Directors. The Independent Auditor's Report forms part of this Annual Report.

B. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204(1) of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to obtain a Secretarial Audit Report from a Practising Company Secretary and annexed to the Board's Report.

Accordingly, Mr. M Ramana Reddy, Practising Company Secretary, was appointed as the Secretarial Auditor of the Company to conduct the Secretarial Audit for the FY 2025-26. The Secretarial Audit Report in Form MR-3 for the FY ended March 31, 2026, issued by Mr. M Ramana Reddy, Practising Company Secretary, is annexed to this Board's Report as Annexure- C and forms an integral part of this Report.

The Secretarial Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer requiring any explanation or comment from the Board of Directors.

24. FRAUDS REPORTED BY AUDITORS

During the FY 2025-26 no fraud was reported by the Statutory Auditors of the Company under Section 143(12) of the Act to the Audit Committee or the Board of Directors. Further, the Statutory Auditors, in their Independent Auditors' Report for the FY 2025-26 have reported that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

25. CORPORATE SOCIAL RESPONSIBILITY POLICY

During the FY 2025-26, the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 were not applicable to the Company, as the Company did not meet the prescribed criteria for applicability of the said provisions. Accordingly, the Company was not required to undertake the statutory CSR activities or make the disclosures prescribed under Section 135 of the Act and the Rules made thereunder.

However, as a matter of good corporate governance and social responsibility, the Company has voluntarily adopted a Corporate Social Responsibility Policy ("CSR Policy"). The CSR Policy sets out the objectives, scope and areas of CSR activities, implementation and monitoring mechanism, CSR budget, reporting and disclosure framework and other related matters.

The CSR Policy is available on the website of the Company at:

<https://www.innomet.net/wp-content/uploads/2026/01/Corporate-Social-Responsibility-Policy.pdf>

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The particulars of loans given, guarantees provided, securities created and investments made by the Company during the financial year 2025 26, as required under Section 186 of the Act, are disclosed in the notes to the Financial Statements forming part of this Annual Report. During the year under review, the Company has not given any corporate guarantee or provided any security on behalf of any other company/person, except as disclosed in the Financial Statements, wherever applicable.

27. PUBLIC DEPOSITS

During the FY 2025-26, the Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. There were no deposits outstanding as at April 1, 2025, being the beginning of the financial year, and no deposits were outstanding as at March 31, 2026, being the end of the financial year. Further, there were no amounts remaining unpaid or unclaimed in respect of deposits as at March 31, 2026.

28. RISK MANAGEMENT POLICY

The Board of Directors of the Company have framed a Risk Assessment and Management Policy and are responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee exercises additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

29. RELATED PARTIES TRANSACTIONS

During the FY 2025-26, all transactions entered into by the Company with its related parties were in the ordinary course of business and on an arm's length basis, wherever applicable. The details of transactions entered into with related parties during the FY 2025-26, as referred to in Section 188 of the Act, are disclosed in Form AOC-2, annexed to this Report as Annexure - A. There were no materially significant related party transactions entered into by the Company FY 2025-26 which could have a potential conflict with the interests of the Company at large. The details of related party transactions are also disclosed in the Notes to the Financial Statements, forming part of the Annual Report. The Company has obtained the requisite approvals of the Board of Directors / Members, wherever applicable, in accordance with the provisions of the Act. The related party transactions were also placed before the Audit Committee, wherever applicable, in accordance with the applicable provisions.

The Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions, as approved by the Board of Directors, is available on the website of the Company at:

The Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions, as approved by the Board of Directors, is available on the website of the Company at:

<https://www.innomet.net/wp-content/uploads/2026/01/Policy-on-Materiality-of-Related-Party-Transactions-Dealing-with-Related-Party-Transactions.pdf>

30. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis Report for the FY ended March 31, 2026, prepared in accordance with Regulation 34(2)(e) read with Schedule V of the SEBI LODR Regulations, forms part of this Annual Report below:

MANAGEMENT DISCUSSION AND ANALYSIS

Innomet Advanced Materials Limited – FY 2025–26

1. Overview

Innomet Advanced Materials Limited ("Innomet" or "the Company") is a specialised advanced-materials manufacturer with two principal business divisions: **Metal & Alloy Powders and Tungsten Heavy Alloys (THA)**. The Company operates at the intersection of powder metallurgy, critical materials, precision manufacturing and strategic applications, serving industries including defence, aerospace, radiation shielding, diamond tools, engineering, additive manufacturing and other specialised industrial applications.

The Company's business model is focused on developing customised materials and components for applications where material performance, consistency, quality and qualification are critical. Through its Metal Powder division, Innomet manufactures ferrous and non-ferrous powders using water and air atomisation, while its Innotung business manufactures high-density tungsten heavy alloy products through powder-metallurgy processes.

FY2025–26 marked an important phase in the Company's evolution. Revenue from Operations increased by 66% to Rs.53.86 crore, exports increased significantly, the THA division secured AS 9100D certification, the Company proposed acquisition a controlling interest in Swastik Tungsten Private Limited, and a DRDO-supported project with IIT Hyderabad was sanctioned for development of a 100 kg gas atomisation facility. These initiatives are intended to strengthen Innomet's position in higher-value applications and strategic-material supply chains.

2. Global Economic Environment

The global economy entered FY2025–26 amid resilient but uneven economic activity, elevated geopolitical tensions, trade fragmentation and continued investment in technology and artificial intelligence. By early 2026, the environment had become more complex, with conflict in West Asia, renewed energy-market risks and increased uncertainty around trade and supply chains.

According to the IMF's July 2026 World Economic Outlook Update, global growth is projected at **3.0% in 2026 and 3.4% in 2027**, while global headline inflation is projected at 4.7% in 2026.

The environment presents both challenges and opportunities for manufacturers. Higher geopolitical risk, energy-price volatility and trade fragmentation are increasing costs and uncertainty, while governments and businesses are simultaneously accelerating investments in strategic manufacturing, defence, energy security and supply-chain resilience.

This is contributing to a shift in sourcing priorities. Customers are increasingly evaluating suppliers not only on cost, but also on **security of supply, geographic diversification, traceability, quality certification and technical capability**. The resulting “China+1” trend is particularly relevant to manufacturers of specialised and critical materials.

3. Indian Economic Environment

India continues to remain among the world's fastest-growing major economies. The IMF's July 2026 update projects Indian real GDP growth at 6.4% for 2026, supported by resilient domestic demand, consumption and services activity.

At the same time, India's manufacturing ecosystem is undergoing structural transformation. Initiatives including **Make in India, Atmanirbhar Bharat, defence indigenisation, import substitution, additive manufacturing and strategic technologies** are creating opportunities for domestic suppliers of specialised materials and components.

Materials that were historically imported are increasingly being considered for domestic development where they are critical to strategic sectors or represent supply-chain vulnerabilities. This creates opportunities for technically capable Indian manufacturers to move towards specialised, higher-value applications.

For Innomet, India's manufacturing growth, defence modernisation, aerospace ambitions and increasing emphasis on domestic technology provide a favourable structural backdrop for both its Metal Powder and THA businesses.

4. Powder Metallurgy Industry

Powder metallurgy converts metal powders into components through processes including compaction and sintering, metal injection moulding, hot isostatic pressing and additive manufacturing. The technology offers advantages in material utilisation, complex geometries, dimensional precision and repeatability.

The global metal-powder market is expanding steadily, supported by increasing adoption across advanced engineering, aerospace, defence, healthcare and additive manufacturing. Asia Pacific remains the largest regional market, while additive manufacturing represents one of the faster-growing technology segments.

India's metal-powder industry is also developing as domestic manufacturing capabilities expand and applications move beyond conventional automotive requirements.

The opportunity for Indian manufacturers increasingly lies in **high-purity, customised and tightly controlled powders** for specialised applications. Innomet's focus on specialty grades and customised powders positions it to participate in these higher-value segments rather than compete primarily in commodity-scale production.

Global Metal Powder Market



2024: US\$6.9 billion



2026: US\$8.6 billion



2030: US\$10.2 billion



CAGR: 5.8%

Source: Grand View Research

India Metal Powder Market



2025: US\$295.9 million



2033: US\$472 million



CAGR: approximately 5.6%

Source: Grand View Research

5. Tungsten Industry

Tungsten is a strategically important refractory metal, valued for its high melting point, density, hardness, wear resistance and ability to withstand extreme temperatures.

The largest application is tungsten carbide/cemented carbide, used extensively in cutting tools, mining, drilling and wear-resistant applications. Tungsten is also used in heavy alloys, steels, superalloys, electronics, electrical applications, radiation shielding and defence-related applications.

The broader tungsten industry is supported by demand across industrial, defence and advanced-manufacturing applications. More importantly for Innomet, significant value addition occurs downstream of primary tungsten production through metal powders, carbide powders, ready-to-press materials and finished components.

The strategic opportunity for the Company therefore extends beyond its existing THA business towards progressively participating in a broader tungsten value chain.

GLOBAL AND INDIAN TUNGSTEN MARKET

Global Opportunity



2025: : US\$2.0 billion



2033: US\$2.8 billion



CAGR: 4.7%

India's Tungsten Opportunity



India tungsten powder market, 2025: approximately US\$70 million



India tungsten carbide powder market, 2024: approximately US\$329.6 million



India tungsten carbide powder market, 2030: approximately US\$454.6 million

Source: Grand View Research

6. Tungsten Supply Chain and Strategic Importance

China remains the dominant producer and consumer of tungsten. According to USGS data, China produced approximately 67,000 tonnes of tungsten in 2025, accounting for nearly 79% of global mined tungsten production.

China's export controls on selected tungsten products, introduced in February 2025, contributed to increased international prices and heightened supply-chain concerns.

TUNGSTEN PRICE MOVEMENT



Rs.3,850/kg → Rs.18,000/kg



April 2025 → March 2026



4.7× increase

Source:Company

With primary supply concentrated geographically, alternative sourcing, recycling and downstream processing are becoming increasingly important. For manufacturers, supply security is consequently becoming a strategic consideration alongside cost and quality.

For Innomet, this environment reinforces the rationale for developing greater control over the tungsten value chain. The acquisition of Swastik Tungsten provides a platform for greater access to tungsten metal powder, while the Company's existing THA business provides downstream exposure to specialised applications.

7. Tungsten Heavy Alloys and Defence

Tungsten Heavy Alloys typically contain approximately **90–98% tungsten**, combined with nickel, iron or other alloying elements. Their high density, strength, wear resistance, machinability and radiation absorption characteristics make them suitable for specialised applications.

Innomet's THA products include bars, plates, cubes, spheres and customised components used in defence penetrators and pre-fragments, aerospace balance weights, vibration-damping components, radiation shielding, collimators, ballast and specialised engineering applications.

The THA market is relatively small compared with the overall tungsten industry, accounting for approximately 5%–8% of global tungsten consumption. Its attractiveness therefore lies less in commodity-scale volumes and more in technical qualification, customer approvals, application-specific design and value addition.

For Innomet, this makes its ability to develop customised products and meet stringent quality and qualification requirements an important competitive differentiator.

8. Defence Spending: A Structural Demand Driver

Global defence expenditure has entered a period of sustained expansion, supported by geopolitical uncertainty, military modernisation and replenishment of defence inventories.

India is participating in this broader trend, with defence expenditure and domestic procurement receiving increasing policy emphasis. The Union Budget 2026–27 has allocated a record **Rs.7.85 lakh crore to the Ministry of Defence**, including significant allocations for capital expenditure and procurement from domestic defence industries.

The underlying trend is important for advanced-material manufacturers. Modern defence systems increasingly require materials combining high density, strength, wear resistance, thermal stability and precision.

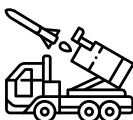
For Innomet, growing domestic procurement and localisation create opportunities across specialised materials and components, particularly where technical capability, qualification and reliable domestic supply are important considerations.

DEFENCE SPENDING

Global + India Comparison



Global military expenditure, 2025: US\$2.887 trillion



India military expenditure, 2025: US\$92.1 billion



India FY27 Defence Budget: Rs.7.85 lakh crore



India FY27 domestic defence procurement allocation: Rs.1.39 lakh crore

Source: SIPRI, RBI

9. Company Performance

Financial Performance

Innomet delivered strong top-line growth in FY26. Revenue from Operations increased from **Rs.32.52 crore in FY25 to Rs.53.86 crore**, representing growth of 66%.

