CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I have the privilege of presenting the 44th Annual Report of Rajasthan Electronics & Instruments Limited (REIL) for the financial year 2025-26.

India continues to remain one of the fastest-growing major economies, supported by resilient domestic demand, sustained infrastructure investment, increasing manufacturing activity, and rapid adoption of technology. The Government of India's continued emphasis on Atmanirbhar Bharat (Make in India), Digital India, renewable energy, sustainable rural development, and digital governance is creating significant opportunities for technology-driven enterprises. In this dynamic environment, REIL remains committed to leveraging its technological capabilities and established presence to contribute meaningfully to the nation's development.

The financial year 2025-26 has been a year of significant growth, consolidation and new opportunities for REIL. I am pleased to share that your Company achieved revenue from operations of Rs. 278.15 Crore, which represents the highest-ever turnover recorded by the Company since its inception. The Company also recorded a Profit Before Tax of Rs. 62.64 lakh. These results reflect the collective efforts of the Board, Management and employees, and the continued confidence reposed in REIL by its customers and business partners.

HIGHLIGHTS OF THE YEAR

During the year, your Company continued to strengthen its established business verticals while simultaneously expanding into new and emerging areas.

In the Dairy Electronics sector, REIL continued to strengthen its position as a trusted technology partner for dairy cooperatives and milk unions across the country. The Company supplied more than 6,000 milk testing and automation solutions, including Automatic Milk Collection Units, Milk Analysers, Electronic Milk Testers, Electronic Milk Adulteration Testers, BMC Data Loggers and other dairy automation products. The successful development and supply of the Milk Collection System (MCS Duo) in a short time of 60 days is a notable achievement and demonstrates REIL's technological capability, manufacturing strength and responsive supply chain.

The Company also entered into a Technology Transfer Agreement with CSIR-CEERI, Pilani for the development of an indigenous Methylene Blue Reduction Test (MBRT) Machine, which is expected to further strengthen REIL's dairy portfolio and create new business opportunities in the coming years.

The Renewable Energy business continued to be an important growth driver. During the year, REIL secured and executed several prestigious projects across the country. The Company received a significant order from Nuclear Power Corporation of India Limited (NPCIL) for a 1,560kW grid-connected rooftop Solar PV power plant at Gorakhpur Nuclear Plant and secured significant projects from Jammu & Kashmir Energy Development Agency, including a Rs. 26 crore order for 5 MWp grid-connected Solar PV power plants and a Rs. 1.55 crore order for Solar PV LED Street Lighting systems.

REIL prepared and submitted Detailed Project Report for 21 villages across Rajasthan under the Model Solar Village Scheme. Good progress was also made in the EV Charging Project under FAME-II scheme of the Government of India. These initiatives are aligned with the broader objective of promoting clean energy and sustainable development. The Company did ground work for the newer areas such as Battery Energy Storage Systems (BESS), Floating Solar, etc.

In the Information Technology and digital solutions segment, the Company continued to expand its presence in the management of examinations across Rajasthan by providing security and ancillary services, catering to more than 40% of all examinations conducted by Government agencies in

Rajasthan. In the health care sector, it provided digital healthcare solutions, queue management systems, and printing services in various hospitals. The Company continued to support Rajasthan State Cooperative Bank in providing and maintaining Core Banking solutions across its branches. The Company continued to support Rajasthan State Cooperative Bank in providing and maintaining Core Banking Solutions across its branches. These works are a testimony to the confidence of public institutions in the Company's technology and service delivery capabilities.

Your Company also continued its journey into emerging technology areas. During the year, REIL obtained authorization from the Directorate General of Civil Aviation to operate as a Remote Pilot Training Organization (RPTO) for training pilots of Small Unmanned Aerial Vehicles. The Company also undertook drone-based GIS and survey projects, thereby opening new avenues in technology-enabled consultancy and skill development.

Innovation continues to remain central to REIL's long-term strategy. The Company's R&D efforts are focused on developing indigenous products, improving existing technologies, reducing costs and responding to emerging customer requirements. During the year, the Company successfully developed the MCS Duo, implemented QR/ Barcode functionality for critical products and sub-assemblies, and undertook various product and software enhancements. The Company continued to work for enhancing customer satisfaction, and increasing its business through channel partners/ business associates.

The achievements of FY 2025-26 provide a strong foundation for the next phase of REIL's growth. Going forward, your Company will continue to focus on strengthening its core businesses in Dairy Electronics, Renewable Energy and Information Technology, while expanding into emerging areas such as drone technology, solar consultancy, electric mobility, and other technology-driven solutions.

REIL will continue to leverage its established brand, technical capabilities, pan-India presence, customer relationships and experienced workforce to identify new opportunities and deliver reliable, innovative and sustainable solutions. The Company will remain focused on improving operational efficiency, optimizing resource utilization, enhancing customer satisfaction and building a diversified and sustainable business portfolio. The Company has chartered an ambitious growth plan of becoming a Rs. 1000 Cr. Company in the next 5 years.

I am confident that REIL, with its strong technological foundation and dedicated workforce, is well positioned to capitalize on the opportunities arising from India's growth trajectory and the nation's increasing focus on digitalization, renewable energy and sustainable rural development.

On behalf of the Board of Directors, I express my sincere gratitude to the Government of India, Ministry of Heavy Industries, Ministry of New and Renewable Energy, Government of Rajasthan, RIICO, C&AG, regulatory authorities, our customers, business associates, suppliers, bankers and other stakeholders for their continued support and confidence in REIL.

I also place on record my appreciation for the Management and employees of REIL for their commitment, hard work and dedication. Their collective efforts have enabled the Company to achieve its highest-ever turnover and strengthen its position across diverse business segments. With the continued support of all our stakeholders, we look forward to building upon these achievements and taking REIL along a stronger, more diversified and sustainable growth trajectory.

With Best Wishes,
Date: 08.09.2026
Place: Jaipur

CHAIRMAN

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

The Board of Directors has pleasure in presenting the 44th Annual Report on the business and operations of the Company together with the audited Financial Statements for the financial year ended 31st March, 2026. In FY 2025-26, the Company posted Revenue of Rs. 278.15 Crore and Profit before Tax of Rs. 62.64 Lakh. Your Board of Directors is also pleased to inform that this is the highest ever turnover recorded by the Company since its inception.

Your Company remains committed to delivering technology-driven solutions that enhance customer satisfaction through quality products, reliable services and continuous innovation. REIL continues to play a significant role in the Dairy Electronics sector by providing advanced milk testing, quality assurance and digital milk procurement solutions, including Automatic Milk Collection Systems, Milk Analysers, Electronic Milk Adulteration Testers, BMC Data Loggers and integrated dairy management software. In the Renewable Energy sector, the Company expanded its presence through the execution of grid-connected rooftop Solar Photovoltaic (SPV) power plants, solar water pumping systems, solar street lighting projects, and export projects. The Information Technology business continued to witness significant growth with the successful execution of large-scale examination management and recruitment support services, biometric authentication, digital healthcare solutions, queue management systems, printing services and Core Banking solutions. The Company also worked towards the proliferation of electric mobility.

Aligned with the national priorities of *Atmanirbhar Bharat*, *Digital India*, *Make in India*, the *National Solar Mission*, sustainable rural development and digital governance, REIL continues to leverage indigenous technologies and innovations to deliver reliable, secure and sustainable solutions. The Company remains committed to its vision of "*Shaping Rural India through Electronics, Renewable Energy and IT Solutions*", while continuously exploring new business opportunities in emerging technology sectors to drive inclusive growth and create long-term value for all its stakeholders.

FINANCIAL PERFORMANCE

The Company's financial highlights are as provided below:

(Rs. in Lakh)

S. No.	PARTICULARS	2025-26	2024-25
1.	Turnover & Other Income	28291	15960
2.	Material Cost	7249	8866
3.	Employment Cost	3276	3284
4.	Other Revenue Expenses	17438	4809
5.	Gross Margin (PBDIT)	328	(999)
6.	Profit/(Loss) Before Tax (PBT)	63	(1224)
7.	Net Worth	5293	5657

STATUS OF COMPANY'S AFFAIRS

Your Company is holding the most prominent position in the Dairy and Solar Industry through its customer centric approach by way of ensuring prompt products deliveries and after sales support.

The Company's strategic vision and sustained business development efforts have enabled it to secure prestigious orders for the supply of both hardware and software solutions across the country. During the year, the Company received significant orders from various milk cooperatives in the Dairy Sector for the supply of Automatic Milk Collection Units (AMCU), Electronic Milk Testers (EMT), Remote Milk Route Data Loggers (RMRD), Milk Analyzers, Somatic Cell Counters, and EMAT Advance systems.

The Company continues to strengthen its partnership with milk producers and dairy cooperatives through the deployment of its Automatic Milk Collection System (AMCU). The system enhances operational efficiency by enabling faster milk procurement, minimizing human intervention and errors, ensuring accurate data management, and facilitating transparent and timely payment to milk producers. These technological advancements contribute to improved productivity, operational excellence, and greater transparency, thereby reinforcing the Company's commitment to modernizing the dairy procurement ecosystem.

During the year, the Company's R&D Division developed and introduced the Milk Collection System (MCS Duo), an advanced solution integrating conventional milk collection equipment with modern digital technology. Under the rate contract awarded by the Rajasthan Cooperative Dairy Federation (RCDF) for 14 dairy plants across Rajasthan under the NPDD programme, the Dairy Electronics Segment successfully supplied 741 MCS Duo units. The order was substantially executed within a record 45 days, showcasing the Company's technological innovation, manufacturing excellence, and robust supply chain capabilities.

REIL has received a Rate Agreement Letter (RAL) from Alwar Milk Union and supply orders for BMC Data Loggers from Bundelkhand, against which 285 units have been supplied. The deployment of BMC Data Loggers will further strengthen milk quality monitoring through accurate data recording, enhanced transparency in milk procurement operations, and reduction in spoilage.

During the financial year 2025–26, the Company continued to strengthen its presence across diverse business segments by securing and successfully executing projects for various Central Public Sector Enterprises (CPSEs), State Government organizations, and other institutional clients across the country. Notable clients included Jaipur Zila Dugdh Utpadak Sahkari Sangh Limited (Jaipur Dairy), Power Finance Corporation Limited (PFC), Public Health Engineering Department (PHED), Rajasthan, Power Grid Energy Services Limited (PESL), NTPC Vidyut Vyapar Nigam Limited (NVVN), Mineral Exploration and Consultancy Limited (MECL), and Social, Economic and Welfare Association (SEWA–THDC).

The successful execution of these projects reflects the Company's technical expertise, robust project management capabilities, and continued commitment to delivering quality solutions within stipulated timelines. These accomplishments have further reinforced the Company's credibility and strengthened its position as a trusted technology and engineering solutions provider for government organizations and public sector enterprises.

During the financial year 2025–26, the Company secured a prestigious order from Nuclear Power Corporation of India Limited (NPCIL) for the design, engineering, supply, installation, testing, and commissioning of a 1,560 kW grid-connected rooftop Solar Photovoltaic (PV) power plant at its

Gorakhpur Nuclear Power Project in Haryana. The project, valued at Rs. 7.03 crore, marks a significant milestone in the Company's renewable energy portfolio.

In line with the objective of strengthening rural milk infrastructure and making milk plants self-reliant in meeting their energy requirements, the Company has received and executed an order from Bhilwara Zila Dugdh Utpadak Sahakari Sangh Limited (BZDUSSL) for the supply and installation of 193 Nos. of 4.95 kWp Grid-Connected Rooftop SPV Plants at various Bulk Milk Coolers (BMCs) of Bhilwara Milk Union, Bhilwara (Rajasthan), with a cumulative capacity of 1 MW.

REIL has marked its entry into the new business area of Solar Village Project Consultancy by securing work orders from Rajasthan DISCOMs under the Model Solar Village Scheme. The Company has successfully executed the preparation of Detailed Project Reports (DPRs) for 21 villages across Rajasthan for Jaipur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited and Jodhpur Vidyut Vitran Nigam Limited, contributing towards the development of sustainable, energy-efficient rural communities and strengthening REIL's presence in the renewable energy consultancy domain.

Building on its proven track record of executing renewable energy projects in the challenging terrain of Jammu & Kashmir, the Company secured multiple orders from Jammu & Kashmir Energy Development Agency. These include a Rs. 26 crore order for the design, supply, installation, testing and commissioning of cumulative 5 MWp grid-connected Solar PV power plants at Government buildings, along with a Rs. 1.55 crore order for the supply and installation of 300 Solar PV LED Street Lighting Systems.

These orders reaffirm the confidence of clients in the Company's capabilities and strengthen its position as a trusted partner for renewable energy projects in strategically important regions.

Against an order received from the Local Self Government (LSG) Department, Government of Rajasthan, for the supply of 1.30 lakh LED Street Lights (45 Wp and 60 Wp) across 299 Nagar Palikas and Nagar Parishads in the State, the Company supplied 1.17 lakh units. The project is contributing significantly towards energy-efficient and sustainable urban lighting infrastructure across Rajasthan, while enhancing public safety and reducing energy consumption.

During the year, the Company received authorization from the Directorate General of Civil Aviation (DGCA), New Delhi, to operate as a Remote Pilots Training Organization (RPTO) for imparting training on Small Unmanned Aerial Vehicles (UAVs). This significant milestone strengthens the Company's presence in the emerging drone technology sector and creates new opportunities in certified drone pilots' training and skill development, reinforcing its commitment to innovation and capacity building.

The Company made significant progress in the Electric Vehicle Charging Station (EVCS) project under the FAME-II Scheme, with Charge Point Operator (CPO) contracts operational and project execution underway in Indore, Bhopal and Bengaluru. During the year, the Company successfully installed three EV charging stations at Indore, marking a key milestone in its efforts to support the development of the country's electric mobility infrastructure.

During the financial year 2025–26, various orders were received from the Rajasthan Staff Selection Board (RSSB), Rajasthan University of Health Sciences (RUHS) and for providing comprehensive examination security and monitoring services, including IRIS, facial and fingerprint biometric authentication for impersonation control, CCTV surveillance, frisking, and videography. The Company executed these orders successfully and increased its share in examinations conducted by Government agencies in Rajasthan to more than 40%.

A tri-partite agreement was executed between Rajasthan State Cooperative Bank (RSCB), REIL and Tata Consultancy Services (TCS) for providing support to the Core Banking Solution (CBS) project till 2029. Valued at approximately Rs. 20.86 crore, the agreement encompasses Annual Technical Support (ATS), Annual Maintenance Contract (AMC), and Helpdesk services for RSCB and its 29 District Central Cooperative Banks (DCCBs). REIL has implemented and is supporting CBS for RSCB since 2011.

Your Company remains committed to building a diversified and sustainable business portfolio by leveraging its core strengths in technology, innovation, quality manufacturing, reliable after-sales service and enduring customer relationships. During the year, the Company continued to focus on expansion in emerging sectors while strengthening its established business segments. Continuous efforts were made to enhance operational efficiency, optimize resource utilization and streamline processes, thereby improving productivity and ensuring long-term sustainable growth and value creation.

DIVIDEND

As the Company has posted loss after tax for the F.Y. 2025-26, therefore in order to conserve the resources of the Company, taking into account the prevailing economic situation and the need of resources for growth, it is proposed not to recommend any dividend on the Equity Shares of the Company for the financial year ended March 31st, 2026.

TRANSFER FROM GENERAL RESERVES

It is proposed to transfer Rs. 3.50 crore from General Reserve of the Company to retained earnings for the year 2025-26.

CREDIT RATING

The Company has obtained its credit ratings from CARE. It has been given the rating of "CARE BB+ Stable" for its long-term banking facilities. Similarly, for its short-term banking facilities, the Company has been assigned "CARE A4+".