EBITDA increased from **Rs.5.06 crore to Rs.5.61 crore**, while EBITDA margin moderated from 15.56% to 10.42%. PAT stood at **Rs.1.57 crore**, compared with Rs.1.86 crore in FY25.

The moderation in margins occurred in a year of sharp increases in key raw-material prices, particularly tungsten, copper and other base metals. The Company responded by shortening quotation validity, adopting order-linked procurement practices and strengthening its raw-material strategy.

The Company also continued to invest in market development, including participation in international exhibitions and industry platforms. These initiatives have expanded visibility and strengthened relationships with prospective customers and partners, creating opportunities for future business conversion.

The acquisition of Swastik Tungsten represents a further strategic response to raw-material volatility and the Company's objective of progressively strengthening its position in the tungsten value chain.

Key Financial Ratios (comparative indicators, explanations)

Particulars	31-Mar-26	31-Mar-25	% Variance	Explanation for change in ratio for more than 25%
(i) Debtors Turnover (in days)	58.81	55.41	6.1	NA
(ii) Inventory Turnover ratio	3.93	2.67	47	Increase in sales during the year amid flat inventory
(iii) Interest Coverage Ratio	1.57	3.04	-48.4	Decline mainly due to increasing debt service obligations
(iv) Current Ratio	3.45	3.00	15.0	NA
(v) Debt Equity Ratio	0.35	0.37	-5.7	NA
(vi) Operating Profit Margin (%)	10.41	15.56	-33.0	The decline was primarily due to higher raw material costs and increased business development and marketing expenditure during the year to strengthen market presence and customer relationships.
(vii) Net Profit Margin (%)	2.92	5.74	-49.1	The decline was primarily attributable to lower operating margins
(viii) Return on Net Worth (RONW) (%)	5.71	9.31	-38.7	Decrease in the profit during the year

Strategic Leadership

Post year-end, the Company further strengthened its strategic leadership with the appointment of Mr. P. Radhakrishna as Strategic Advisor in July 2026. His experience and strategic guidance are expected to support Innomet's growth agenda, particularly in strengthening business development, strategic relationships and participation in emerging opportunities across advanced materials, defence and aerospace.

10. Revenue Mix and Market Diversification

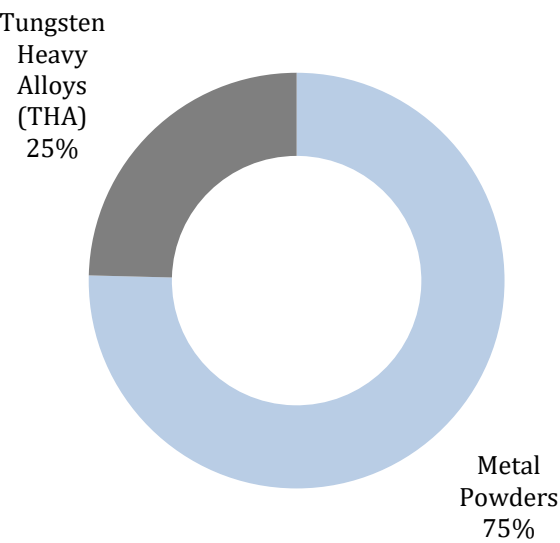
The Metal & Alloy Powder division contributed approximately Rs 40.6 crore in revenue, accounting for **75.4% of FY26 revenue**, while Tungsten Heavy Alloys contributed Rs 13.3 crore, or **24.6%**.

Exports increased significantly, accounting for **18.3% of FY26 revenue compared with 9.7% in FY25**. The Company supplied customers across markets including the United States, Israel, Japan, the United Kingdom, the Netherlands, New Zealand and Lebanon.

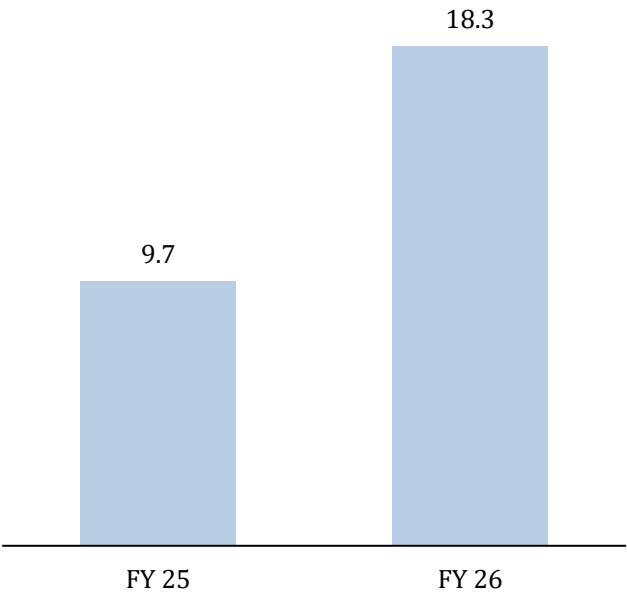
The increase in exports reflects growing international customer engagement and provides an important avenue for market diversification. International customers also typically require higher levels of product qualification, documentation, traceability and consistency, supporting the Company's continued focus on quality systems and technical capabilities.

REVENUE BREAKDOWN

Revenue in 2025-26



Rising Revenue Share of Exports in 2025-26



11. Metal & Alloy Powder Division

The Metal Powder division manufactures specialty ferrous and non-ferrous powders through water and air atomisation. Its portfolio includes copper, bronze, brass, nickel, tin, stainless steel, iron and customised alloy powders.

Applications include powder-metallurgy components, diamond tools, welding and brazing, catalysts, surface coatings, automotive components, bearings and additive manufacturing.

The division's positioning is based on **customisation and specialty grades rather than commodity-scale production**, enabling the Company to address applications requiring specific chemistry, particle-size distribution or performance characteristics.

Export revenue from Metal Powders reached approximately **Rs.8.5 crore in FY26**, supported by increasing engagement with overseas customers.

The next phase of growth is expected to increasingly include gas-atomised and higher-value powders. Gas atomisation enables tighter particle-size distributions and higher purity, supporting applications in additive manufacturing, aerospace, defence and advanced engineering.

The Company is also developing opportunities in high-purity spherical powders, surface coatings, hydrogen-related components and battery materials. Several of these remain at development or qualification stages and therefore represent medium- to long-term opportunities.

12. Tungsten Heavy Alloy Division

The Tungsten Heavy Alloy division is one of Innomet's most strategically differentiated businesses. The Company is India's first private-sector manufacturer of THA, supplying high-density components for defence, aerospace, radiation shielding and specialised engineering applications.

Its product portfolio includes tungsten cubes, spheres, bars, plates, balance weights, vibration-damping components, radiation-shielding components and customised products manufactured to customer drawings.

The division has current installed capacity of approximately **60 tonnes per annum**, following commissioning of a new furnace that increased capacity from approximately 18 tonnes per annum.

The Company's **AS 9100D certification for the THA division** represents an important capability milestone. It strengthens the Company's ability to address aerospace and defence customers that require stringent quality systems, traceability, process control and qualification.

International market development also gained traction during FY26. The Company's relationship with Scope Metals in Israel resulted in multiple THA orders and, post year-end in May 2026, an order of approximately **Rs.15 crore**. Additional orders have also been received from international customers.

Over time, the Company intends to increase value addition by moving beyond semi-finished tungsten shapes towards more complex, customised and finished components.

13. Swastik Tungsten Acquisition

In February 2026, Innomet proposed to acquire a **57.5% stake in Swastik Tungsten Private Limited** for Rs.1.5 crore. The to-be acquired facility has installed capacity of approximately **120 tonnes per annum**, primarily for tungsten metal powder.

The acquisition provides two strategic benefits.

First, it offers a pathway towards **backward integration into tungsten metal powder**, strengthening raw-material security for the Company's THA business.

Second, it provides a platform for a potential downstream business comprising **tungsten metal powder, tungsten carbide powder, ready-to-press powders and, over time, finished tungsten carbide components**.

Rahul Arbatti and Ajit Arbatti, who have been managing Swastik Tungsten, will continue to lead the business following the acquisition. This continuity is expected to preserve operational knowledge and customer relationships while the facility undergoes refurbishment and progressive restart.

Initial production is expected at approximately **2–3 tonnes per month**, with the objective of progressively ramping up towards installed capacity of approximately 10 tonnes per month.

14. Technology, R&D and New Capabilities

Innomet is increasingly focused on developing higher-value materials and applications.

A key initiative is the **100 kg inert-gas atomisation project** being developed in collaboration with IIT Hyderabad and the Defence Metallurgical Research Laboratory under DRDO support. With a sanctioned project outlay of approximately **Rs.8.73 crore**, the facility is expected to produce **200–250 tonnes of clean metal powders** annually once fully operational over the next two to three years.

The facility is intended to support aerospace, defence and additive-manufacturing applications requiring high purity, controlled particle morphology and tight particle-size distributions.

The Company is also progressing R&D initiatives in additive-manufacturing powders, pure iron powders, surface coatings, hydrogen-related components, battery materials, tungsten and molybdenum products. These initiatives are at different stages of development and qualification and should therefore be viewed primarily as medium- to long-term opportunities.

15. International Market Development

International market development has become an increasingly important component of Innomet's growth strategy.

During FY26, the Company participated in PowderMet in the United States, DSEI in London and other specialised industry platforms covering powder metallurgy, additive manufacturing, aerospace and defence. It has also developed representative and market-development relationships in the United States and Israel.

The Company's appointment of Scope Metals as its exclusive market agent in Israel provides access to a strategically important aerospace and defence ecosystem. Purchase orders commenced in March 2026, with cumulative orders subsequently forming part of the Company's overall order book of over **Rs.45 crore**.

The international strategy remains focused on selective market penetration where Innomet's product customisation, technical capabilities, certifications and manufacturing competitiveness provide a differentiated proposition.

16. Capacity and Growth Strategy

Innomet's existing manufacturing infrastructure provides a platform for growth through improved utilisation, product mix and incremental capacity expansion.

The Metal Powder business currently has approximately **600 tonnes per annum of water-atomisation capacity**, with a roadmap to double this to 1,200 TPA over the medium term. Gas atomisation is projected to add approximately **150 TPA by the end of the current fiscal year**, while the DRDO-supported facility is expected to add a further **200–250 TPA** once fully operational.

The Company's in-house THA capacity is approximately **60 tonnes per annum**, while Swastik Tungsten provides an additional **120 tonnes per annum** of tungsten-related capacity as operations are progressively restarted.

Management's immediate objective is to build towards a **Rs.100 crore annualised revenue run-rate**, supported by better utilisation of existing capacity, improved product mix, exports and the contribution from new tungsten-related products.

17. Order Book and FY27 Visibility

The Company entered FY27 with strong order momentum. Management reported an order book of over **Rs.45 crore**, providing meaningful near-term revenue visibility.

The order pipeline is supported by domestic defence demand, international customer development, the Company's quality credentials, China+1 sourcing opportunities and increasing demand for reliable suppliers of critical materials.

The product mix in FY27 is expected to shift increasingly towards THA, supported by growing international traction for specialised applications.

At the same time, defence and aerospace programmes typically involve lengthy qualification and approval cycles. Consequently, conversion of the broader opportunity pipeline into revenue is expected to remain phased and may result in quarter-to-quarter variability.

18. Sustainability and Responsible Manufacturing

Powder metallurgy is inherently material-efficient as it can reduce material wastage and minimise secondary machining. Innomet further supports resource efficiency through the use of secondary raw materials, including tungsten carbide scrap and select metal scraps, for metal powder production.

The Company operates rainwater harvesting and water-reuse systems with zero untreated discharge. Its **280 kW solar installation generated approximately 2.65 lakh units in FY26, meeting around 25% of overall electricity requirements.** Copper and steel scrap are also recycled within operations.

These initiatives support the Company's objective of improving resource efficiency while expanding manufacturing capacity.

19. Key Risks and Mitigation

Raw Material Price Volatility

Tungsten, copper and other metal prices can be volatile and can affect working capital and margins.

Mitigation: The Company is strengthening backward integration through Swastik Tungsten, adopting order-linked procurement practices and increasing value addition.

Customer Qualification Cycles

Aerospace and defence customers typically require extensive qualification, testing and approvals, which can lengthen the period between business development and commercial revenue.

Mitigation: AS 9100D certification, technical collaboration and engagement with established OEMs and defence organisations are expected to strengthen the Company's qualification pipeline.