The ratings are a result of the Company's established operations with a long track record and diversified product portfolio.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Shri Suresh Kumar Ola, IAS, Managing Director, Rajasthan State Industrial Development and Investment Corporation Limited (RIICO), has been appointed as Chairman & Director w.e.f. 27.04.2026 and Shri Aakash Tomar, IAS, Managing Director, RIICO ceased to be Chairman & Director of the Company w.e.f. 27.04.2026.

Shri Aakash Tomar, IAS, Managing Director, Rajasthan State Industrial Development and Investment Corporation Limited (RIICO), has been appointed as Chairman & Director w.e.f. 09.04.2026 and Smt. Shivangi Swarnkar, IAS, Managing Director, RIICO ceased to be Chairman & Director of the Company w.e.f. 09.04.2026.

Shri Prem Chandra Maurya, Joint Secretary, Ministry of Heavy Industries, GoI, New Delhi, has been appointed as nominee Director w.e.f. 16.04.2025.

Dr. Renuka Mishra, Economic Advisor, Ministry of Heavy Industries, GoI, New Delhi, ceased to be nominee Director of the Company w.e.f. 16.04.2026

The Board of Directors places on record the deep appreciation of the valuable services rendered as well as advice and guidance provided by Smt. Shivangi Swarnkar, Chairman & Director, Shri Aakash Tomar, Chairman & Director and Dr. Renuka Mishra, Director of the Company during their tenure.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the key managerial personnel of the Company are Shri Brijesh Dixit, Managing Director, Shri Subhash Agrawal, Chief Financial Officer and Shri Amit Kumar Jain, Company Secretary.

Declaration by Independent Directors

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6).

CORPORATE AWARDS/ RECOGNITIONS AND VISIBILITY

Continuing its tradition of bagging prestigious awards and participating in notable events, some of the milestones for the year are as under.

- "Best Employer Award 2025" by the Employers Association of Rajasthan.
- The Company participated and showcased REIL's dairy equipment at the Dugdh Diwas celebration held at Alwar Dairy.
- The Company participated in Renewable Energy India Expo 2025 (from 30th Oct 2025 to 1st November 2025) held at India Expo Mart, Greater Noida.
- The Company participated in the 52nd Dairy Industry Conference & Exhibition held at Yashobhoomi Convention Centre, New Delhi from 12th -14th Feb 2026.
- The Company participated in Dairy Industry Conference & Exhibition organized as a part of a two day inaugural Agri-Dairy Fair Rangilo, hosted by National Dairy Development Board (NDDB) & NDDB Dairy Services (NDS) at Jobner, Jaipur.
- REIL participated in MSME Conclave 2025- Vendor Development Program, held at Udaipur on 29th-30th Aug 2025.

QUALITY & RELIABILITY

REIL pursues continual improvement in the quality of its products, services and performance leading to customer satisfaction through commitment, innovation and team work of all employees. REIL has established & maintained Quality Management System & Environment Management System. The Company has obtained ISO/IEC 27001 Certification for Information Security Management System (ISMS).

PRODUCTION

The Company has produced 9,683 nos. of Electronic Milk Analysers as compared to 10,550 nos. during the previous year and 0.8 MW of Solar Photovoltaic Modules as compared to 2.34 MW during the previous year.

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DEVELOPMENT OF SUPPORT UNITS & MSMEs

REIL, as a policy, lays emphasis on development of support industries and is in close interaction with them for their technology up-gradation, which in turn helps in their quality improvement and volume production. REIL is largely fulfilling its requirement of raw material and components from MSMEs. REIL is helping in developing support industries by regularly participating in vendor development programmes organized by Ministry of MSME from time to time.

ANNUAL RETURN

Annual Return pursuant to Section 92 (3) of the Companies Act, 2013, read with Section 134(3)(a) and Rule 12(1) of the Company (Management & Administration) Rules, 2014 for the financial year ended 31st March 2026 is included in this Report as Annexure-A and forms an integral part of this Report.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been set up to redress the complaints received regarding sexual harassment at workplace. The following is the summary of sexual harassment complaints received and disposed off during the current financial year.

1. Number of Complaints received: Nil
2. Number of Complaints disposed off: Nil

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as Sub-section (3) (m) of Section 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are stated as under:

A. Sustainable Development and Conservation of Energy

Sustainable Development forms the foundation of your Company's business philosophy and growth strategy. As a Company primarily engaged in the development and deployment of renewable energy solutions, sustainability is intrinsically embedded in its operations and long-term vision. Your Company is committed to accelerating India's clean energy transition by promoting environmentally responsible technologies, reducing dependence on conventional energy sources, and contributing to the nation's climate change mitigation objectives.

The Company's business strategy is guided by the principles of environmental stewardship, social responsibility, and sound governance. While expanding its renewable energy portfolio, your Company remains focused on creating long-term value for all stakeholders through responsible business practices, efficient resource utilization, and technological innovation. By delivering sustainable energy solutions across the country, the Company contributes towards reducing carbon emissions, enhancing energy security, and supporting inclusive socio-economic development.

Your Company follows a balanced approach based on the three pillars of sustainability—People, Planet and Prosperity. It strives to create positive social impact by improving access to clean energy, protecting the environment through adoption of green technologies and resource-efficient practices, and generating sustainable economic value for its stakeholders. Through these initiatives, the Company continues to strengthen its commitment towards responsible growth and the achievement of national and global Sustainable Development Goals (SDGs).

The Projects & Impacts

Energy conservation initiatives in manufacturing units are monitored to achieve higher efficiency of power & fuel inputs. Some energy conservation measures taken during the year include:

- Awareness generation amongst employees about the necessity of energy conservation.
- Electricity generation from captive solar power plants installed within the premises.
- Identification of potential to reduce the usage of energy, arresting leakages, use of alternate sources of energy, identifying wasteful use of energy and plugging them, monitoring energy consumption, etc .
- A 25 kWp solar power plant has been successfully installed on the canteen rooftop at REIL campus. The plant is expected to deliver monthly savings of around Rs. 40,000, contributing to both cost efficiency and sustainable energy use. This project was executed in record time with seamless coordination between the RE, Production, and PPC Divisions, guided by their respective HoDs.

B. Technology Absorption and Research & Development

Research and development (R&D) is the process by which a company works to generate new knowledge that it might use to create new technology, products, services, or systems that it will either use or sell. The main aim of the R&D activities is to design and develop new and improved products, to increase business efficiency, to reduce costs, and to remain competitive in the market.

R&D activities follow a systemic approach of converting the market needs into technical specifications, developing prototypes, carrying out field trials, preparing production documentation, and finally launching of the product for commercial use. R&D activities also include improvement in existing products & processes. R&D also has the responsibility of protecting proprietary knowledge, securing patents, and executing non-disclosure agreements. R&D also provides support to the various departments in order to maximize profits and improve productivity.

The Company's R&D department is distinct from the other wings of the organization and is equipped with the latest tools and technology-based equipment, as well as skilled manpower. The Company's R&D setup is registered with the Department of Science & Industrial Research (DSIR), Government of India. R&D mainly works in the fields of agro dairy & renewable energy to provide solutions to the rural masses via process innovation, product development and technology licensing.

Major activities undertaken by R&D during the financial year 2025-26 includes:

a) **Technology transfer with CSIR-CEERI, PILANI for MBRT (Methylene Blue Reduction Test Machine):**

The Company's R&D Centre entered into a Technology Transfer Agreement with CEERI, Pilani for the development of an indigenous Methylene Blue Reduction Test (MBRT) Machine to automate milk quality testing. The technology was evaluated successfully by the Company's technical team prior to execution of the agreement. The project is expected to strengthen the Company's dairy product portfolio, with prototype development, pilot production and commercialization planned in the next financial year.

b) Design and development of MCS-DUO:

R&D has successfully designed, developed and manufactured the Milk Collection System (MCS-DUO) The system is a compact, integrated solution that combines a Milk Analyzer for measurement of milk parameters and an Ultrasonic Stirrer for proper milk homogenization prior to analysis, all within a single unit.

The system architecture incorporates three internal Bluetooth-enabled modules to facilitate seamless data communication with the Android application:

- Milk Analyzer
- Thermal Printer

c) QR/Barcode Implementation in REIL ERP:

To strengthen operational efficiency, accuracy, and traceability within the REIL ERP system, QR/Barcode functionality has been successfully implemented by R&D on critical raw material, sub-assemblies and machines. This implementation aims to streamline material handling processes, reduce manual intervention, while improving product traceability.

Other product up-gradations carried out are as follows:

1. Jan Aadhaar API integration for identity verification and direct benefit transfer (DBT) to beneficiaries under the Camel Conservation Scheme modules in the Integrated Online Medicine Management Software 'Pashu Aushadh' (IOMMS)
2. Design and development of Monthly Progress Report (MPR) Modules in Integrated Online Medicine Management Software 'Pashu Aushadh' (IOMMS)
3. EMAT Programming Jig.

ENGINEERING & DOCUMENTATION

The product documentation plays a critical role in ensuring consistency in manufacturing and operation. The R&D department manages the document archive and extends support to various divisions on a need basis. It also carries out works related to re-engineering, cost optimization through development of alternate sources, safeguarding the intellectual property of the Company, etc. R&D is also maintaining a library of technical books, journals, standards etc. for reference of the developers.

R&D Expenditure

The expenditure on Research & Development (R&D) during the year is as under:

	(Rs. in Lakh)
(a) Capital	7.57
(b) Revenue	240.97
(c) Total	**248.54**

(d) Total R&D expenditure, as a percentage of total turnover, stood at 0.89%

Foreign Exchange Earnings and Outgoings

During the year the Company has earned a sum of Rs. 123.02 Lakhs in foreign currency. The Company has also used total foreign exchange worth of Rs. 883.42 Lakhs.

b) Design and development of MCS-DUO:

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REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2025-26

The Company is committed to maintaining the highest standards of corporate governance based on the principles of transparency, integrity, accountability and ethical business conduct. The Board believes that sound governance practices are fundamental to enhancing stakeholder confidence, ensuring regulatory compliance and achieving sustainable long-term growth. During the year, the Company continued to strengthen its governance framework and disclosure practices in line with applicable statutory requirements and best corporate governance standards.

The Board of the Company recognizes the importance of maintaining high standards of corporate governance, which underpins our ability to deliver consistent financial performance and value to our stakeholders. In line with the above philosophy, the Company continuously strives for excellence and focuses on enhancement of long-term stakeholder value through adoption of good governance and disclosure practices.

The Company's robust governance framework is based on the following principles:

- Fairness and equitable treatment towards stakeholders to encourage active co-operation between the Company and its stakeholders;
- Timely and accurate disclosure of all material matters relating to the Company, including the financial situation, performance, ownership, and governance of the Company;
- Continuous and on-going focus on training, development and integration of employees across all levels to achieve Company's objectives;
- High degree of disclosure and transparency levels;
- Board members act on a fully informed basis, in good faith, with due diligence and care, and in the best interests of the Company and its shareholders;
- Complete Legal and Regulatory compliance in all areas in which the Company operates;
- Recognition of obligations towards all stakeholders – shareholders, customers, employees, suppliers, society, and implementing robust systems and processes for internal control.

The Company maintains a comprehensive set of compliance policies and procedures which assist it in complying with the law and conducting business in an honest, ethical, and principled way.

The Board of your Company constantly endeavors to set goals and targets aligned to the Company's vision and mission – "*To be the leader in the rural sector for business area of Dairy Electronics, significant player in Renewable Energy and in related areas of Information Technology applications with minimal environmental impact*", and "*To put in efforts to meet the emerging needs of customers and serve them through development/ marketing and delivery of quality products and dependable after sales service*".

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2025-26

The Company is committed to maintaining the highest standards of corporate governance based on the principles of transparency, integrity, accountability and ethical business conduct. The Board believes that sound governance practices are fundamental to enhancing stakeholder confidence, ensuring regulatory compliance and achieving sustainable long-term growth. During the year, the Company continued to strengthen its governance framework and disclosure practices in line with applicable statutory requirements and best corporate governance standards.

The Board of the Company recognizes the importance of maintaining high standards of corporate governance, which underpins our ability to deliver consistent financial performance and value to our stakeholders. In line with the above philosophy, the Company continuously strives for excellence and focuses on enhancement of long-term stakeholder value through adoption of good governance and disclosure practices.

The Company's robust governance framework is based on the following principles:

- Fairness and equitable treatment towards stakeholders to encourage active co-operation between the Company and its stakeholders;
- Timely and accurate disclosure of all material matters relating to the Company, including the financial situation, performance, ownership, and governance of the Company;
- Continuous and on-going focus on training, development and integration of employees across all levels to achieve Company's objectives;
- High degree of disclosure and transparency levels;
- Board members act on a fully informed basis, in good faith, with due diligence and care, and in the best interests of the Company and its shareholders;
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- Recognition of obligations towards all stakeholders – shareholders, customers, employees, suppliers, society, and implementing robust systems and processes for internal control.

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BOARD AND COMMITTEES:

a) Board of Directors:

The Company is a Government of India Company under the administrative control of the Ministry of Heavy Industries. The Board of Directors has a combination of Executive (Functional) and Non-Executive Directors. As on 31st March, 2026, there were 5 Directors on the Board comprising of one Managing Director and Four Non-Executive Directors (including one Independent Directors). During the year, four Board Meetings were held on 18th July, 2025, 6th November, 2025, 12th December, 2025 and 01st January, 2026.

The details of composition of the Board as at 31.03.2026, the attendance record of the Directors at the Board Meetings and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are as follows:

Name of the Director	Category	No. of Meetings attended	Whether attended last AGM held on 19.09.2025	Number of Directorships in other Public Companies	Number of Committee positions held in other Public Companies	
					Member	Chairman
Smt. Shivangi Swarnkar	Chairman (Part Time)	2	N.A.	10	--	--
Shri Brijesh Dixit	Managing Director (Functional Director)	4	Present	NIL	--	--
Dr. P.N. Sharma	Managing Director (Additional Charge) (Up to 27.04.2025)	0	N.A.	NIL	--	--
Shri Prem Chandra Maurya	Director (Part time) (w.e.f. 16.07.2025)	4	Present	6	--	--
Dr. Renuka Mishra	Director (Part time) (Up to 16.07.2025)	0	N.A.	5	--	--
Smt. Anju Goyal	Director (Part time) (up to 03.12.2025)	1	Present	1	--	--
Smt. Nidhi Mehta	Director (Part time) (w.e.f. 03.12.2025)	2	N.A	3	--	--
Shri Dinesh Kumar Pahadia	Independent Director	4	Present	1	--	--

b) Board Procedure:

As a good governance practice and as per the guidance note issued by the Institute of Company Secretaries of India, the Board approves in advance, a tentative schedule of the Board Meetings to be held during the ensuing financial year considering the requirements under applicable laws w.r.t minimum number of meetings and maximum permissible time gap between two consecutive meetings. The Board agenda is circulated to the Directors in advance. The Board Agenda includes an Action Taken Report comprising of actions arising from the past Board Meetings and status updates thereof. The Board meets at regular intervals to discuss and decide on business strategies/policies and review performance of the Company. Video-conferencing facility as per procedure mandated under the Act, is also provided to facilitate the Directors participating in the meetings conveniently.

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c) Board's Responsibilities:

The Board provides leadership, strategic guidance, objective and an independent view to the Company's Management while discharging its responsibilities and ensures that the Management adheres to ethics, transparency and disclosures which ultimately serve the long-term goals of all its stakeholders along with achieving the Company's objectives and sustainable profitable growth.

d) Audit Committee:

The Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013. During the financial year ended 31st March, 2026, two Audit Committee Meetings were held on 17th July, 2025, and 06th November, 2025.