Working Capital

The business requires inventory to be maintained against customer orders, particularly where raw-material prices are volatile and delivery cycles are extended.

Mitigation: The Company continues to work on customer advances, order-linked procurement, banking facilities and improved inventory management.

Concentration and Order Lumpiness

Defence and aerospace orders can be project-driven and therefore uneven across periods.

Mitigation: The Company is diversifying across Metal Powders, THA, industrial applications and international markets.

Export and Geopolitical Risks

International operations expose the Company to currency movements, tariffs, geopolitical developments and changing trade regulations.

Mitigation: The Company is developing multiple international markets and focusing on specialised products where technical capability is a stronger differentiator than price alone.

20. Outlook

Innomet's outlook is supported by a combination of industry tailwinds and company-specific capabilities.

Globally, defence modernisation, supply-chain diversification and the strategic importance of critical materials are increasing demand for specialised materials. Powder metallurgy is also benefiting from greater adoption of advanced manufacturing technologies, while additive manufacturing is creating demand for high-purity and tightly controlled metal powders.

Tungsten represents a particularly important strategic opportunity. Concentrated global supply, changing trade policies and increasing demand from defence, aerospace, mining and advanced manufacturing are creating opportunities for alternative supply chains and downstream value addition.

In India, higher defence spending, domestic procurement, aerospace development and the Atmanirbhar Bharat agenda provide a supportive environment for indigenous advanced-material manufacturers.

Innomet is positioned to participate in these opportunities through its combination of specialty metal powders, THA capabilities, international customer relationships, quality credentials, tungsten value-chain integration and investments in next-generation powder manufacturing.

The Swastik Tungsten acquisition provides a platform for both greater tungsten raw-material security and a potential downstream revenue vertical. The 100 kg gas atomisation project provides an additional pathway into higher-purity and higher-value powder applications.

The immediate focus remains on **disciplined execution** — integrating Swastik Tungsten, ramping up available capacity, converting the international customer pipeline, improving working-capital efficiency, increasing exports and maintaining stringent quality standards.

Over the medium term, the Company aims to establish Innomet as a **globally competitive Indian advanced-materials manufacturer with deeper participation in strategic supply chains across defence, aerospace, additive manufacturing, energy and other specialised industries.**

The Company remains focused on sustainable growth and increasing value addition rather than pursuing volume at the expense of returns. With growing customer qualifications, a stronger international presence, greater tungsten integration and investments in next-generation manufacturing capabilities, Innomet is positioned to participate in the long-term shift towards specialised, resilient and domestically anchored advanced-material supply chains.

Forward-Looking Statements

Certain statements in this Annual Report are forward-looking and are based on the Company's current expectations and assumptions. Actual results may differ materially due to various risks and uncertainties. The Company assumes no obligation to update such statements, except as required by applicable laws.

31. CORPORATE GOVERNANCE REPORT

The Company has listed its specified securities on the SME Exchange. Accordingly, pursuant to Regulation 15(2)(b) of the SEBI LODR Regulations, the provisions relating to corporate governance contained in Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2), and paragraphs C, D and E of Schedule V to the said Regulations are not applicable to the Company. Accordingly, the Corporate Governance Report is not applicable to the Company and, therefore, does not form part of this Annual Report for the FY 2025-26.

32. INSIDER TRADING

The Company has adopted and implemented a comprehensive framework for prevention of insider trading in compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations"), as amended from time to time.

The Company has formulated and adopted a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI).

The Policy on Determination of Legitimate purpose and the Policy on inquiry in case of leak or suspected leak of UPSI are adopted by the Company and are made available on the Website of the Company. Weblink: [https:// www.innomet.net/investor-relations/](https://www.innomet.net/investor-relations/)

The Code of Conduct, inter alia, provides for procedures relating to identification of Designated Persons, trading window restrictions, pre-clearance of trades, monitoring of trades, reporting and disclosure requirements and restrictions relating to contra trade, as applicable. The Company also has appropriate systems and procedures for identification, handling, preservation and dissemination of UPSI and for ensuring that UPSI is shared only for legitimate purposes, performance of duties or discharge of legal obligations. The Company has maintained a Structured Digital Database (SDD) in accordance with the applicable provisions of the SEBI PIT Regulations , containing the requisite information relating to UPSI and the persons with whom such UPSI is shared, together with appropriate controls and audit trails to ensure integrity and non-tampering of the database..

The Company has also implemented appropriate procedures for closure and opening of the trading window, pre-clearance of trades, monitoring of trading by Designated Persons and their Immediate Relatives and reporting of trades, wherever applicable. The Company undertakes necessary communication and awareness initiatives to familiarise Designated Persons and other relevant personnel with their obligations under the Code and the applicable provisions of the PIT Regulations.

During the FY 2025-26, the Company complied with the applicable provisions of the SEBI PIT Regulations and the Codes adopted thereunder. No material non-compliance or violation of the said Regulations or the Company's Codes was reported during the FY 2025-26.

33. GENERAL SHAREHOLDER INFORMATION

A	AGM: Day, Date, Time and Venue	Tuesday, September 22, 2026, at 11:30 A.M IST through VC/OAVM
B	Financial Year	2025-26
C	Cut-off date for the purpose of determining shareholders for voting	September 15, 2026
D	Listing on Stock Exchanges	NSE-Emerge
E	Scrip Code/Symbol	INNOMET
F	ISIN	INE0S1D01010
G	Payment of Listing Fees	The Company confirms that it has paid Annual Listing fees due to the stock exchange for the FY 2025-26
H	Registrar and Share Transfer Agents	Skyline Financial Services Private limited Add.: A/506, Dattani Plaza, Andheri Kurla Road, Safeed Pool, Andheri East, Mumbai – 400 072, Maharashtra, India Website: www.skylinerta.com ; Email: admin@skylinerta.com

34. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report (BRSR) is not applicable to the Company, being listed on the SME Exchange, and accordingly the Company has not prepared the BRSR for the FY 2025-26

35. DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT:

The disclosure prescribed under Para D of Schedule V to the SEBI LODR Regulations is not applicable to the Company pursuant to Regulation 15(2) of the said Regulations.

36. CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE:

The requirement relating to the Corporate Governance Compliance Certificate prescribed under Para E of Schedule V to the SEBI LODR Regulations is not applicable to the Company pursuant to Regulation 15(2) of the said Regulations.

37. DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT:

There were no equity shares lying in the Demat Suspense Account/Unclaimed Suspense Account of the Company as at March 31, 2026.

38. DISCLOSURE OF AGREEMENTS UNDER CLAUSE 5A OF PARAGRAPH A OF PART A OF SCHEDULE III OF THE SEBI SEBI LODR Regulations:

There were no agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, Key Managerial Personnel or employees of the Company, or of its holding, subsidiary or associate company, among themselves or with the Company or with any third party, which, either directly or indirectly or potentially, impact the management or control of the Company or impose any restriction or create any liability upon the Company. Accordingly, there were no agreements requiring disclosure under Clause 5A of Paragraph A of Part A of Schedule III of the SEBI LODR Regulations

39. ANNUAL SECRETARIAL COMPLIANCE REPORT UNDER REGULATION 24A

For an SME-listed entity, the Annual Secretarial Compliance Report under Regulation 24A of SEBI LODR is not applicable, pursuant to the SME exemption under Regulation 15(2), subject to the current applicability conditions.

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

The Company is committed to providing a safe, respectful and conducive working environment for all its employees and has adopted a policy for prevention, prohibition and redressal of sexual harassment at the workplace in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act").

The Company has constituted an Internal Committee in accordance with the applicable provisions of the POSH Act to address and redress complaints relating to sexual harassment at the workplace.

During the FY 2025-26, the Company has not received any complaint of sexual harassment. Further, there were no applications made or proceedings pending under the POSH Act during the year.

The details of complaints during the FY 2025-26 are as follows:

Sr. No.	Particulars	No. of Complaints
1	Number of Complaints of sexual harassment received in the Year	0
2	Number of Complaints disposed off during the Year	0
3	Number of Cases pending for more than Ninety days	0

The Company's **Policy on Prevention of Sexual Harassment at Workplace** is available on the Company's website at: <https://www.innomet.net/wp-content/uploads/2026/01/Prevention-of-Sexual-Harassment-Policy.pdf>

41. AFFIRMATION OF COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961 - COMPLIANCE OF SOCIAL SECURITY CODE

Compliance with the Code on Social Security, 2020

The Company is in compliance with the applicable provisions of the Code on Social Security, 2020, including those relating to:

- Employees' Provident Fund contributions under Chapter III.
- Employees' State Insurance coverage under Chapter IV (where applicable).
- Gratuity obligations under Chapter V.
- The Company hereby affirms that, during the FY 2025-26, it has complied with the applicable provisions of the Maternity Benefit Act, 1961 and the rules made thereunder and has provided maternity benefits to eligible women employees in accordance with the applicable statutory requirements.

During the year under review, the Company has duly deposited contributions, maintained records, and ensured timely disbursement of benefits to eligible employees. There were no adverse remarks, penalties, or non compliances under the Code on Social Security, 2020 for FY 2025 26

42. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

A	Conservation of Energy	For the FY 2025-26
	(i) Steps taken or impact on conservation of energy	a) During the FY 2025-26, the Company continued to undertake various initiatives towards energy conservation, energy efficiency and increased utilisation of renewable energy. The key measures undertaken are as follows: b) Installation of LED Lighting: The Company has installed LED lighting throughout its plant as an energy conservation measure. The initiative provides longer service life for lighting equipment, reduces electricity consumption and improves overall energy efficiency. c) Installation of Rooftop Solar Energy System: The Company has installed a 280 kW rooftop solar energy system at its plant, involving a capital investment of approximately Rs. 80.72 lakh. The initiative promotes the use of renewable energy, reduces dependence on conventional sources of electricity and contributes to overall energy efficiency, savings in electricity costs and reduction of the Company's carbon footprint. d) Natural Lighting and Ventilation: The factory shed has been designed to maximise the use of natural daylight and airflow, thereby reducing dependence on artificial lighting and improving energy efficiency. LED lighting is used during night-time operations. e) Rainwater Harvesting and Water Conservation: The Company has installed a rainwater harvesting system with a storage capacity of 5 lakh litres. The harvested water is filtered and stored for reuse and is estimated to meet approximately two-thirds of the Company's annual water consumption, thereby reducing dependence on external water sources. f) Bio Sewage Treatment Plant: The Company has installed a Bio Sewage Treatment Plant (Bio-STP) with a capacity of 5,000 litres per day. The treated water is reused for irrigation of plantations and greenery within the plant premises, thereby promoting water conservation and sustainable utilisation of water resources. g) Environmental Control Measures: The Company has installed a scrubber system to control and minimise the release of atmospheric contaminants generated during its manufacturing processes and to support compliance with applicable environmental standards.

		h) Green Initiatives: More than 100 varieties of plants have been planted within the factory premises to enhance biodiversity and promote a green and sustainable working environment. i) Net Zero Discharge: The Company's facility operates as a Net Zero Discharge Plant, with systems in place to ensure that untreated wastewater is not discharged into the environment
	ii) Steps taken for utilizing alternate sources of energy:	The Company has installed a 280 kW rooftop solar energy system at its plant to promote the use of renewable energy, reduce dependence on conventional sources of electricity and improve overall energy efficiency. The initiative is expected to result in significant savings in electricity costs and contribute to the reduction of the Company's carbon footprint.
	(iii) Capital investment on energy conservation equipment:	Company has made a capital investment of approximately Rs. 80.72 lakh towards energy conservation equipment, including the 280 kW rooftop solar energy system installed at its plant.
B	Technology Absorption	
	(i) Efforts made towards technology absorption:	During the FY 2025-26, the Company continued its efforts towards technology absorption and process improvement with a focus on enhancing operational efficiency, productivity, quality and environmental sustainability. 1. Adoption of semi-automation in production processes: The Company has adopted semi-automation in its production processes to improve process efficiency, enhance productivity, reduce manual intervention, improve consistency in operations and optimise utilisation of resources. 2. Installation of Bio-STP Plant: The Company has installed a Bio Sewage Treatment Plant (Bio-STP) for effective treatment and management of sewage generated at its plant. The initiative is aimed at promoting environmentally sustainable operations, improving water management and facilitating the responsible treatment and reuse/disposal of treated water, as applicable. Most of the production operations of the Company continue to be carried out through manual processes; however, the Company is progressively adopting suitable automation and technology-based solutions wherever technically and commercially feasible.
	(ii) Benefits derived:	The technology absorption and process improvement initiatives undertaken by the Company have resulted in the following benefits: 1. Increased productivity through improved efficiency and partial automation of production processes. 2. Ease and efficiency in material handling by reducing manual intervention and improving the movement and handling of materials within the plant. 3. Effective utilisation of treated water generated through the Bio-STP for gardening and landscaping within the plant premises, thereby promoting water conservation and enhancing the greenery and environmental sustainability of the Company's premises. 4. Improved operational efficiency and better utilisation of resources through adoption of appropriate technology and process improvements.
(iii)	(iii) Imported technology (last 3 years): Yes/No (if yes provide the following details)	No
a)	Technology imported	NA
b)	Year of import	NA
c)	Whether fully absorbed: [Yes/No]	NA
d)	Areas where absorption is yet to take place:	NA

(iv)	Expenditure on R&D:	The Company undertakes in-house Research and Development (R&D) activities on a regular basis as an integral part of its business operations, with a focus on improving and developing products, processes and manufacturing techniques, enhancing productivity and product quality, and promoting operational efficiency and sustainability. During the year under review, the Company did not import any technology. The Company continues to focus on process improvements, product innovation and optimisation of existing technologies to improve efficiency, quality, productivity and sustainable manufacturing practices.
a)	Capital	
b)	Recurring	
c)	R&D expenditure as % of turnover	
C	Total Foreign Exchange earned	
a)	Total Foreign Exchange earned	982.81
b)	Total Foreign Exchange out go	167.70

43. PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars relating to the remuneration of Directors and the ratio of remuneration of each Director to the median remuneration of the employees of the Company, as applicable, are provided in Annexure-B forming part of this Report.