During the financial year 2025-26, the composition of the Audit Committee was as under:

Name of Director	Category	No. of Audit Committee meetings attended
Shri Dinesh K. Pahadia	Chairman	2
Shri Brijesh Dixit	Managing Director	2
Smt. Anju Goyal	Director (Part Time)	2

The terms of reference of the Board Level Audit Committee specified by the Board as mentioned below are in conformity with the requirements of Section 177 of the Companies Act, 2013:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
   i. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013;
   ii. Changes, if any, in accounting policies and practices and reasons for the same;
   iii. Significant adjustments made in the financial statements arising out of audit findings;
4. Reviewing with the Management, the quarterly financial statements and auditor's report thereon before submission to the Board for approval;
5. Review and monitor the auditor's independence and performance and effectiveness of audit process;
6. Discussion with internal auditors on any significant findings and follow up thereon.
7. Evaluation of internal financial controls and risk management systems;
8. Reviewing with the Management, performance of statutory and internal auditors and adequacy of the internal control systems.

e) Other Committees of Directors:

The Board has constituted the Committees of Directors and delegated powers and responsibilities with respect to specific purposes. The Committees such as Nomination and Remuneration Committee, CSR Committee, SD Committee, R & D Committee, Ethics Committee and Steering Committee have representation of Independent Director(s). Meeting of these have been duly conducted as and when required. The Company has a Whistle Blower Policy whereby no personnel have been denied access to the Audit Committee.

MANAGEMENT ANALYSIS AND DISCUSSION

The Management discussion and analysis statements are attached to this report.

HUMAN RESOURCE MANAGEMENT:

Company's Human Resource policies and processes have undergone significant transformation and evolution over the years to remain pertinent in a changing environment, enhance organizational agility, and ensure compliance with evolving rules and regulations. In recognition of these efforts, the Company was honored with the Certificate of Excellence by the Employers Association of Rajasthan for the year 2025. At the close of financial year 2025-26, the total number of employees on permanent rolls of the Company is 158.

Training & Development

Training and development programs are integral to the functioning of the Company, emphasizing the importance of continuous learning for its employees. The Company invests in and encourages its employees to acquire both technical and behavioral skills to enhance quality, productivity, and achieve excellence in their respective areas, thereby staying abreast of changing technologies and skills. In the financial year 2025-26, the Company conducted a total of 211 man- days of training for officers, supervisors, and workers.

During the financial year 2025-26, the Company conducted a diverse range of training programs for its employees, both internally and externally. These included training programs on Administrative Vigilance - Role of IO/PO, awareness program on GeM portal, Rajbhasha, Healthy women, strong families and women's dignity at the workplace, CTE inspections, Capacity building programs, various training programs through iGoT Karmyogi portal, various training programs organized by Factory & Boilers department, Government of Rajasthan, i.e. Fire safety in industry, importance of behaviour based safety in industry, safety during construction & working at a height, role of 5S & housekeeping in industry, and electrical safety in industry. Besides, trainings on the New Labour Codes, GST, Income Tax, Artificial Intelligence and Account & Audit, etc. were also organized during the year

Promotion of Rajbhasha

The Company remains committed to vigorously promoting and successfully implementing the Official Language Policy. Regular monitoring and review of progress are carried out by the Official Language Implementation Committee. To foster proficiency in the official language, the Company has implemented a training program on Hindi typing. Various competitions, prizes, and incentives were also announced during the fortnight-long "Hindi Pakhwada" to encourage the use of Hindi, including among employees from non-Hindi speaking areas. Throughout the year 2025-26, the Company actively participated in activities organized by NARAKAS (UPKRAM) Jaipur.

Corporate Social Responsibility

Your Company believes that Corporate Social Responsibility (CSR) plays a major role in the development of the country. Therefore, it has made CSR an integral part of its ethos and culture. For the financial year 2025-26, the Company has not undertaken any CSR projects due to non-availability of CSR funds as per the requirement of The Companies (CSR Policy) Rules, 2014. The Company has organised medical health check-up camps and has developed a ground for sporting activities resulting in better health & overall development of employees at large.

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Right To Information Act, 2005

The Company has complied with all provisions of the Act and responded all RTI applications well within the given timeline.

Deposits:

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 during FY 2025-26.

OTHER INFORMATION

No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirms that:

I. that in the preparation of the annual accounts for the financial year ended 31st March, 2026, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

II. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2025-26 and loss of the Company for that period;

III. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. that the annual accounts have been prepared for the financial year ended 31st March, 2026 on a 'going concern' basis;

V. that the Directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

STATUTORY AUDITORS

The Comptroller & Auditor General of India (CAG) has appointed M/s G.K. Mittal & Associates, Jaipur as Statutory Auditors of the Company for the financial year 2025-26.

The Statutory Auditors of the Company have given qualified report on the accounts of the Company for the financial year 2025-26. The emphasis of matter given in the Auditor's report is noted. Annexure-3 to the Independent Auditors Report dated 14.07.2026 in respect of qualified opinion regarding point (a) & (b) is self-explanatory and the Management response on the qualification in the Auditors Report is as per Annexure-B.

COMMENTS OF C&AG

The review of Financial Statements for the year ended 31st March, 2026 has been carried out by the Comptroller and Auditor General of India (C&AG). Review and Comments of C&AG forms part of this report.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and rules made thereunder, the Company had appointed Shri Suresh Tibrewal, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the FY 2025-26 and their report forms part of this report.

COST AUDITORS

As per the requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to maintain cost records and accordingly, such accounts are prepared and records have been maintained relating to departments. The Cost Audit Report for the year ended March 31^{st}, 2025 of the Company was filed with the Central Government within the prescribed time. M/s Rajesh & Co., Jaipur, Cost Accountants were the Cost Auditor of the Company for the FY 2025-26.

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 197(12) OF THE COMPANIES ACT, 2013

There was no employee of the Company who received remuneration in excess of the limits prescribed under the Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, hence the information may be treated as NIL.

APPRECIATIONS & ACKNOWLEDGEMENT

Your Directors thank the Government of India, the State Governments and various regulatory authorities for their co-operation and support to facilitate ease in doing business. The Board also gratefully acknowledges the support and guidance received from various Ministries of the Government of India, particularly the Ministry of Heavy Industries, and from the Management of RIICO, for their continued support and guidance.

Your Directors also wish to thank the customers of the Company, business associates, distributors, channel partners, suppliers and bankers for their continued support and faith reposed in the Company.

Your Directors also wish to place on record deep appreciation, for the contribution made by the employees at all levels for their hard work, commitment and dedication towards the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN

PLACE: Jaipur
DATE : 08.09.2026

Annexure to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

a) CORPORATE OVERVIEW

Your Company is engaged in the business of Agro-Dairy Electronics, Renewable Energy, Information Technology, and New Projects, providing technology-driven products and solutions that support sustainable development and industrial growth. With a strong focus on innovation and quality, the Company caters to diverse sectors through advanced electronic systems, renewable energy solutions, IT-enabled services, and specialized industrial electronic equipment.

In the Agro-Dairy Electronics segment, the Company provides reliable technology solutions for qualitative and quantitative analysis of milk and caters to the automation requirements across various verticals of the dairy industry. In the Renewable Energy sector, it undertakes the design, supply, installation, and maintenance of solar photovoltaic systems, contributing to the nation's clean energy transition. The Company has also strengthened its presence in Information Technology, Security & Surveillance Solutions, and Geospatial Drone Survey services, while expanding its portfolio of industrial electronic products and customized engineering solutions.

During the Financial Year 2025–26, the Company continued to strengthen its market position by securing significant orders, expanding its business portfolio, and focusing on technology-driven, project-based operations. These initiatives, coupled with business diversification and operational excellence, have laid a strong foundation for sustainable growth and enhanced competitiveness in the years ahead.

b) ECONOMY REVIEW

Global Economy and Outlook

The global economy remained resilient during FY 2026 despite persistent geopolitical tensions, evolving trade dynamics and supply chain disruptions across major regions. Global GDP grew by 3.4%, supported by sustained momentum in Emerging Market and Developing Economies (EMDEs), robust export performance and improved investment across industrial and infrastructure sectors, as the advanced economies recorded a growth rate of 1.9%. Global inflation moderated to 4.4%, although volatility in energy markets and continuing geopolitical conflicts continued to pose risks to global trade and production. The increasing emphasis on supply chain diversification, localisation and strengthening domestic manufacturing capabilities continued to reshape the global industrial landscape, presenting both opportunities and challenges for manufacturing and engineering enterprises driven by capital expenditure and infrastructure development.

Indian Economy Overview and Outlook

India remained one of the fastest-growing major economies during FY 2025-26, supported by strong domestic demand, sustained infrastructure spending and improving manufacturing activity. Real GDP growth was estimated at 7.7%, driven by resilient consumption, healthy investment momentum, and improving industrial output. Localisation initiatives, strong government focus on infrastructure development and improving supply chain resilience further supported economic activity during the year.

The Indian economy also benefited from stable monetary conditions and healthy financial sector indicators. CPI inflation remained largely within the target range, while the Reserve Bank of India maintained the repo rate at 5.25% with a supportive policy stance to ensure adequate liquidity and growth momentum. Strong GST collections, healthy bank credit growth and continued public and private capital expenditure further strengthened the environment for industrial expansion and long-term economic growth.

c) Internal control system and its adequacy:

The Company's internal control system ensures efficiency, reliability, completeness of accounting records and timely preparation of reliable financial and management information. Compliances to all applicable laws and regulations, and optimum utilisation and management of the Company's assets is also ensured. In order to ensure that all checks and balances are in place and all internal control system are in order, regular and exhaustive internal audit of various divisions are conducted by experienced firm of Chartered Accountants.

d) Risk management report:

Overview

Risk is an integral and unavoidable component of all businesses. REIL's Risk management Plan plays a key role in supporting the business to deliver sustainable growth and generating value for its customers, investors, employees and other stakeholders. Though risks cannot be completely eliminated, an effective risk management plan ensures that risks are reduced, avoided, retained or shared. Risk management is embedded within the Company's operating framework, and a well-defined, internal financial control structure has been put in place. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for the mitigation and reporting of such risks.

Risk Management Practices- The key risk management practices include the following reporting processes:

- Risk Identification and Assessment
- Risk Evaluation
- Risk Reporting and Disclosures
- Risk Mitigation and Monitoring
- Integration with Strategy and Business Plan

Risks are managed as per the guidance of / action by the Board of Directors, Managing Director and the heads of concerned departments, as necessary.

e) Analysis and Review

During the Financial Year 2025-26, your Company recorded significant operational achievements across its core business segments of Dairy Electronics, Renewable Energy, Information Technology, and other technology centric solutions.

In the Dairy Electronics segment, REIL strengthened its leadership by supplying over 6,000 milk testing and automation solutions, including Automatic Milk Collection Units (AMCUs), Milk Analysers, Electronic Milk Testers, Electronic Milk Adulteration Testers (EMAT-Advance), Data Processor-based Milk Collection Units, BMC Data Loggers and other dairy automation products to dairy cooperatives and milk unions across the country including the newly launched solutions.

To address the growing demand for automated milk quality testing solutions, REIL entered into a technology transfer agreement with Central Electronics Engineering Research Institute for the MBRT Scanner. Building on this technology, the Company plans to manufacture and market the product with significant value addition, creating a promising business opportunity and strengthening its dairy product portfolio in the coming year.

In the Renewable Energy segment, REIL successfully executed and secured several prestigious projects, including grid-connected Solar PV power plants for NPCIL, Power Grid Energy Services Ltd. (PESL), NTPC Vidyut Vyapar Nigam Ltd. (NVVN), JAKEDA, PHED, Rajasthan High Court, IREDA, RCDF, Jaipur Dairy and Bhilwara Milk Union, besides implementation of solar water pumping systems, rooftop solar plants, LED street lighting projects and export order for the Guyana Energy Agency.

The Company also diversified into Solar Village Project Consultancy under the Model Solar Village Scheme and undertook Drone-based GIS and survey projects opening up the new opportunities for REIL in the consulting domain.

In the Information Technology segment, REIL successfully executed large-scale examination assignments for various Government departments in Rajasthan covering millions of candidates, implemented Digital Queue Management System and Laser Printer-as-a-Service in Government hospitals, provided support to Core Banking Solution for the Rajasthan State Cooperative Bank's network, and expanded its digital governance solutions. These successful implementations provide a strong platform for securing similar e-Governance and digital public service projects across Rajasthan as well as other States.

The Company also successfully integrated Jan Aadhaar API with IOMMS "Pashu Aushadh" for real-time beneficiary verification and seamless DBT under the Camel Conservation Scheme of Animal Husbandry Department, GoR, ensuring accuracy, transparency, and timely benefit disbursement. This successful implementation provides a strong foundation for securing similar digital governance and DBT-based projects in the future.

During the year, the Company also obtained DGCA authorization as a Remote Pilot Training Organisation (RPTO) and ISO/IEC 27001:2022 certification for Information Security Management Systems, reflecting its continued focus on technology, innovation and quality. These accomplishments reaffirm REIL's commitment towards delivering technology-driven, sustainable and customer-centric solutions while expanding its presence across diverse business sectors. The Company also implemented several quality and efficiency boosting measures such as product traceability through QR Code and geo-fencing for field staff.

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Annexure-A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2026

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

(Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS

i.	CIN	U51395RJ1981GOI002249
ii.	Registration Date	12th June, 1981
iii.	Name of the Company	RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED
iv.	Category / Sub-Category of the Company	Central Public Sector Enterprise /Company Limited by shares
v.	Whether listed company Yes / No	No
vi.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:-

SL. No.	Name and Description of main products/services	NIC Code of the product/service *	% to total turnover of the Company
1.	Dairy Milk Testing Equipment	2651 - Manufacture of measuring, testing, navigating and control equipment	50.88
2.	Solar Photovoltaic Modules / Systems.	3510- Electric power generation, transmission and distribution	49.12

** As per National Industrial Classification – Ministry of Statistics and Programme Implementation*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable section
	Nil	Nil	Nil	Nil	Nil	Nil

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	**No. of Shares held at the beginning of the year (As on 01-04-2025)**				**No. of Shares held at the end of the year (As on 31-03-2026)**				**% of change during the year**
	Demat	**Physical**	**Total**	**% of total shares**	**Demat**	**Physical**	**Total**	**% of total shares**	
A. Promoters									
(1) Indian a)Individual/HUF b) Central Govt c) State Govt (s)	N.A	6247500	6247500	51%	N.A.	6247500	6247500	51%	0.00
d) Bodies Corp.	N.A.	6002500	6002500	49%	N.A.	6002500	6002500	49%	0.00
e) Banks / FI f) Any Other….									
Sub-total (A) (1):-	N.A.	12250000	12250000	100%	N.A.	12250000	12250000	100%	0.00
(2) Foreign a) NRIs -Individuals b) Other Individuals c) Bodies Corp. d) Banks / FI e) Any Other….									
Sub-total (A) (2):-	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1) + (A)(2)	N.A.	12250000	12250000	100%	N.A.	12250000	12250000	100%	0.00
B. Public Shareholding									
1. Institutions	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify)									
Sub-total (B)(1):-	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00

2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital upto Rs. 1 lakh ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh c) Others Sub-total (B)(2):-	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
C. Shares held by Custodian for GDRs & ADRs	**N.A.**	**0**	**0**	**0.00**	**N.A.**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**N.A.**	**12250000**	**12250000**	**100%**	**N.A.**	**12250000**	**12250000**	**100%**	**0.00**

(ii) Shareholding of Promoters

SL. No.	**Shareholder's Name**	**Shareholding at the beginning of the year (As on 01-04-2025)**			**Shareholding at the end of the year (As on 31-03-2026)**			**% change in shareholding during the year**
		No. of Shares	**% of total Shares of the company**	**% of Shares Pledged / encumbered to total shares**	**No. of Shares**	**% of total Shares of the company**	**% of Shares Pledged / encumbered to total shares**	
1.	The President of India	6247500	51	-	6247500	51	-	-
2.	RIICO	6002500	49	-	6002500	49	-	-
	Total	**12250000**	**100**	**-**	**12250000**	**100**	**-**	-

(iii) Change in Promoters' Shareholding as on March 31, 2026 (Please specify, if there is no change)

Name	Shareholding at the beginning of the year (As on 01-04-2025)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2025 to 31-03-2026)	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
The President of India	6247500	51	31.03.2026	No Change		6247500	51
Rajasthan State Industrial Development & Investment Corporation Ltd. Jaipur	6002500	49	31.03.2026	No Change		6002500	49

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NIL			
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus / sweat equity etc):				
At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NIL			
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus / sweat equity etc):				
At the End of the year				

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakh)

SL. No.	Particulars of Remuneration	Name of Managing Director	
		Shri Brijesh Dixit (w.e.f 30.04.2025)	**Dr. P.N Sharma (up to 27.04.2025)**
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	49.77 -	4.29 -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify…	-	-
5.	Others i.e. PF and Pension	4.65	.29
	Total (A)	54.42	4.58

B. Remuneration to other directors: (Rs. in Lakh)

SL. No.	Particulars of Remuneration	Name of Directors
		Shri Dinesh Kumar Pahadia
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil
	Total (1)	Nil
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil
	Total (2)	Nil
	Total (B)=(1+2)	Nil
	Total Managerial Remuneration	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. in Lakh)

SL. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**CFO (Shri Subhash Agrawal)**	**Company Secretary (Shri Amit K. Jain)**	**Total**
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Not Applicable	43.03 -	16.14 -	59.17 -
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission - as % of profit - others, specify…		-	-	-
5	Others i.e. PF and Pension		3.73	1.40	5.13
	Total		46.76	17.54	64.30

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made, if any (give details)
NIL					

	Audit Observation	Management Reply
1.	**<u>Non reporting of cancellation of subsidy by GOI in relation to EV chargers under FAME-II and non accounting of cancellation of subsidy and return of goods by Magenta</u>** The company has not accounted for the return of goods during the year by M/s Magenta Power Pvt. Ltd together with resultant effect on subsidy receivable. The details are as follows: The company had allotted the work to M/s Magenta Power Pvt. Ltd. (M/s Magenta) as O&M partner for 10 years as per devised business model of the company (i.e. investment by O&M partner- 30% on EV Charger cost under category A + offered Upfront Payment + offered Revenue Sharing) under FAME-II scheme of MHI. The company sold material worth Rs. 19.36 Crores (incl. GST) to the party during the FY-2021-22. The company recognized and adjusted the government grant of Rs. 13.32 Crores towards this supply. The company terminated the MOA with M/s Magenta due to breach of terms of agreement; whereupon M/s Magenta filed S.B. Civil Arbitration Application no. 12/2023, 13/2023 and 14/2023 under Section 11(6) of the Arbitration and Conciliation Act 1996 before Hon'ble High Court, Jaipur for seeking appointment of an arbitrator for resolution of the disputes. The Sole Arbitrator pronounced an Arbitral Award on 12.08.2025 directing REIL to pay a sum of Rs. 14.67 Crore to M/s Magenta Power Private Limited. Aggrieved by the Award, REIL has filed objections under Section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Commercial Court No. 1, Jaipur Metro-II, along with a stay application seeking suspension of the operation and effect of the Award. During the FY 2023-24, the material worth **Rs. 8.17 Cr.(excl. GST)** was received back in the factory at Kanakpura while material worth **Rs. 4.70 Cr. (excl. GST)** is said to be lying in premises of Bhopal City Link Ltd., Bhopal and material worth **Rs. 4.70 Cr. (excl. GST)** is said to be lying in premises of Atal Indore City Transport Services Limited. As the material has been returned back by M/s Magenta, and the company has itself stated that it is going to appoint new agency to work in place of M/s Magenta, hence the company	Matter in respect of cancellation of sanction/ allotment of EV chargers under FAME-II scheme has not been accounted for as communication has been received from Government of India allowing the Company for execution of EV Charging Infrastructure project before 30.09.2026. The matter is pending in court of law therefore, Management is of the view that presently there is no need for Accounting adjustments as suggested by the Auditors.

	should have accounted for return of goods from the party as well as resultant effect on inventory, subsidy and expense heads but it has not passed any entries in this regard. As a result: - Current Liabilities has been understated by **Rs. 6.04 Crores** (with amount of sale return net of subsidy and incl. GST). - Inventory is understated by **Rs. 17.56 Crores** (Cost of material returned by M/s Magenta). - Subsidy Receivable from Government is overstated by **Rs. 12.85 Crores** (amount outstanding in books) and Current Liability is understated by **Rs. 0.47 Crores** (Difference of subsidy recognized in relation to Magenta and the amount already accounted as subsidy receivable from Govt.). Further, looking to the period of delay of approx. **4 years** and fast technological changes in the field of electric charging, the inventory received back from M/s Magenta might have suffered impairment in value but no such assessment has been carried out by the company and we cannot comment thereon. Moreover the warranty period has also expired by this duration.	

2.	**<u>Insufficient Provision for bad and doubtful debts</u>** a. We have been informed that out of total debtors of **Rs. 322.65 Crores**, the debtors amounting to **Rs. 88.20 Crores** are outstanding for more than 5 years which constitutes **27.34%** of total debtors. We have observed that in many of these accounts the amount is said to have been withheld on account of liquidated damages (LD) or non-performance of contractual obligations. Moreover the company has represented that there is regular follow up for recovery but in vain and that LD is not leviable on company for diverse reasons. The company has not maintained consolidated detail regarding specific reasons of non-recovery in these accounts including LD imposed by debtors. The company has even sent legal notices in some cases after the observation by C&AG inspection in case of few accounts. Against the amount of **Rs. 88.20 Crores** outstanding for more than 5 years the provision for doubtful debts of **Rs.26.46 Crores** has already been made in the books of accounts (as per policy of company) and creditors amounting to **Rs. 41.22 Crores** are said to be outstanding on back to back basis, which leaves **Rs. 20.52 Crores** the recovery of which is also not ascertainable. Furthermore the total provision for bad and doubtful debts as on 31.03.2026 is **Rs. 32.29 Crores** (incl. **Rs. 26.46 Crores** in respect of debtors above 5 years), which shows that in respect of balance debtors outstanding for less than 5 years, provision of only **Rs. 5.83 Crores**. The above facts indicate that the provision for doubtful debts is insufficient, but due to lack of complete details and lack of reasonable ascertainment of realizability of dues from debtors we are unable to quantify the same. Moreover in absence of complete information and assessment of liquidated damages imposed by various debtors we cannot quantify its effect on profit and loss/reserves of the company.	The Company has made provision for bad and doubtful debts as per consistent accounting policy on year to year basis. In opinion of the Management, sufficient provision has been created for bad and doubtful debts as apart from total provision of Rs. 32.29 crore, most of the old outstanding balances are duly covered by receivable from customers as well as payable to the vendors / sub-contractors on back to back basis. In this regard please refer to note No. 32.3(C) of balance sheet for the year 2025-26 is reproduced as under:- 'Trade Payable includes Rs.15427.72 Lakhs as at March 31, 2026 (Rs. 10661.54 Lakhs as at March 31, 2025) which is payable to the contractor only when the payment is received from customer.'

3.	**<u>EESL-Nimboni Additional Site</u>** The company had supplied SPV Power Plant to Energy Efficiency Services Limited at Nimboni Additional Site (Maharashtra) in year 2019-20 for **Rs. 4.03 Crore (incl. GST)**. Thereafter credit note was issued for **Rs. 1.14 Crore (incl. GST)** in FY 2021-22 towards sales return out of this sale. The material sold to EESL was purchased from M/s Powerone Microsystem Pvt. Ltd. As per the information available the work could not be started at this location. Apart from material returned to REIL (as mentioned above), the balance material has been taken back by M/s Powerone Microsystem Pvt. Ltd.. In this regard no accounting entries have been made in books of accounts except for return of SPV power plant amounting to **Rs. 1.14 Crore (incl. GST).** The amount outstanding as due to be received from EESL in respect of this project is **Rs. 2.89 Crore** which is actually not receivable and thus the debtor is overstated by **Rs. 2.89 Crore.** Further the creditor account of M/s Powerone Microsystem Pvt. Ltd.is overstated by **Rs. 2.20 Crore** which is in respect of material burnt at site and taken back by M/s Powerone Microsystem Pvt. Ltd..	Matter is under negotiation with M/s. EESL nad M/s. Powerone Microsystem Pvt. Ltd.. M/s. EESL has agreed to provide the debit notes against Nimboni additional site invoices. As the contract was awarded for execution on back to back payment term basis, therefore, Accounting adjustments shall be carried out after settlement of all the pending issues.

CS

Sursh Tibrewal
Practicing Company Secretaries
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E-mail : Suresh.tibrewal@rediffmail.com

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED AT 31ST MARCH 2026

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

To,

The Members,

RAJASTHAN ELECTRONICS AND INSTRUMENTS LTD
2,KANAKPURA INDUSTRIAL AREA,JAIPUR-302 012 JAIPUR-302 012, JAIPUR-302 012, Rajasthan, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RAJASTHAN ELECTRONICS AND INSTRUMENTS LTD (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the RAJASTHAN ELECTRONICS AND INSTRUMENTS LTD books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2026** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **RAJASTHAN ELECTRONICS AND INSTRUMENTS LTD** for the financial year ended on **31st March, 2026** according to the provisions of:

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**Not applicable to the Company during the Audit Period);**
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (repealed w.e.f. 15th May, 2015) (**Not applicable to the Company during the Audit Period);**
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period);**
(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Audit Period);**
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period);**
(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not applicable to the Company during the Audit Period);**
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period);**
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period);**
(i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**Not applicable to the Company during the Audit Period);**
(j) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (**Not applicable to the Company during the Audit Period)**

(vi) The other specific laws applicable to the company are:

(a) The Companies Act, 2013 ('the Act') and the rules made thereunder
(b) Factories Act, 1948 and other Labour Laws (to the extent as applicable
(c) Electricity Act, 2003 and Indian electricity Rules, 1956
(d) Payment of Gratuity Act
(e) The Minimum Wages Act, 1948
(f) Right to Information Act, 2005
(g) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
(h) Batteries (Management and Handling) Rules, 2001
(i) Indian Boilers Act, 1923; and
(j) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989

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

a. Mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI);
b. The company has filed e-Forms within the prescribed time period as per the Companies Act, 2013; and
c. Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE), Government of India;

We have not examined the 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 report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except that;

During the period under review, the number of independent directors on the Board was less than half of the total strength of the Board as required under, para of the DPE Guidelines on Corporate Governance and Section 149 (4) of the Companies Act, 2013.

The Company has explained that REIL, being a Government Company, Independent Director is appointed by the President of India, acting through the administrative ministry and as such appointment of independent directors is beyond the control of the Company. Further, the Company has been in constant communication with its administrative ministry requesting for appointment of independent director on its Board so as to ensure compliance with corporate governance norms enunciated under DPE Guidelines on Corporate Governance and Companies Act, 2013.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings was sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were taken through majority in the meetings and no dissenting views were observed in the minutes.

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

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

Place : Jaipur
Date : August, 31 2026

FOR Suresh Tibrewal
Practicing Company Secretaries

Suresh Tibrewal
Digitally signed by Suresh Tibrewal
Date: 2026.08.31 08:06:21 +05'30'

Suresh Tibrewal
ACS No. 7303M NO 12159
UDIN : A012159H001304604

ANNEXURE 'A'

To,
The Members
RAJASTHAN ELECTRONICS AND INSTRUMENTS LTD
Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these Secretarial records based on our audit.

2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company and we have not re produced the Qualifications/ observations made by Statutory Auditors to avoid duplicity.

4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Goods and Service Tax.

5. Wherever required, we have obtained the Management representation about the compliance of Laws, rules and regulations and happening of events etc.

6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Jaipur
Date : August, 31 2026

FOR Suresh Tibrewal
Practicing Company Secretaries

Suresh Tibrewal
Digitally signed by Suresh Tibrewal
Date: 2026.08.31 08:06:38 +05'30'

Suresh Tibrewal
ACS No. 7303 M NO 12159
UDIN : A012159H001304604

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED FOR THE YEAR ENDED 31st MARCH 2026

The preparation of financial statements of Rajasthan Electronics and Instruments Limited for the year ended 31st March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 14th July 2026.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Rajasthan Electronics and Instruments Limited for the year ended 31st March 2026 under Section 143(6)(a) of the Act.

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

आशुतोष जोशी

(Ashutosh Joshi)
Director General of Audit (Power)

Place: New Delhi
Date: 24/8/2026

G.K. MITTAL & ASSOCIATES
Chartered Accountants

Phone : 0141-4021472, 4021474-75
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C-Scheme, Jaipur – 302 005

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Rajasthan Electronics & Instruments Limited

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying Financial Statements of Rajasthan Electronics & Instruments Limited ("the Company") which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date, and notes to the Financial Statements, including a summary of Significant Accounting Policies and Other Explanatory Information.

In our opinion and to the best of our information and according to the explanations given to us **except for the effects of the matters described in the Basis for Qualified Opinion paragraph**, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("IND AS") prescribed under section 133 of the Companies Act 2013, "the Act" read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("IND AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31,2026, and its profit & loss statement (PAT) including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR QUALIFIED OPINION

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under and wehave 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.

We, having obtained sufficient appropriate audit evidence, conclude that misstatements, individually or in aggregate, are material but not pervasive to the financial statements.

G.K. MITTAL & ASSOCIATES
JAIPUR
Chartered Accountants

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Email : gkmassociates@hotmail.com
Website : www.gkmnassociates.com

G-1, "Shree Dham"
R-20, YudhishterMarg
C-Scheme, Jaipur – 302 005

We draw your attention towards matters specified below on the basis of which we are expressing qualifying opinion over the financial statements:

a. **Non reporting of cancellation of subsidy by GOI in relation to EV chargers under FAME-II and non accounting of cancellation of subsidy and return of goods by Magenta**

The company has not accounted for the return of goods during the year by M/s Magenta Power Pvt. Ltd together with resultant effect on subsidy receivable. The details are as follows:

The company had allotted the work to M/s Magenta Power Pvt. Ltd. (M/s Magenta) as O&M partner for 10 years as per devised business model of the company (i.e. investment by O&M partner- 30% on EV Charger cost under category A + offered Upfront Payment + offered Revenue Sharing) under FAME-II scheme of MHI. The company sold material worth Rs. 19.36 Crores (incl. GST) to the party during the FY-2021-22. The company recognized and adjusted the government grant of Rs. 13.32 Crores towards this supply.

The company terminated the MOA with M/s Magenta due to breach of terms of agreement; whereupon M/s Magenta filed S.B. Civil Arbitration Application no. 12/2023, 13/2023 and 14/2023 under Section 11(6) of the Arbitration and Conciliation Act 1996 before Hon'ble High Court, Jaipur for seeking appointment of an arbitrator for resolution of the disputes. The Sole Arbitrator pronounced an Arbitral Award on 12.08.2025 directing REIL to pay a sum of Rs. 14.67 Crore to M/s Magenta Power Private Limited. Aggrieved by the Award, REIL has filed objections under Section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Commercial Court No. 1, Jaipur Metro-II, along with a stay application seeking suspension of the operation and effect of the Award. During the FY 2023-24, the material worth **Rs. 8.17 Cr.(excl. GST)** was received back in the factory at Kanakpura while material worth **Rs. 4.70 Cr. (excl. GST)** is said to be lying in premises of Bhopal City Link Ltd., Bhopal and material worth **Rs. 4.70 Cr. (excl. GST)** is said to be lying in premises of Atal Indore City Transport Services Limited.

As the material has been returned back by M/s Magenta, and the company has itself stated that it is going to appoint new agency to work in place of M/s Magenta, hence the company should have accounted for return of goods from the party as well as resultant effect on inventory, subsidy and expense heads but it has not passed any entries in this regard. As a result:

- Current Liabilities has been understated by **Rs. 6.04 Crores** (with amount of sale return net of subsidy and incl. GST).
- Inventory is understated by **Rs. 17.56 Crores** (Cost of material returned by M/s Magenta).
- Subsidy Receivable from Government is overstated by **Rs. 12.85 Crores** (amount outstanding in books) and Current Liability is understated by **Rs. 0.47 Crores** (Difference of subsidy recognized in relation to Magenta and the amount already accounted as subsidy receivable from Govt.).