The information required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to the employees of the Company, is maintained by the Company and is available for inspection by the Members in accordance with the applicable provisions of law. In accordance with the proviso to Section 136(1) of the Act, the Annual Report is being sent to the Members without the said particulars relating to employees. Any Member interested in obtaining such information may write to the Company Secretary, and the same shall be made available to such Member in accordance with the applicable provisions of law.

44. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

During the FY 2025-26, there were no amounts lying unpaid or unclaimed for a period of seven years or more and, accordingly, no amount was required to be transferred to the Investor Education and Protection Fund (IEPF) in accordance with the applicable provisions of the Act.

45. COMPLIANCE WITH SECRETARIAL STANDARDS

During the FY 2025-26, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118(10) of the Act, relating to meetings of the Board of Directors and General Meetings of the Company.

46. DISCLOSURES UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the FY 2025-26, no application was made and no proceeding was pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016). Accordingly, there are no applications or proceedings under the Insolvency and Bankruptcy Code, 2016 requiring disclosure, and the status thereof as at March 31, 2026 is not applicable.

47. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the FY 2025-26, there were no significant and material orders passed by any Regulator(s), Court(s) or Tribunal(s) which would impact the going concern status of the Company and its future operations.

48. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THERE OF

During the FY 2025-26 the Company has not made any One-Time Settlement (OTS) for loans taken from any Bank or Financial Institution. Accordingly, pursuant to Section 134(3)(q) of the Act read with Rule 8(5)(xii) of the Companies (Accounts) Rules, 2014 the details of the difference between the amount of valuation done at the time of One-Time Settlement and the valuation done while taking loan from Banks or Financial Institutions, along with the reasons thereof, are not applicable to the Company.

49. DEPOSITORIES COMPLIANCE

The Company has complied with the provisions of the Depositories Act, 1996 and SEBI (Depositories and Participants) Regulations, 2018 ("SEBI DP Regulations"). The equity shares of the Company are admitted with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Pursuant to Regulation 76 of SEBI DP Regulations and the provisions of the Depositories Act, 1996, the Company has obtained a Reconciliation of Share Capital Audit Report from a Practicing Company Secretary on a quarterly basis, which has been submitted to the Stock Exchange.

During the FY there were no penalties or adverse remarks under the Depositories Act, 1996.

50. MEETING OF INDEPENDENT DIRECTORS

In terms of Schedule IV of the Act and Regulation 25(3) of SEBI LODR Regulations, the Independent Directors of the Company met once during the FY 2025-26, without the presence of Non Independent Directors and members of the management. At this meeting, the Independent Directors reviewed the performance of Non Independent Directors and the Board as a whole, assessed the quality, quantity and timeliness of flow of information between the Company management and the Board, and discussed matters pertaining to governance and compliance. All Independent Directors were present at the meeting.

51. ACKNOWLEDGEMENTS

The Board of Directors places on record its sincere gratitude and appreciation for the continued support and cooperation received from the Company's shareholders, investors, customers, bankers, financial institutions, business associates, suppliers, regulatory authorities, and other stakeholders during the FY 2025-26.

The Directors also express their heartfelt appreciation to all employees for their dedication, professionalism, commitment, and valuable contribution towards the Company's growth and performance.

The Board is especially thankful to the shareholders and investors for their continued confidence, trust, and unwavering support, which has been instrumental in the Company's progress and long-term value creation.

Registered Office:

B-31, BHEL Ancillary Industrial Estate,
Ramachandrapuram, Medak, Hyderabad-
502032, Telangana, India.

**By Order of the Board of Directors of
Innomet Advanced Materials Limited**

Date: August 24, 2026
Place: Hyderabad

Sd/-
Vinay Choudary Chilakapati
Chairman and Managing Director
DIN: 08444644

Sd/-
Saritha Devi Chilakapati
Whole-time Director and CFO
DIN: 08432017

Annexure-A**Form No. AOC-2**

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis: Nil, However the related party transactions for the FY 2025-26 are as stated below:

(Rs. In Lakhs)

Sl No.	Name of the Related Party	Nature of Contracts / Arrangements / Transactions	Amount (Rs. in Lakhs)	Duration and Justification	Salient Terms of the Contracts / Arrangements / Transactions, including the Value, if any	Date(s) of Approval by the Board	Amount Paid as Advances, if any Rs. in Lakhs)
1	Name: Mrs. Saritha Devi Chilakapati Nature of Relationship: Whole-time Director & CFO	Loan received	133.50	18 Months, As per the terms of Agreement	Ordinary Course of Business	March 24,2025	Nil
		Loan repaid	253.13		Ordinary Course of Business	March 24,2025	Nil
		Managerial remuneration	18.00	The duration of remuneration is governed by the appointment terms approved by the Members of the Company. The Board affirms that the remuneration is consistent with the Company's remuneration policy, duly approved by the shareholders, and is in compliance with the provisions of Section 197 of the Act, 2013 and applicable rules thereunder.	As per the terms of appointment	March 24,2025	Nil

2	Name: Mr. Vinay Choudary Chilakapati	Loan repaid	0.71	18 Months, As per the terms of Agreement	Repayment in accordance with the terms of the loan agreement	March 24,2025	Nil
	Nature of Relationship: Chairman and Managing Director	Managerial remuneration	27.00	The duration of remuneration is governed by the appointment terms approved by the Members of the Company. The Board affirms that the remuneration is consistent with the Company's remuneration policy, duly approved by the shareholders, and is in compliance with the provisions of Section 197 of the Act and applicable rules thereunder	As per the terms of appointment	March 24,2025	Nil
3	Name: Mrs. Lakshmi Kanthamma Chilakapati Nature of Relationship: Director	Loan received	1.26	18 Months, Ordinary Course of Business	As per the terms of agreement	March 24,2025	Nil
		Loan repaid	Nil	As per the terms of agreement		March 24,2025	Nil
4	Name: Ms. Sanjna Chowdary Chilakapati Nature of Relationship: Director	Remuneration	14.53	As per agreed terms, in compliance with applicable provisions of the Act.	As per the agreed terms of engagement .	Febuary 11, 2026	
5	Name: Mr.Vijay Raidu Nature of relationship: Relative of Director	Loan repaid	Nil	As per the terms of Agreement	Ordinary course of business	March 24,2025	Nil

6	Name: M/s.Prasad Innovations Nature of relationship: Proprietorship firm of a Director	Purchase of goods/materials	48.15	In the ordinary course of business and on an arm's length basis, as per the relevant purchase order	As per the Purchase Order	March 24,2025	Nil
7	Name: Prasad Engineering Works Nature of relationship: Partnership Owned by relative of Director	Sale of goods	0.30	In the ordinary course of business and at arm's length basis, as per the relevant purchase order	As per the invoice	March 24,2025	Nil
8	Name: Keerthi Enterprises Nature of relationship: Partnership Owned by relative of Director	Purchase of fixed assets	39.34	In the ordinary course of business and on an arm's length basis, as per the relevant purchase order/arrangement	As per the Purchase Order	March 24,2025	Nil
9	Name: Ms.Aanchal Sethia Nature of relationship Company Seceretary	Salary	3.36	As per the terms of appointment	As per the terms of appointment	March 24,2025	Nil

Registered Office:

B-31, BHEL Ancillary Industrial Estate,
Ramachandrapuram, Medak, Hyderabad-
502032, Telangana, India.

**By Order of the Board of Directors of
Innomet Advanced Materials Limited**

Date: August 24, 2026

Place: Hyderabad

Sd/-

Vinay Choudary Chilakapati
Chairman and Managing Director
DIN: 08444644

Sd/-

Saritha Devi Chilakapati
Whole-time Director and CFO
DIN: 08432017

Annexure-B

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 ("Act") and Rule 5 (1) of Companies. (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- Ratio of the remuneration of each Director to the median remuneration of Employees of the Company for the financial year 2025-26, the percentage increase in remuneration of Directors, Chief Financial Officer and Company Secretary during the FY 2025-26:

						(Rs. In Lakhs)
Name	Designation	Remuneration of Director /KMP for FY 2025-26	Remuneration of Director/ KMP for the FY 2024-25	% increase in Remuneration in the Financial Year 2025-26	Ratio of remuneration of each Director / to median remuneration of employees	
Vinay Choudary Chilakapati	Managing Director	27.00	25.50	5.88	7.49	
Saritha Chilakapati	Devi Whole-time Director & CFO	18.00	18.00	0	4.99	
Ms. Chowdary	Sanjna Non-executive Director	14.53	NA	NA	NA	
Aanchal Sethia	Company Secretary	3.36	3.60	0	0.93	

- Increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the FY 2025-26 - as stated above in Point No.1

- Percentage increase in the median remuneration of employees in the financial year-

The median remuneration of employees was Rs. 3,60,600 during the FY 2025-26, as compared to Rs. 4,65,771 in the previous financial year 2024-25. During the year under review, there was a decrease of 22.58% in the median remuneration of employees.

During the financial year 2025-26, the Company witnessed a reduction in the number of employees as compared to the previous year. This change is primarily attributable to natural attrition.

The Company continues to focus on maintaining operational efficiency while ensuring that the existing workforce is adequately supported through training, redeployment, and career development initiatives.

- Number of permanent employees on the rolls of Company –

The Company has 39 permanent employees on its rolls as on 31 March, 2026.

- Affirmation that the remuneration is as per the remuneration policy of the Company.

The Board affirms that the remuneration paid to Directors, Chief Financial Officer and Company Secretary during the financial year 2025-26 is in accordance with the remuneration policy of the Company and as approved by the shareholders, board of directors

- The statement containing the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- During the financial year 2025-26, no employee of the Company was in receipt of remuneration in excess of the limits specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.
- During the financial year 2025-26, no employee of the Company was in receipt of remuneration in excess of the limits specified under Rule 5(3) of the said Rules, nor did any employee hold more than 2% of the equity shares of the Company.

Registered Office:

B-31, BHEL Ancillary Industrial Estate,
Ramachandrapuram, Medak, Hyderabad-
502032, Telangana, India.