G.K. MITTAL & ASSOCIATES
JAIPUR
Chartered Accountants

G.K. MITTAL & ASSOCIATES

Chartered Accountants

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Further, looking to the period of delay of approx. **4 years** and fast technological changes in the field of electric charging, the inventory received back from M/s Magenta might have suffered impairment in value but no such assessment has been carried out by the company and we cannot comment thereon. Moreover the warranty period has also expired by this duration.

b. **<u>Insufficient Provision for bad and doubtful debts</u>**: We have been informed that out of total debtors of **Rs. 322.65 Crores**, the debtors amounting to **Rs. 88.20 Crores** are outstanding for more than 5 years which constitutes **27.34%** of total debtors. We have observed that in many of these accounts the amount is said to have been withheld on account of liquidated damages (LD) or non-performance of contractual obligations. Moreover the company has represented that there is regular follow up for recovery but in vain and that LD is not leviable on company for diverse reasons. The company has not maintained consolidated detail regarding specific reasons of non-recovery in these accounts including LD imposed by debtors. The company has even sent legal notices in some cases after the observation by C&AG inspection in case of few accounts.

Against the amount of **Rs. 88.20 Crores** outstanding for more than 5 years the provision for doubtful debts of **Rs.26.46 Crores** has already been made in the books of accounts (as per policy of company) and creditors amounting to **Rs. 41.22 Crores** are said to be outstanding on back to back basis, which leaves **Rs. 20.52 Crores** the recovery of which is also not ascertainable.

Furthermore the total provision for bad and doubtful debts as on 31.03.2026 is **Rs. 32.29 Crores** (incl. **Rs. 26.46 Crores** in respect of debtors above 5 years), which shows that in respect of balance debtors outstanding for less than 5 years, provision of only **Rs. 5.83 Crores**.

The above facts indicate that the provision for doubtful debts is insufficient, but due to lack of complete details and lack of reasonable ascertainment of realizability of dues from debtors we are unable to quantify the same. Moreover in absence of complete information and assessment of liquidated damages imposed by various debtors we cannot quantify its effect on profit and loss/reserves of the company.

c. **<u>EESL-Nimboni Additional Site</u>**

The company had supplied SPV Power Plant to Energy Efficiency Services Limited at Nimboni Additional Site (Maharashtra) in year 2019-20 for **Rs. 4.03 Crores (incl. GST)**. Thereafter credit note was issued for **Rs. 1.14 Crores (incl. GST)** in FY 2021-22 towards sales return out of this sale. The material sold to EESL was purchased from M/s Powerone Microsystem Pvt. Ltd. As per the information available the work could not be started at this location. Apart from material returned to REIL (as mentioned above), the balance material has been taken back by M/s Powerone Microsystem Pvt. Ltd.

In this regard no accounting entries have been made in books of accounts except for return of SPV power plant amounting to **Rs. 1.14 Crores (incl. GST)**.The amount outstanding as due to be

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received from EESL in respect of this project is **Rs. 2.89 Crores** which is actually not receivable and thus this debtor is overstated by **Rs. 2.89 Crores.**

Further the creditor account of M/s Powerone Microsystem Pvt. Ltd. is overstated by **Rs. 2.20 Crores** which is in respect of material burnt at site and taken back by M/s Powerone Microsystem Pvt. Ltd.

Although quantification of effect of qualifications could not be made in the case of point no (b), but as mentioned in Point No. (a) & (c), the Current Assets have been understated by Rs. 1.82 Crores & Current Liabilities are understated by Rs. 4.31 Crores.

EMPHASIS OF MATTER

Without qualifying our opinion in this respect we draw your attention towards matters specified below which are of such importance that these are fundamental to the user's understanding of financial statements.

a. Note No 7.1 & 19 B wherein balances of Trade receivables and Trade payables respectively have not been confirmed. Consequential impact on confirmation/ reconciliation/ adjustment of such balances (which will not be material as per management), if any, is not ascertainable.
b. Note No. 8.1 regarding Deferred Tax Assets of **Rs. 19.99 Crores** carried in books of account in view of the reasons stated therein, the realization of which would depend on generation of sufficient profits in the future as anticipated / projected by the management.
c. Note No 32.3(c) with respect to trade payable which includes **Rs 154.28 Crores** payable to contractors only when the payment is received from customers.
d. Note No 20.1.2 regarding non-disclosure of contingent liability of interest claim by an MSME vendor (M/s Gansun Global Solutions India Private Limited) on an amount of **Rs. 14.75 Lakhs** as the amount of interest is not ascertainable and they had filed an application before Hon'ble High Court of Andhra Pradesh at Amaravati. On 26.12.2022 The Hon'ble High Court passed the order directed to the petitioner to prefer an appeal under sec 34 of the Arbitration Act at Arbitration court at Jaipur. Now the matter is pending before Commercial Court, Jaipur. As per the management, reliable estimates of the interest obligation cannot be made;hence, the same has not been disclosed as Contingent Liability.
e. The Government had cancelled the sanction/allotment of EVCS under Fame II scheme due to non-commissioning of chargers vide letter dated **31/07/2023** and had directed the company to refund the subsidy amount of **Rs. 8,15,08,000/-** with interest thereon. Although now after various representations of the company the Government has issued a letter on **31/03/2026** that REIL may complete the execution of **222 numbers** EVCS by **30/09/2026** and the release of remaining subsidy will be done as per the Fame-II Scheme.

Our opinion is not modified in respect of the above matters.

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KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statement of current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have not determined the matters to be the key audit matters to be communicated in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Annual Report, but does not includes the Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to report that fact. On the auditor's report date, we have nothing to report in this regard, as the Annual Report is expected to be made available to us after the date of this auditor's report.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement whether due to fraud or error.

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

The Board of Director's are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

i) Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) 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.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.

iv) Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of Misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (1) Planning the scope of our audit work and in evaluating the results or our work (2) to evaluate the effect if about unidentified misstatements in the Financial Statements.

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

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

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

Use of Work of Internal Auditors and Auditor's Expert (SA 610 & SA 620):

We have relied on the following work performed by other auditors and experts during the course of our audit:

A. Using the work of Internal Auditors (SA 610 – Revised):

We have relied on the work of the Internal Auditors, M/s R.K. Malpani & Associates, Chartered Accountants, in accordance with SA 610 (Revised), based on their reports:

a) Dated March 14, 2026, for the period from April 1, 2025, to September 30, 2025; and
b) Dated June 13, 2026, for the period from October 1, 2025, to March 31, 2026.

Their work was primarily considered for evaluating the adequacy and operating effectiveness of internal controls and compliance mechanisms.

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B. Using work of Auditor's Expert for Valuation of Employee Benefits (SA 620):
We have relied on the report of an auditor's expert, M/s K.A. Pandit, for the valuation of employee benefits, dated June 16, 2026. Their competence, capabilities, and objectivity were evaluated in accordance with SA 620 before placing reliance.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered and according to the information and explanations given to us, in the "Annexure 2" on the directions issued by the Comptroller and Auditor General of India.

3. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper Books of Account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity and Statement of Changes in other Equity dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the IND AS specified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
   (e) The provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the company, being a Government Company in terms of notification no. G.S.R.463 (E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India.
   (f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 3".

4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
   The provisions of Section 197 read with Schedule V of the Act, relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of Ministry of Corporate Affairs Notification no. G.S.R. 463(E) dated June 5, 2015.

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5. 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) Amendments Rules, 2021, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in financial statement. - Refer Note 20.1 (b), (c), (d), (e) and Note 35 (G) to the Financial Statements.
   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
   iv. (a) The Board of Director's has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to 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;
   (b) The Board of Director's 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 Ultimate Beneficiaries; and
   (c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (a) and (b) contain any material misstatement;
   v. The company has neither declared nor paid any dividend during the year.
   vi. As proviso to Rule 3(1) of the companies (Accounts) Rules, 2014 is applicable for the company w.e.f. April 1, 2023, reporting under this is not applicable.

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vii. Based on our examination, which included test checks, it has been observed that the Company has used windows based accounting software developed in-house, for maintaining its books of account for the financial year ended March 31, 2026. As per the management, the accounting software being used has a feature of recording audit trail (edit log) (except in respect of separate softwares used for maintaining inventory and HR records). As explained to us, the feature of audit trails had been enabled w.e.f. 31st March 2024 in the main accounting software (and not implemented in the inventory and HR Software). However, the software is a single user one, which does not reflect proper internal control. Hence, the audit trail does not contain the full details of user who passes the entry and subsequent changes made thereafter. The management of the company also explained that the audit trail feature cannot be tampered with. However, in the absence of any formal certificate from any third party vendor who develops such feature, we are unable to comment on whether entries can be disabled / tampered or not. Further, it was explained to us that the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For G.K. MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN. 005842C)

G.K. MITTAL & ASSOCIATES JAIPUR Chartered Accountants

(JOGENDRA SINGH SHEKHAWAT)
PARTNER
M. No. 079348
UDIN : 26079348XGLEQU6662

DATE : JULY 14, 2026
PLACE : JAIPUR

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ANNEXURE '1' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE

MEMBERS OF RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED,
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2026
(Referred to in Paragraph 1 of "Report on Other Legal and Regulatory requirements" section of our Audit Report)

As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we report that:

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

a) A) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment on the basis of available information.

B) The Company has generally maintained proper records showing full particulars of intangible assets.

b) The Property, Plant and Equipment have been physically verified by the management during the year at reasonable interval and no material discrepancies were identified on such physical verification.

c) According to the information and explanations given by the management and on the basis of our examination of the copy of the title deeds, the immovable properties disclosed in the financial statements are held in the name of the Company. Although the original title deeds are said to be lying with bank against loan taken by the company.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment and Intangible Assets during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company as provided to us, there are no proceedings initiated during the year or pending against the Company as on March 31, 2026 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 as amended and rules made thereunder.

(ii) In respect of its inventories:

a) According to information and explanation given to us and on the basis of our examination of the records of the company the inventory has been physically verified by the management at reasonable intervals during the year. No discrepancy of 10% or more in the aggregate of each class of inventory was noticed.

b) According to information and explanation given to us and on the basis of our examination of the records of the company, the company has been sanctioned working capital limit amounting **Rs. 60 Crores** from bank (PNB) during the year on the basis of primary security of current assets. Necessary quarterly returns or statements have been filed by the company with such bank during the year.

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(iii) In respect of loans:

According to the information and explanations given to us and on the basis of our examination of the records of the Company the company has not made Investments in and granted advances in the nature of loans during the year to other parties. The company has not provided any guarantees or securities, granted loans and advances in the nature of loans during the year to companies, firms or limited liability partnerships and other parties, details of which are stated below-

a) A) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not provided any loans or advances in the nature of loans or has not provided any guarantee or security to subsidiaries and joint ventures during the year.
B) Based on the audit procedures carried out by us and as per the information and explanations given to us, the company has not granted advances in the nature of loans to any other parties or employees during the year. The company has not provided any guarantee or security to other parties during the year.

b) The company has not made investments, grant advances or loans and give guarantee in respect thereof provisions of clause (iii) (b), (c) (d) (e) and (f) of the Order are not applicable to the Company and hence not commented upon.

(iv) According to the information and explanations given to us, in respect of loans, investments, guarantees and securities, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with in all material aspects.

(v) According to the audit evidences obtained and information and explanations given to us, the Company has received advances from customers amounting to **Rs. 13,80,06,015/-** which are outstanding for more than 365 days. Such advances are deemed as deposits in terms of Section 73 of The Companies Act, 2013 and rule 2(1)(c) of The Companies (Acceptance of Deposits) Rules, 2014.

Further, as observed and as explained to us, the company is neither a NBFC nor has its accepted any funds as deposits as such. We also report that RBI Directives in respect of NBFCs are not applicable to the company, in view of the above.

(vi) In respect of cost records:

We have been informed that the books of account maintained by the Company are pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 148(1) of The Companies Act, 2013, related to manufacture of electrical goods and electrical machinery and are of the opinion that prima facie, the prescribed cost records have been maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete. We are reporting based on the information provided to us and the report issued by the Cost Auditor for the previous year.

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(vii) In respect of statutory dues:

a. The Company is generally regular in depositing with the undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Goods and Service Tax, Cess and any other material statutory dues, as recorded in Books of Account, applicable to the Company. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no dues of Income Tax, and other material statutory dues including Goods and Service Tax outstanding as on 31.03.2026, which have not been deposited on account of any dispute except the following:

Name of Act	Nature of the dues	Disputed amount (in Lakhs)	Period to which amount relates	Forum where dispute is pending
Central Excise Act	Service Tax	3.82	F.Y. 2009-10 (Vide order dt.24.07.12)	Appeal pending with High Court Rajasthan.
CGST Act	GST	238.46	F.Y. 2019-20	Appeal pending at GST Appellate Tribunal.
CGST Act	GST	2.32	F.Y. 2018-19	Appeal pending at GST Appellate Tribunal
CGST Act	GST	302.32	F.Y. 2020-21	Appeal is pending at Commissioner Appeals GST.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as Income in the books of accounts, in the tax assessments under the Income Tax Act, 1961 as Income during the year.

(ix) In respect of repayment of dues:

a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of dues to any lender.

b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a willful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not taken any term loan. Therefore clause (ix) (c) is not applicable to the company.

d) According to the information and explanations given to us and on the basis of our examination of the records of the company, no funds raised on short term basis have been used for long-term purpose of the company.

e) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates and joint ventures.

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f) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.

(x) a) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3(x)(a) of the order is not applicable to the company.

b) 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 paragraph 3(x)(b) of the order is not applicable to the company.

(xi) a) To the best of our knowledge and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.

b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT-4 as prescribed under Rule 13 of the Companies(Audit and Auditors) Rules 2014 with the central government.

c) According to the information and explanations given to us and on the basis of our examination of the records of the company, no cases were received by the company under Whistle Blower Policy of the Company.

(xii) In respect of Nidhi Company:

The Company is not a Nidhi Company. Therefore, this clause is not applicable to the Company.

(xiii) In respect of Related Parties:

All transactions with the related parties are in compliance with section 188 and 177 of The Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by applicable accounting standards.

(xiv) a) Based on information and explanations provided to us and based on our audit procedures, the company has an Internal Audit System but it does not commensurate with its size and nature of business and needs to be strengthened.

b) We have been provided and have considered the internal audit reports of the Company for the year 2025-26.

(xv) In respect of Non-cash transactions with directors:

According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of section 192 of The Companies Act, 2013 is not applicable to the Company

(xvi) a)The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore clause (xvi) (a),(b),(c) and (d) of paragraph 3 of the order is not applicable to the company.

(xvii) The Company has not incurred cash losses in the current financial year however, there was a cash loss of Rs. 1029.44 Lakhs (Before Deferred Tax) in the previous year.

G.K.MITTAL & ASSOCIATES
JAIPUR
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(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, Clause 3(xviii) of the Order is not applicable. However, the previous auditors had vacated their position in compliance with the directions issued by the Comptroller and Auditor General of India (C&AG).

(xix) According to the information and explanations given to us and on the basis of the financial rations, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the relevant evidence, 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 the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The company does not meet the criteria of Section 135 with regard to Corporate Social Responsibility (CSR) hence clause (xx)(a) and (b) is not applicable to the company.

For G.K. MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN. 005842C)

G.K. MITTAL & ASSOCIATES JAIPUR Chartered Accountants

(JOGENDRA SINGH SHEKHAWAT)
PARTNER
M. No. 079348
UDIN : 26079348XGLEQUG662

DATE : JULY 14, 2026
PLACE : JAIPUR

G.K. MITTAL & ASSOCIATES

Chartered Accountants

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ANNEXURE- 2 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Directions issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013, indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Rajasthan Electronics & Instruments Limited for the year ended 31st March, 2026:

S. No.	Directions	Action Taken
1	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	The Company has maintained funds with LIC of India for earned leave encashment liability and the REIL Gratuity Trust has maintained funds with LIC India for gratuity. Valuation of the corresponding liabilities has been done by an independent actuary and interest earned on funds as declared by LIC of India has been accounted for in the books of accounts. The valuation approach and methodologies applied by Company are reasonable and consistent with Ind AS (Notes to Accounts No. 31), supported by actuary reports and LIC'sFund statements and is in compliance with applicable regulations. No material deviations have been noted.
2	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done by Information Security Auditing Organisations empaneled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.	The Company has a system in place for processing all accounting transactions through an IT-based system, operating on an isolated, standalone machine within the Finance Division that is not connected to the internet or any local network, ensuring accounting data and vouchers are processed securely. The system has been in operation consistently over years and is periodically reviewed and monitored by the Finance & Accounting Division for accuracy, reliability and compliance. Since the system is standalone and non-networked, external cyber security risk is inherently minimized, and no discrepancies relating to system controls or cyber security have been observed or reported. No accounting transactions are processed outside the IT system, except the fact that the accounting and inventory software are non-integrated; this has no implication on the integrity of the accounts. Considering the above, Information Security Auditing by organizations empanelled by Cert-In at a minimum frequency of once a year, in our opinion, is not desirable in the company.
3	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation	Funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies have been properly accounted for as per applicable accounting standards/norms, and the funds received have been utilised as per the terms and conditions of grant. Interest earned on grants received has been accounted for as per the terms and conditions of the grant. No material deviations or misstatements have been observed.

G.K. MITTAL & ASSOCIATES
CA
JAIPUR
Chartered Accountants

G.K. MITTAL & ASSOCIATES

Chartered Accountants

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4(a)	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices?	The Company has identified its key risk areas, and risk management is embedded within its operating framework through a well-defined internal financial control structure, including periodic review of risks and a framework for mitigating controls and reporting. Key risk management practices include risk identification and assessment, risk evaluation, risk reporting and disclosures, risk mitigation and monitoring, and integration with strategy and the business plan. Risks are governed by the Board of Directors, the Managing Director and the heads of concerned departments.
4(b)	Whether the Company has identified its data assets and whether it has been valued appropriately?	The Company has not identified data assets, such as customer/vendor master data, engineering designs, and other similar information, and consequently, no such data assets have been valued by the company, apart from the intangible assets already recognized in the books of accounts.
5	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	Since the Company is not Listed, hence SEBI (LODR) Regulations, 2015, are not applicable to the Company during the year . The Company is complying with the regulations of the Department of Investment and Public Asset Management, the Ministry of Corporate Affairs and the Department of Public Enterprises. The Company is complaint with all applicable regulatory requirements, no cases of deviation has been observed.

For G.K. MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN. 005842C)

G.K. MITTAL & ASSOCIATES * JAIPUR * Chartered Accountants

DATE : JULY 14, 2026
PLACE : JAIPUR

(JOGENDRA SINGH SHEKHAWAT)
PARTNER
M. No. 079348
UDIN : 26079348XGLEQU6662

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ANNEXURE- 3 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

We have audited the internal financial controls over financial reporting of RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Basis of Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2026:

(a) Keeping in view the size, nature and complexities of the business, the company's internal audit system needs to be strengthened along with periodic review of financial statements of the company

(b) The Company does not have an appropriate internal control system in respect of movement of goods which shows that there is lack of internal control over issue and receipt of material and for obtaining external confirmation from Trade Receivables and Trade Payables on periodic basis. During the year the company had issued account statement to Trade Receivables and Trade Payable however it had not been confirmed by them. Hence, we are unable to comment on the operating effectiveness of this system.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

G.K. MITTAL & ASSOCIATES JAIPUR Chartered Accountants

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Qualified Opinion

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2026.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2026 Financial Statements of the Company, and these material weaknesses do not affect our opinion on the Financial Statements of the Company.

For G.K. MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN. 005842C)

G.K. MITTAL & ASSOCIATES
JAIPUR
Chartered Accountants

(JOGENDRA SINGH SHEKHAWAT)
PARTNER
M. No. 079348
UDIN : 26079348XGLEQU6662

DATE : JULY 14, 2026
PLACE : JAIPUR

G.K. MITTAL & ASSOCIATES

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COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of Rajasthan Electronics & Instruments Limited for the year ended 31st March 2026 in accordance with the Directions/Sub-Directions issued by the Comptroller & Auditor General (C&AG) of India under section 143(5) of The Companies Act, 2013 and certify that we have complied with all the Directions/Sub-Directions issued to us.

For G.K. MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN. 005842C)

(JOGENDRA SINGH SHEKHAWAT)
PARTNER
M. No. 079348
UDIN : 26079348XGLEQU6662

DATE : JULY 14, 2026
PLACE : JAIPUR

G.K. MITTAL & ASSOCIATES JAIPUR Chartered Accountants

RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED
2,KANAKPURA INDUSTRIAL AREA,JAIPUR-302034, RAJASTHAN
CIN - U51395RJ1981GOI002249
EMAIL-fin_acct@reiljp.com

BALANCE SHEET AS AT MARCH 31, 2026

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
I. Non-current Assets			
(a) Property, plant and equipment	4	2,343.46	2,516.73
(b) Capital work-in-progress	4	-	-
(c) Investment Property		-	-
(d) Goodwill		-	-
(e)Other Intangible assets			
(i) Technical Know How	5	-	-
(f) Intangible Assets under development		-	-
(g) Biological Assets other than bearer Plants		-	-
(h) Financial assets			
(i) Investments		-	-
(ii) Trade receivables	6	265.10	116.17
(iii) Loans		-	-
(iv) Other financial assets	9A	117.43	56.53
(v) Deffered Tax Asset (Net)	8	1,999.15	2,441.37
(vi) Other non-current assets		-	-
Total Non-current Assets		**4,725.14**	**5,130.80**
II. Current Assets			
(a) Inventories	10	1,583.06	1,701.76
(b) Financial assets			
(i) Investments		-	-
(ii)Trade receivables	7	29,036.13	17,048.04
(iii) Cash and cash equivalents	11	454.99	4,846.89
(iv) Bank balances other than (iii) above	11A	229.62	195.61
(v)Loans		-	-
(vi) Other financial assets	9B	114.63	182.33
(c) Current tax assets	13	313.65	279.93
(d) Other current assets	12	831.21	490.57
Total Current Assets		**32,563.29**	**24,745.13**
Total Assets (I + II)		**37,288.43**	**29,875.93**
EQUITY AND LIABILITIES			
I. Equity			
(a) Equity share capital	14	1,225.00	1,225.00
(b) Other Equity	15	4,067.74	4,431.85
Total Equity		**5,292.74**	**5,656.85**
LIABILITIES			
II. Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Lease liabilities		-	-
(iii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	19A	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	19A	14.46	16.60
(b) Provisions	17A	286.97	306.90
(c)Deferred tax liabilities (Net)		-	-
(d) Other non-current liabilities	18A	458.07	164.46
Total Non-current Liabilities		**759.50**	**487.96**
III. Current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	-
(ii) Lease liabilities		-	-
(iii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	19B	2,713.88	2,193.76
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	19B	24,508.77	16,354.99
(iv) Other financial liabilities	16	344.25	453.63
(b) Other current liabilities	18B	2,427.47	3,668.02
(c) Provisions	17B	1,241.82	1,060.72
Total Current Liabilities		**31,236.19**	**23,731.12**
IV. Total Liabilities (II + III)		**31,995.69**	**24,219.08**
Total Equity and Liabilities (I + IV)		**37,288.43**	**29,875.93**

See accompanying notes to the Financial Statements (1-36)

As per our separate report of even date
For G.K. Mittal & Associates
Chartered Accountants
FRN 005842C

(Jogendra Singh Shekhawat)
Partner
M.NO. 079348
Place: Jaipur
Date: 14.07.2026
UDIN: 26079348XGLEGO6682

G.K. MITTAL & ASSOCIATES JAIPUR Chartered Accountants

For and on behalf of the Board of Directors

(Nidhi Mehta)
Director
DIN: 11398351

(Brijesh Dixit)
Managing Director
DIN: 11086971

(Amit Kumar Jain)
Company Secretary

(Subhash Agrawal)
Chief Financial Officer

RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED
2,KANAKPURA INDUSTRIAL AREA,JAIPUR-302034, RAJASTHAN
CIN - U51395RJ1981GOI002249
EMAIL-fin_acct@reiljp.com

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in Rs. Lakhs, unless otherwise stated)

	Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025
I.	Revenue from Operations	21	27815.44	15748.78
II.	Other income	22	475.73	211.22
III.	**Total Income (I + II)**		**28291.17**	**15960.00**
IV.	**Expenses**			
	Cost of material consumed	23	7331.26	9053.74
	Purchase of stock in Trade			
	Change in inventories of finished goods	24	(81.86)	(187.69)
	Employee benefits expense	25	3275.91	3284.13
	Finance costs	26	73.32	30.35
	Depreciation, Impairment and amortisation expenses	27	192.24	194.55
	Other expenses	28	17437.66	4808.91
	Total expenses		**28228.53**	**17183.99**
V.	**Profit / (Loss) before exceptional items and tax (III-IV)**		**62.64**	**(1,223.99)**
VI	Add: Exceptional items		-	-
VII	**Profit / (Loss) after exceptional items and before tax**		**62.64**	**(1,223.99)**
VIII	**Less: Tax expense**	29		
	1. Current tax		-	-
	2. Provision Reversal		-	-
	3. Deferred tax		437.72	(328.56)
	Total Tax Expense		**437.72**	**(328.56)**
IX	**Profit / (Loss) for the period from continued operations (VII - VIII)**		**(375.08)**	**(895.43)**
X	**Profit /(loss) from discontinued operations**		-	-
XI	**Tax expenses of discontinued operations**		-	-
XII	**Profit / (loss) from Discontinued operations (after tax) (X-XI)**		-	-
XIII	**Profit /(loss) for the period (IX + XII)**		**(375.08)**	**(895.43)**
XIV	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		15.47	(12.36)
	B (i) Income tax relating to items that will not be reclassified to profit or loss		(4.50)	3.60
	Total other comprehensive income (XIV=A(i)+B(i))		**10.97**	**(8.76)**
XV	**Total comprehensive income for the year (XIII+XIV)**		**(364.11)**	**(904.19)**
XVI	**Earnings per equity share**	30		
	(1) Basic (in Rs.)		(3.06)	(7.31)
	(2) Diluted (in Rs.)		(3.06)	(7.31)

See accompanying notes to the Financial Statements (1-36)

As per our separate report of even date
For G.K. Mittal & Associates
Chartered Accountants
FRN 005842C

(Jogendra Singh Shekhawat)
Partner
M.NO. 079348
Place: Jaipur
Date: 14.07.2026
UDIN: 26079348XGLEQU6662

G.K. MITTAL & ASSOCIATES JAIPUR

For and on behalf of the Board of Directors

(Nidhi Mehta)
Director
DIN: 11398351

(Brijesh Dixit)
Managing Director
DIN: 11086971

(Amit Kumar Jain)
Company Secretary

(Subhash Agrawal)
Chief Financial Officer

RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED
2,KANAKPURA INDUSTRIAL AREA,JAIPUR-302034, RAJASTHAN
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in Rs. Lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A.	**Cash flows from operating activities**		
	Profit/(Loss) for the year	(375.08)	(895.43)
	Adjustments for:		
	Income tax expense recognised in profit or loss	437.72	(328.56)
	Allowances for bad debts	379.96	319.63
	Assets written off	0.12	0.31
	Finance costs recognised in profit or loss	73.32	30.35
	Interest income recognised in profit or loss	(131.97)	(92.27)
	Depreciation and amortisation	192.24	194.55
	Bad Debts / Subsidy receivable written-off	0.00	0.72
	Cash generated from operations before working capital changes	**576.31**	**(770.70)**
	Movements in working capital:		
	(Increase) / Decrease in trade receivables	(12,516.98)	(2,201.48)
	(Increase) / Decrease in other assets	(367.85)	298.94
	(Increase)/Decrease in inventories	118.70	211.29
	Increase/ (Decrease) in trade payables	8671.76	4140.94
	Increase/(Decrease) in provisions	176.64	133.37
	Increase/(Decrease) in other payables	(1,056.32)	1700.83
		(4,974.05)	**4,283.89**
	Cash generated from operations	(4,397.74)	3,513.19
	Income Taxes Paid/refund received	**(33.72)**	**159.35**
	Net cash generated by operating activities	**(4,431.46)**	**3,672.54**
B.	**Cash flows from investing activities**		
	Payments for property, plant and equipment	(19.12)	(7.44)
	Proceeds from disposal of property, plant and equipment	0.03	1.85
	Interest Income	131.97	92.27
	Net cash (used in)/generated by investing activities	**112.88**	**86.68**
C.	**Cash flows from financing activities**		
	Finance cost paid	(73.32)	(30.35)
	Net (used in)/ generated in financing activities	**(73.32)**	**(30.35)**
	Net increase/ (decrease) in cash and cash equivalents	**(4,391.90)**	**3,728.87**
	Cash and cash equivalents at the beginning of the year*	4846.89	1,118.02
	Cash and cash equivalents at the end of the year*	**454.99**	**4,846.89**

Reconciliation of Cash and Cash Equivalents

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Cash and cash equivalents as per Cash Flow Statement	454.99	4,846.89
Difference	-	-
Cash and cash equivalents as per Balance Sheet (Refer table as under)	454.99	4,846.89

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with Banks (a+b+c)	**454.99**	**4,844.99**
PNB Savings Account (a)	0.14	0.14
Other Bank Balances (b)	454.60	946.47
Deposits with Bank (c)	-	3,898.38
Cash on hand	0.25	1.90
Cheques, drafts on hand	-	-
Cash and cash equivalents	**454.99**	**4,846.89**

1 The above cash flow statement prepared under the "indirect method" as set out in the Ind AS 7 "Cash flow statement".
2 Figures for previous year have been regrouped wherever necessary for uniformity in presentation.
3 Brackets indicate cash outflow.
4 Cash & cash equivalents includes Rs 0.14 Lakhs which is not available for use in normal business operations
See accompanying notes to the Financial Statements (1-36)

As per our separate report of even date
For G.K. Mittal & Associates
Chartered Accountants
FRN 005842C

(Jogendra Singh Shekhawat)
Partner
M.NO. 079348
Place: Jaipur
Date: 14.07.2026
UDIN: 26079348XGLEQU6662

G.K. MITTAL & ASSOCIATES JAIPUR Chartered Accountants

For and on behalf of the Board of Directors

(Nidhi Mehta)
Director
DIN: 11398351

(Brijesh Dixit)
Managing Director
DIN: 11086971

(Amit Kumar Jain)
Company Secretary

(Subhash Agrawal)
Chief Financial Officer

RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED
2,KANAKPURA INDUSTRIAL AREA,JAIPUR-302034, RAJASTHAN
CIN - U51395RJ1981GOI002249
EMAIL-fin_acct@reiljp.com

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(All amounts in Rs. Lakhs, unless otherwise stated)

1 Statement of changes in equity for the year ended March 31, 2026

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,225.00	-	-	-	1,225.00

2 Statement of changes in equity for the year ended March 31, 2025

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
1,225.00	-	-	-	1,225.00

See accompanying notes to the Financial Statements (1-36)

As per our separate report of even date
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B Other Equity

(All amounts in Rs. Lakhs, unless otherwise stated)