**By Order of the Board of Directors of
Innomet Advanced Materials Limited**

Date: August 24, 2026

Place: Hyderabad

Sd/-

**Vinay Choudary Chilakapati
Chairman and Managing Director
DIN: 08444644**

Sd/-

**Saritha Devi Chilakapati
Whole-time Director and CFO
DIN: 08432017**

Annexure – C

Form No. MR-3
SECRETARIAL AUDIT REPORT
for the financial year ended 31 March 2026

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

To
The Members,
Innomet Advanced Materials Limited
CIN: L27101TG2019PLC132262
Registered Office: B-31, Bhel Ancillary Industrial Estate Ramachandrapuram,
Medak, Hyderabad, Telangana, India, 502032.
Website: www.innomet.net
Tel: +91 04023021726

We have conducted the secretarial audit of the compliance with applicable statutory provisions and adherence to good corporate practices by **Innomet Advanced Materials Limited (CIN: L27101TG2019PLC132262) (“the Company”)** for the financial year ended 31 March 2026 (**FY 2025-26**). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company, and also the information and clarifications and confirmations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March 2026 (“the period under review”) complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance mechanisms.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March 2026, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder
- ii) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India;

During the period under review, following acts/regulations are applicable as on 31st March, 2026-

- (i) Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (iv) The following regulations as prescribed under Securities and Exchange Board of India Act, 1992 (“SEBI Act”) –
 - a) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – Not attracted during the period under review;
 - f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 – Not attracted during the period under review;

g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 – Not attracted during the period under review;

h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – Not attracted during the period under review; and

i) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 – Not attracted during the period under review.

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

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that –

The Board of Directors of the Company is duly constituted in accordance with the provisions of the Act. As the Company is listed on the SME platform of NSE, the detailed corporate governance provisions specified under Regulation 17 and other provisions covered by Regulation 15(2)(b) of SEBI (LODR) Regulations, 2015 are **not applicable**. The appointment and cessation of Directors during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance or with shorter consents as may be the case, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. Based on the documents produced by the management, we are of the view that meetings at shorter notice, are conducted with adequate consents of the Directors, and the necessary compliances under the Act and Secretarial Standards on Board Meetings are complied with.

During the year under review, Directors/Members have participated in the Board/Committee Meetings through Video Conferencing and such meetings were properly convened and recorded in compliance with the provisions of Section 173(2) of the Act read with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014.

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

We further report that during the year under review, there are no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above **except the following –**

Observations

- Board Composition: The Board was duly constituted with requisite Independent Directors and a Woman Director. Changes during the year included resignation of Mr. Myneni Narayana Rao (Independent Director) and appointment of Ms. Sanjna Chowdary Chilakapati as Additional Director.
- KMP Changes: Ms. Aanchal Sethia (CS) resigned w.e.f. June 01, 2026
- Preferential Issue: The Company undertook preferential allotment of equity shares and warrants during Post Closure of FY 2025-26, in compliance with SEBI ICDR Regulations.
- IPO Proceeds: Utilisation of IPO proceeds completed during FY 2025 26, with no deviation from stated objects.
- Meetings: Adequate notice and agenda circulation; compliance with SS 1 and SS 2; VC participation properly recorded.
- During the financial year under review, the Company approved the proposal for acquisition of 57.5% of the equity share capital of Swastik Tungsten Private Limited ("Swastik Tungsten") for a consideration of ₹Rs.1.50 Crores, subject to the terms and conditions of the Share Purchase Agreement and completion of the applicable process under the approved Resolution Plan. The proposal was approved by the Board of Directors at its meeting held on 13 February 2026. As at 31 March 2026, the proposed acquisition had not been completed and, accordingly, Swastik Tungsten was not a subsidiary of the Company as at the end of the financial year. The Company had made the requisite disclosures in respect of the proposed acquisition to the stock exchanges. Other Events: No fines or penalties levied by stock exchanges during the year.

**For P. S. Rao & Associates
Practicing Company Secretaries**

Place: Hyderabad

Date: 24/08/2026

UDIN: F011891H001207756

PR: 3572/2023

Sd/-

M Ramana Reddy

FCS - 11891

CP No. 18415

[This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.]

AUDITED FINANCIAL REPORT

Independent Auditors Report

Financial Statements

INDEPENDENT AUDITORS' REPORT

To
The Members of **M/s Innomet Advanced Materials Limited**

Report on the audit of the financial statements

Opinion

We have audited the accompanying standalone financial statements of **M/s Innomet Advanced Materials Limited** ("the Company"), which comprise the balance sheet as at March 31, 2026, and the Statement of Profit and Loss for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Paragraph

We have determined that there are no matters to be reported under emphasis of matter paragraph.

Key audit matters

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

Reporting of key audit matters as per SA 701, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Information other than the financial statements and auditors' report thereon

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

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

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

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

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The 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 standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on other legal and regulatory requirements

1. The provisions of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is applicable to the Company since it is a public company; we give in 'Annexure A', a statement on the matters, specified in paragraph 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The balance sheet, the statement of profit and loss, dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

- e. On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of internal financial controls and its operating effectiveness to ensure that its books of accounts and other financial records are accurate and reliable, and to prevent fraud and mismanagement, please refer to our separate report in "Annexure B"; and
- g. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, In our opinion and according to the information and explanations given to us,
remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - iv. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- v. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- vii. Based on audit procedures which we 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) contain any material mis-statement.
- viii. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013

For C N D & Associates
(Chartered
Accountants) (Firm
Reg. No. 030019N)

Sd/-
Rohit
Dhingra
(Partner)
Membership No: 519740

Place: Delhi
Date: May 23, 2026
UDIN: 26519740FWDQKR7648

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our Report to members of M/s INNOMET ADVANCED MATERIALS LIMITED ('the Company') on the financial statements for the year ended 31 March 2026)

(i) In respect of Property, Plant and Equipment (PPE) and Intangible assets:

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of PPE. The company has maintained proper records showing full particulars intangible assets.
- b) PPE were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the PPE at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us, the company does hold immovable properties of land and buildings as at the balance sheet date. The title deeds pertaining to these immovable properties (except properties which are leased by the company with duly executed lease agreements in the company's favour) disclosed in the standalone financial statements are held in the name of the company.
- d) According to the information and explanation given to us and the records examined by us, the company has not revalued its Property plant and equipment (including Rights of Use assets) or intangible assets or both during the year. Accordingly, reporting under clause (i)(d) of the Order is not applicable.
- e) According to the information and explanation given to us and the records examined by us, no proceeding have been initiated or are pending against the company for holding any benami property under the Benami Transactions (prohibition) Act, 1988 and the rules made thereunder. Accordingly, reporting under clause (i)(e) of the Order is not applicable.

(ii) In respect of Inventory:

- a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification were not material and have been properly dealt with in the books of account.

- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of 5 crore, in aggregate, at points of time during the year, from banks on the basis of security of inventory. In our opinion and according to information and explanations given to us, and as disclosed in Note 5 of the Standalone Financial Statements, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters.
- (iii) In our opinion and according to the information and explanations given to us, the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.

The aggregate amount during the year was Rs. 420.53 lakh, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to other entity was 420.53 lakh.

In our opinion and according to the explanations given to us, the terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the Company's interest.

- (iv) In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under Section 148 (1) of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, reporting under clause (vi) of paragraph 3 of the Order is not applicable.
- (vii) According to the information and explanations given to us,
- a) The Company has generally been regular in depositing undisputed statutory dues including goods and service tax, provident Fund, employee state insurance, income-tax, duties of custom, cess and other material statutory dues applicable to it with appropriate authorities. There were no undisputed amounts payable in respect of goods and service tax, provident Fund, employee state insurance, income-tax, duties of custom, cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months.

- b) There were no dues of goods and service tax, provident Fund, employee state insurance, income-tax, duties of custom, cess and other material statutory dues, which have not been deposited as at March 31, 2026 on account of any dispute from the date they became payable
- (viii) In our opinion, according to the information and explanation given to us, there is no unrecorded income surrendered or disclosed in the income tax assessment under Income-tax Act, 1961 during the year. Accordingly, reporting under clause (viii) of paragraph 3 of the Order is not applicable
- (ix) Reporting under this clause is below:
- a) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks.
- b) According to the information and explanations given to us, the company is not declared willful defaulter by any bank or financial institution or any other lender.
- c) According to the information and explanations given to us, the company utilized the term loan for the purpose for which the loan were obtained.
- d) According to the information and explanations given to us, the company has not utilized short term funds for long term purposes. Accordingly, reporting under clause (ix)(d) of paragraph 3 of the Order is not applicable.
- e) According to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiary. Accordingly, reporting under clause (ix)(e) of paragraph 3 of the Order is not applicable.
- f) According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiary. Accordingly, reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable.
- (x) Reporting under this clause is below:
- The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) or term loans during the financial year, accordingly, reporting under clause (ix) of paragraph 3 of the Order is not applicable.
- a) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (x)(b) of paragraph 3 of the Order is not applicable to the Company.

- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (xii) In our opinion, the Company is not a Nidhi company. Accordingly, reporting under sub clause (a), (b) and (c) of clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) The provisions of Section 177 of the Act is applicable to the Company, it has formed an audit committee in compliance with the said section. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

We have considered the internal audit reports issued to the Company issued till the date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered any non-cash transactions with its directors or persons connected to its directors and hence provisions of Section 192 of the Act are not applicable.
- (xvi) Reporting under this clause is below;
 - a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause (xvi)(a) of paragraph 3 of the Order is not applicable.
 - b) In our opinion and according to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, reporting under clause (xvi)(b) of paragraph 3 of the Order is not applicable.
 - c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause (xvi)(c) of paragraph 3 of the Order is not applicable.

- d) This clause is applicable for reporting for Consolidated standalone financial statements and this report pertains to financial statement, accordingly reporting under clause (xxi) of paragraph 3 of the Order is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us, the company has incurred no cash losses in the financial year and no cash loss in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company.
- We further state that our reporting 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) In our opinion and according to the information and explanations given to us, second proviso to sub-section (5) of section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility is not applicable on the company. Accordingly reporting under clause (xx) of paragraph 3 of the Order is not applicable.

- (xxi) This clause is applicable for reporting for Consolidated standalone financial statements and this report pertains to standalone financial statement, accordingly reporting under clause (xxi) of paragraph 3 of the Order is not applicable.

For C N D & Associates,
Chartered Accountants
(Firm Regn No - 030019N)

CA Rohit Dhingra
Partner
M.No.
519740
Place: Delhi
Date: May 23, 2026
UDIN: 26519740FWDQKR7648

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' Section of our Report to members of M/s INNOMET ADVANCED MATERIALS LIMITED (the Company') on the financial statements for the year ended 31 March 2026)

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

We have audited the internal financial controls over financial reporting of the Company as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us , the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For C N D & Associates,
Chartered Accountants
(Firm Regn No - 030019N)

CA Rohit Dhingra
Partner
M.No.
519740
Place: Delhi
Date: May 23, 2026
UDIN: 26519740FWDQKR7648

INNOMET ADVANCED MATERIALS LIMITED
Standalone Balance Sheet as at March 31, 2026 CIN :
L27101TG2019PLC132262
All amounts in Indian Rupees Lakhs - unless otherwise stated
(₹ Lakhs)

PARTICULARS	Note No.	Year Ended March 31, 2026	Year Ended March 31, 2025
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	3	1,294.01	1,294.01
(b) Reserve and Surplus	4	2,995.60	2,838.33
Total Equity		4,289.61	4,132.34
Liabilities			
Non-Current Liabilities			
(a) Long-Term Borrowing	5	922.79	698.99
(b) Provisions	6	10.16	8.15
Total Non-Current Liabilities		932.95	707.14
Current Liabilities			
(a) Short-Term Borrowings	5	568.81	824.32
(b) Trade Payables	6		
-Total outstanding dues of micro enterprises and small enterprises		60.80	271.27
-Total outstanding dues of creditors other than micro enterprises and small enterprises		108.01	47.58
(c) Provisions	7	7.23	5.03
(d) Other Current Liabilities	8	178.74	70.78
(e) Current Tax Liabilities (net)	9	45.69	50.19
Total Current Liabilities		969.28	1,269.17
TOTAL EQUITY AND LIABILITIES		6,191.85	6,108.64
ASSETS			
Non-Current Assets			
(a) Property Plant and Equipment	10		
(i) Tangible Assets		1,963.91	1,729.42
(ii) Intangible Assets		195.42	190.41
(b) Capital work-in-progress	10	52.98	183.27
(c) Investments	11	5.52	-
(d) Loan and Advances	12	570.53	153.75
(e) Deffered tax assets	13	7.45	0.76
(f) Other Non-Current Assets	14	50.11	42.15
Total Non-Current Assets		2,845.93	2,299.76
Current Assets			
(a) Inventories	20	1,364.69	1,375.92
(b) Trade Receivables	15	1,100.28	635.60
(c) Cash and Cash Equivalents	16	275.86	11.96
(d) Loan and Advances	12	12.50	13.78
(e) Other Current Assets	14	592.59	1,771.62
Total Current Assets		3,345.92	3,808.87
TOTAL ASSETS		6,191.85	6,108.64

Summary of significant accounting policies

INNOMET ADVANCED MATERIALS LIMITED

Standalone Balance Sheet as at March 31, 2026 CIN :

L27101TG2019PLC132262

All amounts in Indian Rupees Lakhs - unless otherwise stated

The accompanying notes 1 to 34 form an integral part of these financial statements.