1 Statement of changes in other equity for the year ended March 31, 2026

		Share application money pending allotment	Equity component of compound	Reserves and Surplus				Debt Instruments through other	Equity Instruments through other	Effective portion of cashflow Hedges	Revaluation Surplus	Exchange Diff. on translating the financial	Other items of Other Comprehensive Income	Money Received share against warrants	Total
				Capital Reserve	Securities Premium	Other Reserve (specify nature)	Retained Earnings								
						General Reserve							(Remeasurement of net defined benefit plan)		
(a)	Balance at the beginning of the current reporting period		-	-	-	4,373.45	323.24	-	-	-	-	-	(264.84)	-	4,431.85
(b)	Changes in accounting policy or prior period errors		-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Restated balance at the beginning of thecurrent reporting period		-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Total Comprehensive Income for the current year		-	-	-	-	-	-	-	-	-	-	10.97	-	10.97
(e)	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Transfer from General Reserve					(350.00)	350.00								
(g)	Any other change(to be specified)		-	-	-	-	(375.08)	-	-	-	-	-	-	-	(375.08)
(h)	Balance at the Current Reporting Period		-	-	-	-	-	-	-	-	-	-	-	-	-
						4,023.45	298.16						(253.87)		4,067.74

See accompanying notes to the Financial Statements (1-36)

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B Other Equity

(All amounts in Rs. Lakhs, unless otherwise stated)

1 Statement of changes in other equity for the year ended March 31, 2025

	Share application money pending allotment	Equity component of compound	Reserves and Surplus				Debt Instruments through other	Equity Instruments through other	Effective portion of cashflow Hedges	Revaluation Surplus	Exchange Diff. on translating the financial	Other items of Other Comprehensive Income	Money Received share against warrants	Total
			Capital Reserve	Securities Premium	Other Reserve (specify nature)	Retained Earnings								
					General Reserve							(Remeasu-rement of net defined benefit plan)		
(a) Balance at the beginning of the current reporting period		-	-	-	5,273.45	318.67	-	-	-	-	-	(256.08)	-	5,336.04
(b) Changes in accounting policy or prior period errors		-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Restated balance at the beginning of thecurrent reporting period		-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Total Comprehensive Income for the current year		-	-	-	-	-	-	-	-	-	-	(8.76)	-	(8.76)
(e) Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-
(f) Transfer from General Reserve					(900.00)	900.00								
(g) Any other change(to be specified)		-	-	-	-	(895.43)	-	-	-	-	-	-	-	(895.43)
(h) Balance at the Current Reporting Period		-	-	-	-	-	-	-	-	-	-	-	-	-
					4,373.45	323.24						(264.84)		4,431.85

See accompanying notes to the Financial Statements (1-36)

As per our separate report of even date
For G.K. Mittal & Associates
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General Information & Significant Accounting Policies forming part of Financial Statements for the year ended March 31, 2026

1. **General information:**

Rajasthan Electronics & Instruments Limited, Jaipur (REIL) is incorporated and domiciled in India having registered office at 2, Kanakpura Industrial Area, Sirsi Road, Jaipur. The Company is a joint venture between the Government of India (51% shareholding) and Government of Rajasthan through Rajasthan State Industrial Development and Investment Corporation Ltd., Jaipur (RIICO) with share holding of 49%.

The Company was incorporated on 12th June, 1981 and falls under the administrative control of Ministry of Heavy Industries, Government of India and is a Mini Ratna PSU. REIL is in the business of Electronic Milk Analyzers and Solar Energy Equipment with minor interest in Wind Power, Information Technology, Industrial Electronics and Electric Vehicle Charging Station.

2. **Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. The amendments so notified are not applicable to the Company during the period. Financial Statements have been prepared as per requirement of Schedule III of the Companies Act, 2013 and accordingly figures (amount) in financial statements have been taken as Rs. in Lakhs.

3. Significant accounting policies

The principal accounting policies are set out below:

3.1 Statement of compliance

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

3.2 Basis of preparation and presentation

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013, amended from time to time.

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Chartered Accountants

The Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i. Certain Financial Assets and Liabilities,
ii. Defined Benefit Plans – Plan Assets

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

Current and 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 –

i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
ii. Held primarily for the purpose of trading;
iii. Expected to be realized within twelve months after the reporting period, or
iv. 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:

i. It is expected to be settled in normal operating cycle;
ii. It is held primarily for the purpose of trading;
iii. It is due to be settled within twelve months after the reporting period, or
iv. 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.

3.3 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of

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revenues and expenses during the period. The principal accounting estimates used have been described under the relevant income/expense and/or asset/liability item in these financial statements. The Management believes that the estimates used in the preparation of these Financial Statements are prudent and reasonable. Actual results could differ from these estimates.

3.4 Property, plant and equipment

Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Freehold land is not depreciated. Leasehold land is amortized over the life of the lease.

Depreciation is recognised so as to write off the cost less their residual values over their useful lives as specified in the Schedule II of the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress"

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3.5 Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortized on a straight-line basis over the period of their expected useful lives.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The amortization period and the amortization method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has as intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead cost that are directly attributable to preparing the asset for its intended use

3.6 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its Property Plant and Equipment and intangible assets or group of Assets, called Cash Generating Unit (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of anasset or CGU is estimated in order to determine

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the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

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

A previously recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised 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.

3.7 Inventories

Inventories are valued at the lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is computed on a FIFO basis, Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Cost of inventories comprises of all cost of conversion and other cost incurred in bringing them to their respective present location and condition and valued on the basis of FIFO method.

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

The inventory in which no transactions of purchases/sales/consumption occurred during the financial

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year are classified as non moving inventory whereas the inventories in which less than 20% transactions occurred are classified as slow moving inventory. These inventories are identified on the year end and accordingly written down to the twenty percent of its value. However, if realizable value is higher than the actual cost than, no impact is taken

3.8 Revenue Recognition

Company Recognises revenue from contracts with customers based on a five-step criteria as set out in Ind AS-115:-

(i) Identification of the contracts with a customer:- A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

(ii) Identification of the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(iii) Determination of the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer excluding amounts collected on behalf of third parties.

(iv) Allocation of the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

(v) Recognition of revenue when or as the Company satisfies a performance obligation.

- According to Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized.
- The Company recognizes revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognized to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied

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at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

- Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts ,service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
- Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.
- Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as Goods and Service Tax etc
- Revenue from services rendered is recognized based on agreements/ arrangements with the customers, over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period and the amount of revenue can be measured reliably.

Use of significant judgments in revenue recognition

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

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

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

Interest Income

Interest Income from a Financial Assets is recognised using effective interest rate method.

3.9 Employee Benefits

- **Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit

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...3

liability or asset.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments) and
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

- **Short-term and other long-term employee benefits**

  The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

  Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.10 Financial instruments

Financial Assets:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through profit and loss (FVTPL), its transaction cost is recognized in the

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Statement of Profit and Loss. In other cases, the transaction cost is adjusted to the Fair value of the Financial Asset.

Financial assets are subsequently classified as measured at:

- Amortized cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Trade Receivables and Loans:

Trade receivables and loans are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

The provision for doubtful debts @ 10% for outstanding of more than 3 years and upto 4 years, @20% for outstanding of more than 4 years and upto 5 years and @ 30% for for outstanding of more than 5 years have been created.

Debt Instruments:

Debt instruments are initially measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) The entity's business model for managing the financial assets and

(ii) The contractual cash flow characteristics of the financial asset.

(a) **Measured at amortized cost:**

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortized cost using the effective interest rate ('EIR') method less impairment, if any.

The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

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(b) Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(c) Measured at fair value through profit or loss:

A financial asset not classified as either amortized cost or FVOCI, is classified s FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognized as 'other income' in the Statement of Profit and Loss.

Derecognition of Financial Asset

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Asset

- Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.
- For financial assets other than trade receivables, as per Ind AS 109, the Company recognizes 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition.
- The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.
- For trade receivables Company applies 'simplified approach' (Refer Point No. 3.10 "Trade Receivables and Loans") which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At

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every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.

- The impairment losses and reversals are recognized in Statement of Profit and Loss.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest rate method.

Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through profit and loss is measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

Derecognition of Financial Liability

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

3.11 Fair value measurement

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3**— Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.12Provisions and Contingent Liabilities

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. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, 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.

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

3.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

3.14 Income Taxes

Income tax expense for the year comprises of current tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to an item which is recognized directly in Other Comprehensive Income.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/expense and penalty, if any, related to income tax is included in current tax expense.

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Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding tax base used in the computation of taxable profit.
Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.
The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.15 Foreign Currency Transaction

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.
Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.
Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded

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using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or Statement of Profit and Loss are also recognized in OCI or Statement of Profit and Loss, respectively).

3.16 Government Grant

The Government Grants (Grant in Aid) are accounted for in accordance with Ind-AS 20. The entity shall consider the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the Grant is intended to compensate

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognized in Statement of profit and loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the Balance sheet and transferred to Statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

3.17 Leases

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

Company as Lessee

Right-of-Use (ROU) assets are recognized at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the

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lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases and low value leases are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

The Company recognizes lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

3.18 Earnings per Share

Basic earnings per share is computed by dividing the net profit after tax for the period attributable to the equity shareholders 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 and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

3.19 Non-Current assets held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be

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committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are neither depreciated nor amortized.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are presented separately in the Balance Sheet.

3.20 Dividend

Dividends paid (including income tax thereon) are recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

3.21 Cash & Bank Balances

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks and on hand and Bank deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

3.22 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee.

Segments are organized based on businesses which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are

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primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

"Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole.

3.23 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.24 Prior Period Errors

Prior period errors include omissions and misstatements arising from a failure to use reliable information that was available or could have been obtained when financial statements for those periods were approved for issue.

Material prior period errors relating to the last comparative period will be shown by restating the comparative figures of Balance sheet and Statement of Profit and loss, wherever necessary. Thus, it will be disclosed in the comparative financial statements as if the error had not even occurred.

3.25 Event after reporting period

The 'events after the reporting period' are classified into two categories:

- **Adjusting Events**: Adjusting events are those that provide evidence of conditions that existed at the end of the reporting period; and
- **Non Adjusting Events**: Non-adjusting events are those that are indicative of conditions that arose after the reporting period

Amounts recognized in financial statements are adjusted to reflect adjusting events after the reporting period. Amounts recognized in financial statements are not adjusted to reflect non-adjusting events after the reporting period. If non-adjusting events after the reporting period are material, then such events are disclosed along with the nature of the event and an estimate of its financial effect.

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

Note : 4 Tangible Assets

(All amounts in Rs Lakhs, unless otherwise stated)

Current Year

Particulars	Cost or Deemed cost					Accumulated depreciation and impairment						Carrying Amount	
	Balance as at April 1, 2025	Additions	Adjustments	Disposals	Balance at March 31, 2026	Balance as at April 1, 2025	Adjustments	Depreciation expense	Impairment	Disposals	Balance at March 31, 2026	As at March 31, 2026	As at March 31, 2025
Property plant and equipment													
Vehicles	25.95	-	-	-	25.95	24.64			-	-	24.64	1.31	1.31
Road, Drains & water supply	26.34	-	-	-	26.34	25.02		-	-	-	25.02	1.32	1.32
Building	1,838.43	-	-	-	1,838.43	319.04		31.44	-	-	350.48	1,487.95	1,519.39
Furniture and fixtures	395.58	-	-	-	395.58	225.29		29.89	-	-	255.18	140.40	170.29
Office Equipment	135.70	-	-	-	135.70	83.78		8.96	-	-	92.74	42.96	51.92
Wind Power Project	580.00	-	-	-	580.00	551.00		-	-	-	551.00	29.00	29.00
Temporary Structure	26.13	-	-	-	26.13	26.13		-	-	-	26.13	-	-
Plant and machinery-Imported	1,519.14	-	-	-	1,519.14	1,067.52		89.87	-	-	1,157.39	361.75	451.62
Plant and machinery-Indigenous	493.77	1.81			495.58	342.46		18.85	-	-	361.31	134.27	151.31
Computer and Printers	232.99	17.31	2.58	0.20	247.52	197.46	2.46	11.94	-	0.17	206.77	40.75	35.53
Leasehold Premises													
Land	127.28	-	-	-	127.28	22.24	-	1.29	-	-	23.53	103.75	105.04
Subtotal	5,401.31	19.12	2.58	0.20	5,417.65	2,884.58	2.46	192.24	-	0.17	3,074.19	2,343.46	2,516.73
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	5,401.31	19.12	2.58	0.20	5,417.65	2,884.58	2.46	192.24	-	0.17	3,074.19	2,343.46	2,516.73

4.1 Company is availing fund / non-fund based limits from Punjab National Bank, secured by way of Hypothecation of Raw Material, Stock in process, finished goods and book debts and further collaterals secured by first charge over fixed and movable Capital Assets of the Company

4.2 The leasehold land includes 40000 Sq.Mtrs area situated at Kanakpura Industrial Area, Sirsi Road, Jaipur and 2500 Sq Mtrs area situated at Mansarovar, Jaipur

(All amounts in Rs Lakhs, unless otherwise stated)

Previous Year

Particulars	Cost or Deemed cost					Accumulated depreciation and impairment						Carrying Amount	
	Balance as at April 1, 2024	Additions	Adjustments	Disposals	Balance at March 31, 2025	Balance as at April 1, 2024	Adjustments	Depreciation expense	Impairment	Disposals	Balance at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Property plant and equipment													
Vehicles	25.95	-	-	-	25.95	23.34	-	1.30	-	-	24.64	1.31	2.61
Road, Drains & water supply	26.34	-	-	-	26.34	25.02	-	-	-	-	25.02	1.32	1.32
Building	1,838.43	-	-	-	1,838.43	287.60	-	31.44	-	-	319.04	1,519.39	1,550.83
Furniture and fixtures	398.50	-	-	2.92	395.58	190.19	-	30.27	-	1.17	225.29	170.29	202.31
Office Equipment	135.70	-	-	-	135.70	74.58	-	9.20	-	-	83.78	51.92	61.12
Wind Power Project	580.00	-	-	-	580.00	551.00	-	-	-	-	551.00	29.00	29.00
Temporary Structure	26.13	-	-	-	26.13	26.13	-	-	-	-	26.13	-	-
Plant and machinery-Imported	1,519.14	-	-	-	1,519.14	977.65	-	89.87	-	-	1,067.52	451.62	541.49
Plant and machinery-Indigenous	495.50	0.27	-	2.00	493.77	321.82	-	20.64	-	-	342.46	151.31	173.68
Computer and Printers	232.11	7.17	6.29	-	232.99	194.80	5.98	10.54	-	1.90	197.46	35.53	37.31
Leasehold Premises													
Land	127.28	-	-	-	127.28	20.95	-	1.29	-	-	22.24	105.04	106.33
Subtotal	5,405.08	7.44	6.29	4.92	5,401.31	2,699.08	5.98	194.55	-	3.07	2,884.58	2,516.73	2,706.00
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	5,405.08	7.44	6.29	4.92	5,401.31	2,699.08	5.98	194.55	-	3.07	2,884.58	2,516.73	2,706.00

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

Note : 5 Intangible Assets

Current Year

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Cost or deemed cost					Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2025	Additions from separate acquisitions	Additions from internal developments	Disposals or classified as held for sale	Balance as at March 31, 2026	Balance as at April 1, 2025	Amortisation expense	Adjustments	Balance as at March 31, 2026	As at March 31, 2026	As at March 31, 2025
Technical Know-How	72.70	-	-	-	72.70	72.70	-	-	72.70	-	-
Subtotal (a)	**72.70**	-	-	-	**72.70**	**72.70**	-	-	**72.70**	-	-

Previous Year

Particulars	Cost or deemed cost					Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2024	Additions from separate acquisitions	Additions from internal developments	Disposals or classified as held for sale	Balance as at March 31, 2025	Balance as at April 1, 2024	Amortisation expense	Adjustments	Balance as at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Technical Know-How	72.70	-	-	-	72.70	72.70	-	-	72.70	-	-
Subtotal (a)	**72.70**	-	-	-	**72.70**	**72.70**	-	-	**72.70**	-	-

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(All amounts in Rs. Lakhs, unless otherwise stated)

6. Trade receivables- Non Current

Particulars	As at March 31, 2026	As at March 31, 2025
Undisputed Trade Receivables		
(i) Unsecured, considered good	265.10	116.17
Total	**265.10**	**116.17**

7. Trade receivables- Current

Particulars	As at March 31, 2026	As at March 31, 2025
I Disputed Trade Receivables		
i) Doubtful	2,841.29	2,770.12
	-	-
II Undisputed Trade Receivables	-	-
i) Secured, considered good	-	-
ii) Unsecured, considered good (related parties)	1,816.23	2,291.85
iii) Unsecured, considered good	19,409.51	7,493.08
iv) Doubtful	8,198.43	7,342.36
v) Doubtful (related parties)	1,284.85	1,284.85
Less: Allowance for doubtful debts	3,229.33	2,849.37
Total	**29,036.13**	**17,048.04**

7.1 The Company sent letters to the parties for confirmation of the outstanding balance as at 31st March 2026, but the response of these letters has not been received by the company.