**As per our report of even date
For CND & Associates
Chartered Accountants
(Firm Registration No. 030019N)**

Sd/-

**Rohit Dhingra
(Partner)
M. No. 519740**

Place : Delhi

**Date: May 23, 2026
UDIN: 26519740FWDQKR7648**

**For and on behalf of the Board of Directors of
Innomet Advanced Materials Limited**

Sd/-

**Vinay Choudary Chilakapati
Managing Director
DIN: 08444644**

Sd/-

**Aanchal Sethia
Company Secretary
M. No. 58422**

Sd/-

**Saritha Devi Chilakapati
Whole-Time Director &
Chief Financial Officer
DIN: 08432017**

INNOMET ADVANCED MATERIALS LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2026
CIN : L27101TG2019PLC132262
All amounts in Indian Rupees Lakhs - unless otherwise stated
(Rs. Lakhs)

PARTICULARS	Note No.	Year ended March 31, 2026	Year ended March 31, 2025
Income			
Revenue from operations	17	5,386.41	3,252.48
Other Income	18	31.91	38.61
Total Income		5,418.32	3,291.10
Expenses			
Cost of materials consumed	19	3,803.38	2,248.68
Change in inventory	20	(6.67)	(257.46)
Employee benefit expenses	21	343.82	261.66
Finance costs	23	85.22	100.31
Depreciation and amortization expense	22	266.82	183.63
Other expenses	24	685.19	493.53
Total Expenses		5,177.77	3,030.34
Profit Before Tax		240.55	260.75
Tax Expense			
Current Tax		81.99	74.98
Deferred Tax		(6.69)	(0.76)
Earlier year tax		7.98	-
Total Tax Expense		83.28	74.22
Profit for the year		157.27	186.53
No. of Equity Shares		1,29,40,138	1,29,40,138
Weighted Average No of Equity Shares		1,29,40,138	1,13,54,964
Earnings per equity share (nominal value of shares Rs.10)			
Basic and diluted (in Rs.)		1.22	1.64

Summary of significant accounting policies

2

The accompanying notes 1 to 34 form an integral part of these financial statements.

As per our report of even date
For CND & Associates
Chartered Accountants
(Firm Registration No. 030019N)

Sd/-
Rohit Dhingra
(Partner)
M. No. 519740

Place : Delhi
Date: May 23, 2026
UDIN: 26519740FWDQKR7648

For and on behalf of the Board of Directors of
Innomet Advanced Materials Limited

Sd/-
Vinay Choudary Chilakapati
Managing Director
DIN: 08444644

Sd/-
Aanchal Sethia
Company Secretary
M. No. 58422

Sd/-
Saritha Devi Chilakapati
Whole-Time Director &
Chief Financial Officer
DIN: 08432017

INNOMET ADVANCED MATERIALS LIMITED
Standalone Statement of Cash Flow for the year ended March 31, 2026
CIN : L27101TG2019PLC132262
All amounts in Indian Rupees Lakhs - unless otherwise stated
(Rs. Lakhs)

PARTICULARS	Year ended March 31, 2026	Year ended March 31, 2025
A. Cash flow from operating activities		
Profit Before Tax	240.55	260.75
Adjustments for:		
Depreciation/amortization	266.82	183.63
Gratuity expenses	4.21	13.18
Prior period adjustment	(7.98)	(416.79)
Interest paid	85.22	100.31
Interest income	(5.74)	(31.57)
Operating profit before working capital changes	583.08	109.52
Movement in working capital:		
Decrease / (Increase) in trade receivables	(464.68)	(283.71)
Decrease / (Increase) in other current assets	1,179.02	(1,415.62)
Decrease / (Increase) in inventories	11.23	(318.97)
Increase / (Decrease) in Loans & Advances	1.28	13.04
Increase / (Decrease) in trade payables	(150.04)	41.00
Increase / (Decrease) in other current liabilities	107.96	(190.40)
Increase / (Decrease) in short term borrowings	(255.51)	283.31
Increase / (Decrease) in provisions	(19.49)	(39.73)
Cash generated from operations	992.86	(1,801.57)
Direct taxes paid (net of refunds)	66.97	45.42
Net cash from operating activities (A)	925.89	(1,846.99)
B. Cash flows from investing activities		
Margin Money for Bank Guarantee	(3.29)	(4.59)
Interest received	5.74	31.57
Payment for fixed assets (including capital work in progress and capital advances)	(376.04)	(699.45)
Long term loan and advances	(416.78)	(153.75)
Movement in security deposit	(4.67)	10.04
Investments in Mutual Fund	(5.52)	-
Net cash from/ (used in) investing activities (B)	(800.57)	(841.64)
C. Cash flows from financing activities		
Interest paid during the year	(85.22)	(100.31)
Proceeds/(Repayment) from Long-term Borrowing	223.80	(91.32)
Proceeds from issuance of shares	-	3,423.60
Share issue expenses	-	(532.99)
Net cash from/ (used in) financing activities (C)	138.58	2,698.99
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	263.90	10.36
Cash and cash equivalent as at the beginning of the period	11.96	1.59
Cash and cash equivalent as at the end of the period	275.86	11.96

Notes:

(i) Amount in brackets represents cash outflow or loss.

As per our report of even date
For CND & Associates
Chartered Accountants
(Firm Registration No. 030019N)

Sd/-
Rohit Dhingra
(Partner)
M. No. 519740

Place : Delhi
Date: May 23, 2026
UDIN: 26519740FWDQKR7648

For and on behalf of the Board of Directors of
Innomet Advanced Materials Limited

Sd/-
Vinay Choudary Chilakapati
Managing Director
DIN: 08444644

Sd/-
Aanchal Sethia
Company Secretary
M. No. 58422

Sd/-
Saritha Devi Chilakapati
Whole-Time Director &
Chief Financial Officer
DIN: 08432017

Followed by notes to account on excel (1-2), (3-4)...

INNOMET ADVANCED MATERIALS LIMITED**Standalone Notes to financial statements for the year ended March 31, 2026****CIN : L27101TG2019PLC132262****All amounts in Indian Rupees Lakhs - unless otherwise stated****1 Corporate information**

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is B-31, Bhel Ancillary Industrial Estate Ramachandrapuram, Medak, Hyderabad, Telangana, India, 502032. The Company is engaged in business of manufacturing and selling "**Metal Powders & Tungsten Heavy Alloys**". The accompanying financial statements reflect the results of the activities undertaken by the company during the period 1st April, 2025 to 31st March, 2026.

2 Significant accounting policies**(a) Basis of preparation**

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies Accounting Standards Rules, 2006 as amended from time to time and the relevant provisions of the Companies Act, 2013 ("The Act"). The financial statements have been prepared in accordance with revised Schedule III requirements including previous year comparatives. The financial statements have been prepared under historical cost convention on an accrual basis in accordance with accounting principles generally accepted in India. The accounting policies have been consistently applied by the company and are consistent with those used in previous year.

The preparation of financial statements is in conformity with general accepted accounting principles which require the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Actual results could differ from those estimates.

(b) Functional and presentation currency

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognized in the Statement of Profit and Loss.

(c) Property, plant and equipment

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any and capital work in progress is stated at cost. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit & Loss for the period in which such expenses are incurred.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Leasehold improvement represent expenses incurred towards civil works, interior furnishings, etc. of the leasehold premises.

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are charged to the Statement of Profit and Loss. The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Gains or losses arising from derecognition of property plant and equipments are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(d) Depreciation on property plant and equipment

The Depreciation has been provided on the basis of useful life as prescribed in Schedule II of Companies Act, 2013. Residual value of assets is considered at 5% of the original cost of the assets.

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INNOMET ADVANCED MATERIALS LIMITED**Standalone Notes to financial statements for the year ended March 31, 2026****CIN : L27101TG2019PLC132262****All amounts in Indian Rupees Lakhs - unless otherwise stated****(e) Impairment of property, plant and equipment**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(f) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(g) Borrowing costs

Borrowing costs includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred.

(h) Revenue recognition

Revenue is recognized to the extent it can be reliably measured and is probable that the economic benefits will flow to the company.

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INNOMET ADVANCED MATERIALS LIMITED**Standalone Notes to financial statements for the year ended March 31, 2026****CIN : L27101TG2019PLC132262****All amounts in Indian Rupees Lakhs - unless otherwise stated****(i) Employee benefits***Short term employee benefits:*

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

(j) TaxesCurrent income tax

- Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company determines the tax as per the provisions of Income Tax Act 1961 and other rules specified thereunder.

Deferred tax

- Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- Deferred tax liabilities are recognized for all taxable temporary differences, except:
 - (i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
 - (ii) Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
 - (iii) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
 - (iv) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
 - (v) Deferred tax relating to items recognized outside profit or loss is recognized through profit or loss.
 - (vi) Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(k) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(l) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The contingent liability is not recognized in books of account but its existence is disclosed in financial statements.

(m) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as fresh issue, bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

INNOMET ADVANCED MATERIALS LIMITED

Standalone Notes to financial statements for the year ended March 31, 2026

CIN : L27101TG2019PLC132262

All amounts in Indian Rupees Lakhs - unless otherwise stated

(n) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, cheques in 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 and having original maturities of three months or less from the date of purchase, to be cash equivalents.

(o) Valuation of Inventories

Raw Material:At cost (on weighted average method)

Finished goods:At cost or net realizable value whichever is lower.

Stores & Spares:At cost.

(p) Operating Lease

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating lease. Operating lease charges are recognized as an expense in the Statement of Profit & Loss on actual basis.

(q) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard (AS) 3 on Cash Flow Statements and presents the cash flows by operating, investing and financial activities of the Company.

Cash and cash equivalents presented in the Cash Flow Statement consists of cash in hand, cheques & drafts in hand and balances in current account/ flexi deposit.

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INNOMET ADVANCED MATERIALS LIMITED

Standalone Notes to financial statements for the year ended March 31, 2026

CIN : L27101TG2019PLC132262

All amounts in Indian Rupees Lakhs - unless otherwise stated

PARTICULARS	As at March 31, 2026	As at March 31, 2025
3. EQUITY SHARE CAPITAL		
Authorized Shares		
1,40,00,000 (previous year 1,40,00,000) Equity shares of Rs.10/- each	1,400.00	1,400.00
Issued, subscribed and fully paid -up shares		
1,29,40,138 (previous year 1,29,40,138) Equity shares of Rs.10/- each	1,294.01	1,294.01
TOTAL	1,294.01	1,294.01

(a) Terms/rights attached to equity shares

The Company has only one class of equity shares having 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.

(b) Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

The Company does not have any holding and subsidiary company

(c) The details of shares held by promoters:

PARTICULARS	As at 31 March 2026		As at 31 March 2025	
	No.	% holding in the class	No.	% holding in the class
Mr. Vinay Choudary Chilakapati	5,26,316	4.07%	5,26,316	4.07%
Mrs. Saritha Devi Chilakapati	33,71,028	26.05%	33,09,828	25.58%
Mrs. Lakshmi Kanthamma Chilakapati	32,55,794	25.16%	32,55,794	25.16%

As per the records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) The details of change in shares held by promoters:

PARTICULARS	As at 31 March 2026	As at 31 March 2025	Change in holding (%)
Mr. Vinay Choudary Chilakapati	526,316	526,316	0.00%
Mrs. Saritha Devi Chilakapati	3,371,028	33,09,828	0.47%
Mrs. Lakshmi Kanthamma Chilakapati	3,255,794	3,255,794	0.00%

(e) Reconciliation of the shares outstanding at the beginning and at the end of the reporting financial year :

PARTICULARS	As at 31 March 2026		As at 31 March 2025	
	No.	% of total class	No.	% of total class
At the beginning of the year	12,940,138	100%	9,516,138	73.54%
Add: Issue of equity shares during the year	-	-	3,424,000	26.46%
Outstanding at the end of the year	12,940,138	100%	12,940,138	100%

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

PARTICULARS	As at 31 March 2026		As at 31 March 2025	
	No.	% holding in the class	No.	% holding in the class
Mrs. Saritha Devi Chilakapati	3,371,028	26.05%	33,09,828	25.58%
Mrs. Lakshmi Kanthamma Chilakapati	3,255,794	25.16%	32,55,794	25.16%

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INNOMET ADVANCED MATERIALS LIMITED**Standalone Notes to financial statements for the year ended March 31, 2026****CIN : L27101TG2019PLC132262****All amounts in Indian Rupees Lakhs - unless otherwise stated****1. RESERVE & SURPLUS**

PARTICULARS	As at March 31, 2026	As at March 31, 2025
<u>Security Premium</u>		
Opening balance	2,791.80	243.54
Received during the period	-	3,081.24
Share issue expenses	-	532.99
<u>Closing balance (A)</u>	2,791.80	2,791.80
<u>Retained Earnings - Surplus/(deficit) in the statement of profit and loss</u>		
Opening balance	46.53	276.78
Profit for the year	157.27	186.53
Less: Adjustment for the previous year	-	416.79
<u>Closing balance (B)</u>	203.80	46.53
<u>Closing balance (A+B)</u>	2,995.60	2,838.33

Retained earnings

Retained earnings are the profits that the Company has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders.

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INNOMET ADVANCED MATERIALS LIMITED
Standalone Notes to financial statements for the year ended March 31, 2026
CIN : L27101TG2019PLC132262
All amounts in Indian Rupees Lakhs - unless otherwise stated

PARTICULARS	As at March 31, 2026	As at March 31, 2025
5.1 LONG-TERM BORROWINGS		
Unsecured loans from related parties	398.72	517.09
Term loan	524.07	161.59
Loan from NBFC	-	20.30
TOTAL	922.79	698.99

Term Loan from Bank

1. Standard Chartered Bank (Outstanding Amount Term Loan No. 007271017 - 1,51,30,984 and Term Loan No. 007272618 - 4,81,83,333) - Term Loan is primarily secured against hypothecation of all present and future current assets and following are the collateral security:
- (a) Industrial Land and Building in Plot No. F35 & F36 in Sy. No. 70 & 174, situated at FICCI-FLO, IP Sultanpur Limits, Ameerpur Mandal, Sangareddy admeasuring 7767 Sq. Meter in the name of M/s Innomet Advanced Materials Private Limited.
- (b) Factory Land and Buildings bearing Survey Number 231 and 232, situated at Shed No B 31 situated at Ancillary Industrial Estate, Ramachandrapuram, Medak District, R C Puram, Hyderabad 502032 admeasuring Total Area 1000 Sq. yd in the name of Ms Padma Sree Enterprises.
- (c) Residential Building bearing Survey Number 26, 401 to 412, situated at Residential House in Plot No 162, MIG Nallagandla Village Serilingampally, Ranga Reddy district - 500032, Admeasuring Total Area 225.44 Sq. Yds in the name of Shri Ch Harinath Prasad.
- (d) Residential Building bearing Survey Number 12/1 and 13, situated at Flat no 201A second floor, Block A, Aparna Sarovar Apartment, Kanchagachibowli, Serilingampalli, Ranga Reddy district 500046 Admeasuring Total Area 1460 Sq. ft, in the name of Smt Ch Saritha.
2. HDFC Bank Ltd (Outstanding Term Loan Amount Rs. 14,81,508) is secured against hypothecation of Tata Tiago Car.
4. SBI Bank Ltd (Outstanding Term Loan Amount Rs. 12,63,714) is secured against hypothecation of MG Car.

PARTICULARS	As at March 31, 2026	As at March 31, 2025
5.2 SHORT-TERM BORROWINGS		
Current Maturity of Term Loan	136.53	67.17
Current Maturity of Loan from NBFC	20.30	36.00
Working capital loan from bank	411.98	721.05
Working capital loan from NBFC	-	0.09
TOTAL	824.32	824.32

Working Capital Loan from Bank

Standard Chartered Bank (Outstanding Amount - Rs. 4,11,98,145) - Cash Credit facility primarily secured against hypothecation of all present and future current assets. The Collateral Security for working capital loan from bank is same as disclosed under Notes 5.1.

PARTICULARS	As at March 31, 2026	As at March 31, 2025
6. PROVISIONS		
LONG-TERM PROVISIONS		
Provision for gratuity	10.16	8.15
TOTAL	10.16	8.15
SHORT-TERM PROVISIONS		
Provision for gratuity	7.23	5.03
TOTAL	7.23	5.03

PARTICULARS	As at March 31, 2026	As at March 31, 2025
7. TRADE PAYABLE		
Total outstanding dues of micro, small & medium enterprises	60.80	271.27
Total outstanding dues of other than micro, small & medium enterprises	108.01	47.58
TOTAL	168.81	318.85

Trade payable ageing schedule due for payment

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
As at March 31, 2026						
(i) MSME	-	6.54	-	-	-	6.54
(ii) Others	-	159.92	2.36	-	-	162.27
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	166.46	2.36	-	-	168.81

INNOMET ADVANCED MATERIALS LIMITED

Standalone Notes to financial statements for the year ended March 31, 2026

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All amounts in Indian Rupees Lakhs - unless otherwise stated

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 year	
As at March 31, 2025						
(i) MSME	-	271.27	-	-	-	271.27
(ii) Others	-	43.15	4.43	-	-	47.58
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	314.42	4.43	-		318.85

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INNOMET ADVANCED MATERIALS LIMITED
Standalone Notes to financial statements for the year ended March 31, 2026
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Details of dues to Micro, Small and Medium Enterprises as per Micro Small and Medium Enterprise Development Act, 2006

Particulars	31-Mar-26	31-Mar-26
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-- Principal amount	6.54	271.27
-- Interest thereon	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

PARTICULARS	As at March 31, 2026	As at March 31, 2025
8. OTHER CURRENT LIABILITIES		
Capital Creditors	2.89	-
Accrued interest	2.62	0.76
Statutory obligations payable	35.45	5.05
Advances from customer	91.21	12.54
Expense payable	46.56	45.73
TOTAL	178.74	70.78

PARTICULARS	As at March 31, 2026	As at March 31, 2025
9. CURRENT TAX LIABILITY (NET)		
'Provision for tax net of advance tax & tax deducted at source	45.69	50.19
TOTAL	45.69	50.19

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INNOMET ADVANCED MATERIALS LIMITED
Standalone Notes to financial statements for the year ended March 31, 2026
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All amounts in Indian Rupees Lakhs - unless otherwise stated

10. PROPERTY PLANT AND EQUIPMENT

Nature of fixed assets	Gross Block			Depreciation				Net Block		
	As on 01/04/2025	Additions during the year	Sale or transfer	Total as on 31/03/2026	Up to 31/03/2025	Sale/ Transfer	For the Period	Up to 31/03/2026	W.D.V as on 31/03/2026	W.D.V as on 31/03/2025
Tangible Assets:										
Land	137.92	-	-	137.92	-	-		-	137.92	137.92
Building	742.52	66.73	-	809.25	86.49	-	62.65	149.14	660.11	656.03
Eletcrical equipment	29.77	4.50	-	34.27	6.49	-	1.93	8.42	25.85	23.28
Plant & Machinery	1,120.52	380.32	-	1,500.84	239.19	-	175.36	414.55	1,086.29	881.33
Vehicle	51.58	34.78	-	86.36	27.25	-	12.14	39.40	46.96	24.32
Computers	9.98	2.91	-	12.89	6.82	-	2.72	9.54	3.35	3.16
Furniture and Fixtures	5.28	0.42	-	5.71	2.54	-	0.80	3.34	2.37	2.74
Office equipment	8.62	3.80	-	12.42	7.99	-	2.04	10.03	2.39	0.63
Intangible Assets										
Trademark	198.36	-	-	198.36	7.95	-	6.61	14.56	183.80	190.41
Product development	-	12.86	-	12.86	-	-	2.57	2.57	10.29	-
Total	2,304.55	506.33	-	2,810.87	384.73	-	266.82	651.55	2,159.33	1,919.83
Capital work-in-progress	183.27	44.51	174.80	52.98	-	-	-	-	52.98	183.27

INNOMET ADVANCED MATERIALS LIMITED

Standalone Notes to financial statements for the year ended March 31, 2026

CIN : L27101TG2019PLC132262

All amounts in Indian Rupees Lakhs - unless otherwise stated

PARTICULARS	As at March 31, 2026	As at March 31, 2025
<u>11. INVESTMENTS</u>		
<u>NON-CURRENT</u>		
Investment in Mutual Funds	5.52	-
TOTAL	5.52	-

Investment in Mutual Fund measured at Cost

Bluechip Fund - 899.56 units at 46.59 per unit, India Growth Fund - 2,334.13 units at 23.94 per unit and Opportunities Fund - 2,765.25 units at 59.94 per unit. The Market Value of these investment as at March 31, 2026 is Rs. 5.24 lakh.

PARTICULARS	As at March 31, 2026	As at March 31, 2025
<u>12. LOAN AND ADVANCES</u>		
<u>NON CURRENT</u>		
Capital advances	-	3.75
Advances for long-term contract	570.53	150.00
TOTAL	570.53	153.75
<u>CURRENT</u>		
Advance to employees	12.50	13.78
TOTAL	12.50	13.78

PARTICULARS	As at March 31, 2026	As at March 31, 2025
<u>13. DEFERRED TAX</u>		
Deferred tax assets	7.45	0.76
TOTAL	7.45	0.76

In compliance with Accounting Standard 22, "Accounting for Taxes on Income", deferred tax assets/liabilities arising during the year on account of timing differences has been recognised in the profit & loss account and adjusted with opening deferred tax assets/liabilities.

The component of deferred tax assets/liabilities to the extent recognized as on March 31, 2026 are as follows:

PARTICULARS	As at March 31, 2026	As at March 31, 2025
Opening deferred tax assets	0.76	-
Deferred tax assets revalued on account of timing difference	6.69	0.76
Closing deferred tax assets/(liabilities)	7.45	0.76

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PARTICULARS	As at March 31, 2026	As at March 31, 2025
<u>14. OTHER ASSETS</u>		
<u>NON CURRENT</u>		
Security Deposit	35.13	30.46
Margin money for bank guarantee	14.98	11.69
TOTAL	50.11	42.15
<u>CURRENT</u>		
Advances to Suppliers	37.14	50.54
GST Input	14.60	261.59
Prepaid expenses	467.85	514.03
Deposits with remaining maturity period of more than 3 months but up to 12 months	-	800.00
Other current assets	72.99	145.45
TOTAL	592.59	1,771.62

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All amounts in Indian Rupees Lakhs - unless otherwise stated

PARTICULARS	As at March 31, 2026	As at March 31, 2025
<u>15. TRADE RECEIVABLES</u>		
Unsecured		
Current		
Trade receivables considered good	1,100.28	635.60
Trade receivables considered doubtful	-	-
Trade receivables (Gross)	1,100.28	635.60
Less: Impairment allowance for trade receivables - Credit Impaired	-	-
Trade Receivables Unbilled	-	-
Trade receivables (Net)	1,100.28	635.60

Trade receivables Ageing as on 31 March 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	-	1,035.29	5.86	13.94	14.05	31.14	1,100.28
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Less:- Allowance for credit risk	-	-	-	-	-	-	-
Total trade receivable	-	1,035.29	5.86	13.94	14.05	31.14	1,100.28

Trade receivables Ageing as on 31 March 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	-	509.80	80.07	14.59	31.14	-	635.60
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Less:- Allowance for credit risk	-	-	-	-	-	-	-
Total trade receivable	-	509.80	80.07	14.59	31.14	-	635.60

PARTICULARS	As at March 31, 2026	As at March 31, 2025
<u>16. CASH AND BANK BALANCES</u>		
Cash and cash equivalents		
Balances with scheduled banks :		
- Current accounts	23.16	2.13
- EEFC accounts	252.21	9.72
- Cash in hand	0.48	0.11
TOTAL	275.86	11.96

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INNOMET ADVANCED MATERIALS LIMITED

Standalone Notes to financial statements for the year ended March 31, 2026 CIN :

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All amounts in Indian Rupees Lakhs - unless otherwise stated

PARTICULARS	Year Ended March 31, 2026	Year Ended March 31, 2025
<u>17. REVENUE FROM OPERATIONS</u>		
Sale of Goods	5,386.41	3,252.48
TOTAL	5,386.41	3,252.48

PARTICULARS	Year Ended March 31, 2026	Year Ended March 31, 2025
<u>18. OTHER INCOME</u>		
Interest income on		
- Fixed deposit	5.74	31.57
Export incentive	14.95	2.82
Foreign exchange fluctuation	10.90	1.24
Miscellaneous Income	0.32	2.98
TOTAL	31.91	38.61

PARTICULARS	Year Ended March 31, 2026	Year Ended March 31, 2025
<u>19. COST OF MATERIAL CONSUMED</u>		
Opening stock of raw material	456.32	108.13
Add: Domestic purchase	3,775.70	2,595.08
Add: Import purchase	9.77	1.79
Less: Closing Stock of raw material	438.42	456.32
TOTAL	3,803.38	2,248.68

PARTICULARS	Year Ended March 31, 2026	Year Ended March 31, 2025
<u>20. CHANGE IN INVENTORY</u>		
Opening inventories	919.60	948.83
Closing inventories	926.27	919.60
Prior period adjustment (Refer Note no. 4)	-	286.69
Change in inventory	(6.67)	(257.46)

PARTICULARS	Year Ended March 31, 2026	Year Ended March 31, 2025
<u>21. EMPLOYEE BENEFIT EXPENSES</u>		
Salaries, wages & bonus	258.38	171.29
Employee contribution to provident and other fund	14.96	10.34
Staff welfare expenses	70.48	80.03
TOTAL	343.82	261.66

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INNOMET ADVANCED MATERIALS LIMITED

Standalone Notes to financial statements for the year ended March 31, 2026

CIN : L27101TG2019PLC132262

All amounts in Indian Rupees Lakhs - unless otherwise stated

PARTICULARS	Year Ended March 31, 2026	Year Ended March 31, 2025
<u>22. DEPRECIATION</u>		
Depreciation expenses	257.64	175.67
Amortisation expenses	9.18	7.96
	266.82	183.63
<u>23. FINANCE COST</u>		
Interest expenses	81.76	95.86
Bank charges	3.41	4.20
Other charges	0.05	0.25
	85.22	100.31
<u>24. OTHER EXPENSES</u>		
Advertisement Expenses	37.89	84.78
Audit fees	4.00	102.65
Bad debts	0.18	2.70
Business promotion expenses	128.75	91.56
Commission	-	10.53
Courier & Transportation	27.76	0.62
Discount	4.95	-
Donation	2.90	23.82
Electricity, power & water expenses	94.41	2.75
Fees & Charges	12.51	3.62
Insurance charges	7.06	24.19
Job work charges	106.09	-
Late payment charges	0.80	18.70
Legal and professional fees	101.09	1.10
Miscellaneous expenses	26.53	8.18
Office expenses	3.07	3.77
Printing and stationery	5.19	7.28
Rates & Taxes	4.04	28.59
Rent	2.58	1.27
Repair and maintainence	18.22	46.78
Subscription	12.76	20.97
Technical charges	22.50	5.25
Telephone expenses	1.78	1.86
Travelling and conveyance	60.15	2.58
	685.19	493.53

INNOMET ADVANCED MATERIALS LIMITED

Standalone Notes to financial statements for the year ended March 31, 2026

CIN : L27101TG2019PLC132262

All amounts in Indian Rupees Lakhs - unless otherwise stated

PARTICULARS	Year Ended March 31, 2026	Year Ended March 31, 2025
Note:		
*Payment to auditor		
As Auditor:		
Statutory Audit fees	4.00	2.75
Tax Audit fees	1.00	1.00
Others	2.30	1.80
TOTAL	7.30	5.55

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25. Related party disclosures
Names of related parties and related party relationship
Key Managerial personnel and relatives of KMP
Saritha Devi Chilakapati Vinay Choudary Chilakapati Lakshmi Kanthamma Chilakapati Sanjna Chowdary Chilakapati Vijay Raidu Aanchal Sethia Prasad Innovations Prasad Engineering Works Keerthi Enterprises

Summary of transaction with related parties

Name of Related Parties	Relationship	Nature of transaction	As at 31st March 2026	As at 31st March 2025
Saritha Devi Chilakapati	WTD & CFO	Loan received	133.50	320.00
Saritha Devi Chilakapati	WTD & CFO	Loan re-paid	253.13	148.98
Saritha Devi Chilakapati	WTD & CFO	Managerial Remuneration	18.00	18.00
Vinay Choudary Chilakapati	Managing Director	Loan re-paid	0.71	33.19
Vinay Choudary Chilakapati	Managing Director	Managerial Remuneration	27.00	25.50
Lakshmi Kanthamma Chilakapati	Director	Loan received	1.26	324.57
Lakshmi Kanthamma Chilakapati	Director	Loan re-paid	-	30.50
Vijay Raidu	Relative of Director	Loan re-paid		117.31

INNOMET ADVANCED MATERIALS LIMITED**Standalone Notes to financial statements for the year ended March 31, 2026****CIN : L27101TG2019PLC132262****All amounts in Indian Rupees Lakhs - unless otherwise stated**

Name of Related Parties	Relationship	Nature of transaction	As at 31st March 2026	As at 31st March 2025
Aanchal Sethia	Company Secretary	Salary	3.36	3.60
Prasad Innovations	Proprietorship firm of the director of the company	Purchase	48.15	50.51
Prasad Engineering Works	Proprietorship firm of the director of the company	Sale of Goods	0.30	-
Keerthi Enterprises	Proprietorship firm of the director of the company	Purchase of fixed assets	39.34	17.11
Sanjna Chowdary Chilakapati	Additional Director	Salary	14.53	-

Balance outstanding at the end of year

Name of Related Parties	Relationship	Nature of transaction	As at 31st March 2026	As at 31st March 2025
Saritha Devi Chilakapati	WTD & CFO	Loan payable	57.27	176.90
Saritha Devi Chilakapati	WTD & CFO	Salary Payable	6.12	5.21
Lakshmi Kanthamma Chilakapati	Director	Loan payable	341.45	340.19
Vinay Choudary Chilakapati	Managing Director	Loan receivable	-	0.71
Vinay Choudary Chilakapati	Managing Director	Salary Payable	4.92	-
Keerthi Enterprises	Proprietorship firm of the director of the company	Accounts Receivable	4.21	-
Prasad Innovations	Proprietorship firm of the director of the company	Accounts Payable	2.28	1.54
Aanchal Sethia	Company Secretary	Salary Payable	0.25	0.26
Sanjna Chowdary Chilakapati	Additional Director	Accounts Payable	1.16	-

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INNOMET ADVANCED MATERIALS LIMITED**Standalone Notes to financial statements for the year ended March 31, 2026****CIN : L27101TG2019PLC132262****All amounts in Indian Rupees Lakhs - unless otherwise stated****26 Contingent Liabilities**

	31 March 2026	31 March 2025
Claims against the Company not acknowledged as debts*	-	-
Bank Guarantee	13.98	10.21

27 Capital and Other Commitments:

At March 31, 2026, the Company has commitments of Rs. Nil (March 31, 2025: Rs. Nil) relating to completion of capital projects.

28 Earnings in Foreign Currency (accrual basis)

	31 March 2026	31 March 2025
Sale of Goods	982.81	307.89
Total	982.81	307.89

29 Expenditure in Foreign Currency (accrual basis)

	31 March 2026	31 March 2025
Fixed assets	58.72	17.10
Raw material	9.77	1.79
Services	99.21	6.40
Total	167.70	25.29

30 Value of Consumption of Imported and Indigenous Raw Materials, Spares and the Percentage of the total Consumption

Particular	2025-26 (INR)	2025-26 (%)	2024-25 (INR)	2024-25 (%)
(A) Raw Material				
Indigenous	3,669.56	96.48%	2,170.20	96.51%
Imported	9.77	0.26%	1.79	0.08%
(B) Stores & Spares				
Indigenous	124.04	3.26%	76.69	3.41%
Imported	-	-	-	-
(C) Components				
Indigenous	-	-	-	-
Imported	-	-	-	-

INNOMET ADVANCED MATERIALS LIMITED**Standalone Notes to financial statements for the year ended March 31, 2026****CIN : L27101TG2019PLC132262****All amounts in Indian Rupees Lakhs - unless otherwise stated****31 Financial Ratios**

Ratio	Numerator	Denominator	Current period	Previous period	% variance	Reason for variance
(a) Current ratio	Current assets	Current liabilities	3.45	3.00	15%	NA
(b) Debt-equity ratio	Borrowings+ Interest Accrued	Total Equity	0.35	0.37	-6%	NA
(c) Debt service coverage ratio	Earning for Debt Service	Interest	0.36	3.60	-90%	Decline mainly due to increasing debt service obligations.
(d) Return on equity ratio	Net Profits before taxes	Average Shareholder's Equity	5.71	9.31	-39%	Decreased in the profit during the year
(e) Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	3.93	2.67	47%	Increase in sales during the year
(f) Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	6.21	6.59	-6%	NA
(g) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	15.49	8.70	78%	Increase in purchase and decrease in trade payables during the year
(h) Net capital turnover ratio	Net Sales	Working Capital	2.27	1.28	77%	Increase in sales during the year
(i) Net profit ratio	Net profit	Net Sales	2.92%	5.74%	-49%	Decreased in the profit during the year
(j) Return on capital employed	Earning before interest and taxes	Capital Employed	5.63%	6.38%	-12%	NA
(k) Return on investment	Market Value	Initial investment	12.15%	14.41%	-16%	NA

Note no 1- Please note that variance below 25% has not been explained.

INNOMET ADVANCED MATERIALS LIMITED

Standalone Notes to financial statements for the year ended March 31, 2026

CIN : L27101TG2019PLC132262

All amounts in Indian Rupees Lakhs - unless otherwise stated

32 DISCLOSURE REQUIRED BY ACCOUNTING STANDARD - 15 "EMPLOYEE BENEFITS"**[1] PROVISION FOR GRATUITY****(A) DEFINED BENEFIT PLAN KEY ACTUARIAL ASSUMPTIONS:**

Particulars	As at 31st March 2026	As at 31st March 2025
Discount Rate	7.00%	6.75%
Salary Growth Rate	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14
Expected rate of return	0.00%	0.00%
Attrition/Withdrawal Rate (per annum)	10.00%	10.00%

(B) EXPENDITURE RECOGNITION DURING THE

Particulars	As at 31st March 2026	As at 31st March 2025
Period	31-03-2026	31-03-2025
Current Liability (Short Term)	Rs. 7,22,658	Rs. 5,02,920
Non Current Liability (Long Term)	Rs. 10,16,208	Rs. 8,15,276
Total Liability	Rs. 17,38,866	Rs. 13,18,196

33 Other Statutory Information

- a. The Company has not recorded any transaction with the companies that has been struck off from the registrar of companies (ROC) during the period.
- b. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- c. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial period.
- d. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - b. 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
- e. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).
- f. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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.
- g. The Company have 2 product segment i.e. Metal powder and tungsten heavy alloy, therefore segment reporting is applicable but except the revenue from operation the company has not maintained the data for the segment reporting, however from the financial year 2025-26 the company have implemented the system for the maintaining the segment wise data of Profit and loss, Assets, Liabilities and revenue.

INNOMET ADVANCED MATERIALS LIMITED

Standalone Notes to financial statements for the year ended March 31, 2026

CIN : L27101TG2019PLC132262

All amounts in Indian Rupees Lakhs - unless otherwise stated

Segment revenue of the company is as per the below

Particular	As at 31st March 2026	As at 31st March 2025
1. Segment Revenue		
a) Metal Powder	4,059.92	2,550.96
b) Tungsten heavy alloy	1,326.49	701.52
Total	5,386.41	3,252.48
2. Geographic Revenue		
Domestic Revenue	4,403.60	2,944.60
Export Revenue	982.81	307.89
Total	5,386.41	3,252.48

34 Previous Year Comparatives

Previous year figures are re-grouped wherever necessary.

Summary of significant accounting policies 2

The accompanying notes 1 to 34 form an integral part of these financial statements.

As per our report of even date
For **CND & Associates**
Accountants
(Firm Registration No. 030019N)

For and on behalf of the Board of Directors of
Innomet Advanced Materials Limited Chartered

Sd/-
Rohit Dhingra
(Partner)
M. No. 519740

Sd/-
Vinay Choudary Chilakapati
Managing Director
DIN: 08444644

Sd/-
Saritha Devi Chilakapati
Whole-Time Director &
Chief Financial Officer
DIN: 08432017

Place : Delhi
Date: May 23, 2026
UDIN: 26519740FWDQKR7648

Sd/-
Aanchal Sethia UDIN:
Company Secretary
M. No. 58422