7.2 The Memoranda of Agreement (MoAs) executed with M/s Magenta Power Private Limited and M/s Tecso Chargezone Pvt. Ltd. were terminated due to their failure to fulfill a fundamental contractual obligation, namely submission of the requisite Performance Bank Guarantee (PBG).
In the case of M/s Magenta Power Private Limited, the Company filed S.B. Civil Arbitration Application Nos. 12/2023, 13/2023 and 14/2023 under Section 11(6) of the Arbitration and Conciliation Act, 1996 before the Hon'ble High Court of Rajasthan, Jaipur Bench, seeking appointment of an Arbitrator for adjudication of disputes. Vide order dated 06.10.2023, the Hon'ble High Court appointed Hon'ble Justice Sabina as the Sole Arbitrator. Subsequently, the Sole Arbitrator pronounced an Arbitral Award on 12.08.2025 directing REIL to pay a sum of Rs. 14.67 Crore to M/s Magenta Power Private Limited. Aggrieved by the Award, REIL has filed objections under Section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Commercial Court No. 1, Jaipur Metro-II, along with a stay application seeking suspension of the operation and effect of the Award. The matter is presently sub judice and pending adjudication before the Court.
In the case of M/s Tecso Chargezone Pvt. Ltd., the MoA was terminated due to non-submission of the Performance Bank Guarantee. An Arbitration Application No. 286/2024-25 under Section 9 of the Arbitration and Conciliation Act, 1996 was filed before the Hon'ble Commercial Court, Jaipur. Thereafter, vide order dated 18.09.2025 passed in S.B. Civil Arbitration Application Nos. 94/2025 and 95/2025, the Hon'ble High Court constituted the Arbitral Tribunal by appointing Hon'ble Justice Pankaj Bhandari (Retd.) as the Sole Arbitrator. The arbitration proceedings are presently pending.
Accordingly, considering that the disputes in both matters are either sub judice before the competent Court or pending adjudication before the Arbitral Tribunal, any accounting adjustments in the books of accounts shall be undertaken in accordance with the final outcome of the respective proceedings.

8. Deferred Tax Asset (Net)

The following is the analysis of deferred tax Assets/(Liabilities) presented in the balance sheet:

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities	(549.57)	(368.60)
Deferred tax assets	2,548.72	2,809.97
Net	**1,999.15**	**2,441.37**

8.1 In assessing the reliability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.As per Management's estimate it is likely that the company will have taxable future profits over the future years on which this asset may be used. The Company's ability to recover defered tax assets is assessed by management at the close of each financial year taking into account forecasts of future taxable results

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in Rs. Lakhs, unless otherwise stated)

Year ended March 31, 2026

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets/(liabilities) in relation to:				
Property, plant and equipment	(287.89)	(30.93)	-	(318.82)
Fair Value of financial assets	9.40	9.98	-	19.38
Allowance for Doubtful Debts	829.74	110.64	-	940.38
Deferred revenue	(80.71)	(150.04)	-	(230.75)
Deferred expense	40.06	38.46	-	78.52
Provisions for Employee Benefit	541.02	1.50	(4.50)	538.02
Provisions MSME Interest	1.14	(0.29)		0.85
Tax on losses (Carry Forward Losses)	1,388.61	(417.04)	-	971.57
Total	**2,441.37**	**(437.72)**	**(4.50)**	**1,999.15**

Year ended March 31, 2025

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets/(liabilities) in relation to:				
Property, plant and equipment	(297.11)	9.22	-	(287.89)
Fair Value of financial assets	7.94	1.46	-	9.40
Allowance for Doubtful Debts	736.27	93.47	-	829.74
Deferred revenue	(71.31)	(9.40)	-	(80.71)
Deferred expense	43.12	(3.06)	-	40.06
Provisions for Employee Benefit	516.89	20.53	3.60	541.02
Provisions MSME Interest	-	1.14	-	1.14
Tax on losses (Carry Forward Losses)	1,173.41	215.20	-	1,388.61
Total	**2,109.21**	**328.56**	**3.60**	**2,441.37**

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

Current Trade Receivables ageing schedule as on March 31, 2026

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More than 3 Years	
I Disputed Trade Receivables						
i) Doubtful	-	-	-	-	2,839.53	2,839.53
II Undisputed Trade Receivables						
i) Secured, considered good	-	-	-	-	-	-
ii) Unsecured, considered good (related parties)	31.00	70.48	277.40	152.50	-	531.38
iii) Unsecured, considered good	15,061.57	1,672.64	2,235.05	442.01	-	19,411.27
iv) Doubtful	-	-	-	-	8,198.43	8,198.43
v) Doubtful (related parties)	-	-	-	-	1,284.85	1,284.85
Total	15,092.57	1,743.12	2,512.45	594.51	12,322.81	32,265.46
Less: Provision for Doubtful Debts	-	-	-	-	3,229.33	3,229.33
Total Trade Receivables	15,092.57	1,743.12	2,512.45	594.51	9,093.48	29,036.13

Non Current Trade Receivables ageing schedule as on March 31, 2026

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More than 3 Years	
I Disputed Trade Receivables						
i) Doubtful	-	-	-	-	-	-
II Undisputed Trade Receivables						
i) Secured, considered good	-	-	-	-	-	-
ii) Unsecured, considered good (related parties)	-	-	-	-	-	-
iii) Unsecured, considered good	265.10	-	-	-	-	265.10
iv) Doubtful	-	-	-	-	-	-
Total	265.10	-	-	-	-	265.10
Less: Provision for Doubtful Debts	-	-	-	-	-	-
Total Trade Receivables	265.10	-	-	-	-	265.10

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

Current Trade Receivables ageing schedule as on March 31, 2025

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More than 3 Years	
I Disputed Trade Receivables						
i) Doubtful	-	-	-	-	2,770.12	2,770.12
	-	-	-	-	-	-
II Undisputed Trade Receivables	-	-	-	-	-	-
i) Secured, considered good	-	-	-	-	-	-
ii) Unsecured, considered good (related parties)	303.54	309.31	354.76	16.69	-	984.30
iii) Unsecured, considered good	4,813.87	473.66	888.54	1,339.70	-	7,515.77
iv) Doubtful	-	-	-	-	7,342.37	7,342.37
v) Doubtful (related parties)	-	-	-	-	1,284.85	1,284.85
Total	5,117.41	782.97	1,243.30	1,356.39	11,397.34	**19,897.41**
Less: Provision for Doubtful Debts	-	-	-	-	2,849.37	**2,849.37**
Total Trade Receivables	**5,117.41**	**782.97**	**1,243.30**	**1,356.39**	**8,547.97**	**17,048.04**

Non Current Trade Receivables ageing schedule as on March 31, 2025

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More than 3 Years	
I Disputed Trade Receivables						
i) Doubtful	-	-	-	-	-	-
II Undisputed Trade Receivables						
i) Secured, considered good	-	-	-	-	-	-
ii) Unsecured, considered good (related parties)	-	-	-	-	-	-
iii) Unsecured, considered good	116.17	-	-	-	-	**116.17**
iv) Doubtful	-	-	-	-	-	-
Total	116.17	-	-	-	-	**116.17**
Total Trade Receivables	**116.17**	-	-	-	-	**116.17**

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RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in Rs. Lakhs, unless otherwise stated)

9. Other financial assets

9A. Other financial assets - Non current

Particulars	As at March 31, 2026	As at March 31, 2025
From Related Parties		
-Security Deposits	0.40	0.40
Others -		
-Security Deposits	114.27	53.37
-Loans & Advances to employees	2.76	2.76
-Cash and bank balances not available for immediate use (See Note below)	-	-
Total	**117.43**	**56.53**

Note: Particulars of cash and bank balances not available for immediate use.

Particulars	As at March 31, 2026	As at March 31, 2025
Bank Balances (including interest accrued thereon) not available for immediate use being deposits pledged with bank as margin money.	-	-
Less: Amount reflected under Other Bank Balance [Note 11A]	-	-
	-	-
Amount reflected under other financial assets - non-current [Note 9A]	-	-

9B. Other financial assets - Current

Particulars	As at March 31, 2026	As at March 31, 2025
- Security Deposits	7.33	7.33
- Earnest Money	107.30	175.00
Total	**114.63**	**182.33**

10. Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
Inventories		
Raw materials	768.19	813.81
Raw Material in Production Department	352.52	506.17
Finished goods	451.72	369.86
Packing Material	10.63	11.92
Stores and spares	-	-
Loose tools	-	-
Goods-in-transit	-	-
Stock-in-trade	-	-
Others	-	-
Total	**1,583.06**	**1,701.76**

10.1 The inventory also includes slow moving and non moving inventory of Rs 51.33 Lakhs in Raw Material and Rs 99.64 Lakhs in Finished Goods

10.2 As per accounting policy no. 3.7-Inventories, inventories of Rs 95.12 Lakhs have been identified as slow moving during the year, however the same has not been de-valued since the realizable value is more than the actual cost. Further, it is expected that such inventory items shall be used during the year 2026-27.

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in Rs. Lakhs, unless otherwise stated)

11. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with Banks (a+b+c)	**454.74**	**4,844.99**
PNB Savings Account (a)	0.14	0.14
Other Bank Balances (b)	454.60	946.47
Deposits with Bank (c)	-	3,898.38
Cash on hand	0.25	1.90
Cheques, drafts on hand	-	-
Cash and cash equivalents	**454.99**	**4,846.89**

Subsidy received from Ministry of Heavy Industries (MHI) under FAME II Scheme is kept in Saving Bank account and these funds are not available for Normal Business Operations.

11A. Other Bank Balances

Particulars	As at March 31, 2026	As at March 31, 2025
Bank Deposits pledged with bank as margin money (maturity more than 3 months but less than 12 months)	118.81	116.29
-FDR issued as EMD	84.07	79.32
-FDR issued as SD	26.74	-
Total	**229.62**	**195.61**

Note: The Company is availing fund / non-fund based limits from Punjab National Bank, secured by way of Hypothecation of Raw Material, Stock in process, finished goods and book debts and further collateraly secured by first charge over fixed and movable Capital Assets of the Company.

12. Other assets - Current

Particulars	As at March 31, 2026	As at March 31, 2025
Advance against expenses to employees	9.80	11.11
Deposit against GST Appeal	75.58	47.92
Prepaid expenses	32.11	13.08
Other Advances	17.71	10.47
Advances to Vendors	16.79	15.95
GST Adjustable	631.22	-
GST deposited on Advances Received	22.43	306.46
Balances with Revenue Authority (GST)	25.57	85.58
Total	**831.21**	**490.57**

13. Current tax assets and liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax assets		
Benefit of tax losses to be carried back to recover taxes paid in prior periods		
Advance Payment of taxes	313.65	298.34
	313.65	**298.34**
Current tax liabilities		
Income tax payable	-	18.41
	-	**18.41**
Current tax Assets / (Liabilities)	**313.65**	**279.93**

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

14. Equity Share Capital

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Equity share capital	1,225.00	1,225.00
Total	**1,225.00**	**1,225.00**

Authorised Share capital :	As at March 31, 2026	As at March 31, 2025
15,000,000 equity shares of Rs. 10 each (as at March 31, 2026: 15,000,000)	1,500.00	1,500.00
Issued and subscribed capital comprises:		
1,22,50,000 fully paid equity shares of Rs. 10 each (as at March 31, 2026: 12,250,000)	1,225.00	1,225.00
	1,225.00	**1,225.00**

14.1 Movement during the period

Particulars	For the Year ended March 31, 2026		For the Year ended March 31, 2025	
	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)
Balance at the start of the period	12,250,000	122,500,000	12,250,000	122,500,000
Movements	-	-	-	-
Balance at the end of the period	12,250,000	122,500,000	12,250,000	122,500,000

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

14.2 Details of shares held by each shareholder holding more than 5% shares.

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Equity shares:				
Government of India	6,247,500	51%	6,247,500	51%
RIICO, Jaipur	6,002,500	49%	6,002,500	49%
Total	12,250,000	100%	12,250,000	100%

14.3 Details of shares held by the promoters.

Shares held by Promoter at the end of the year			% Change during the year
Promoter Name	No. of shares	% of total shares	
Government of India	6,247,500	51%	-
RIICO, Jaipur	6,002,500	49%	-

14.4 Details Of Shares For Preceding Five Years

Particulars	31/03/2025	31/03/2024	31/03/2023	31/03/2022	31/03/2021
Number of Equity Shares Allotted For Contracts Without payment received in cash	-	-	-	-	-
Number of Equity Share Issue as Bonus Share	-	-	-	-	-
Number Of Equity Shares Bought Back	-	-	-	-	-

15. Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity balance.

Current Year

Particulars	General Reserves	Retained Earnings	Total
Balance as at March 31, 2025	4,373.45	58.40	4,431.85
Add: Profit/(Loss) for the year	-	(375.08)	(375.08)
Add: Other Comprehensive Income	-	10.97	10.97
Less: Transfer to Retained Earnings	(350.00)	-	(350.00)
Add: Transfer from General Reserve	-	350.00	350.00
Balance as at March 31, 2026	**4,023.45**	**44.29**	**4,067.74**

Previous Year

Particulars	General Reserves	Retained Earnings	Total
Balance as at March 31, 2024	5,273.45	62.59	5,336.04
Add: Profit/(Loss) for the year	-	(895.43)	(895.43)
Add: Other Comprehensive Income	-	(8.76)	(8.76)
Less: Transfer to Retained Earnings	(900.00)	-	(900.00)
Add: Transfer from General Reserve	-	900.00	900.00
Balance as at March 31, 2025	**4,373.45**	**58.40**	**4,431.85**

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in Rs. Lakhs, unless otherwise stated)

16. Other financial liabilities - Current

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Earnest Money	142.14	88.07
(b) Retention Money	20.96	20.96
(c) Security Deposits	116.43	142.89
(d) Employee Benefits Payable	51.04	79.98
(e) Others	2.67	108.80
(f) Reimbursement to Staff against expenses	11.01	12.93
Total	**344.25**	**453.63**

17. Provisions

17A. Provisions - Non current

Particulars	As at March 31, 2026	As at March 31, 2025
Employee benefits	286.97	306.90
Total	**286.97**	**306.90**

17B. Provisions - Current

Particulars	As at March 31, 2026	As at March 31, 2025
Employee benefits	1,191.82	1,010.72
Provision for Warranty	50.00	50.00
Total	**1,241.82**	**1,060.72**

17.1 Provision for employee benefits includes provision for Gratuity, Leave Encashment, Half Pay Leave & liability for Post Retirement Medical Scheme. The above are recognised as per the report provided by actuary.

17.2 Gratuity ceiling increased to Rs 25 Lakhs from Rs 20 Lakhs, hence provisioning has been increased by Rs1.58 crore being past service cost as per actuarial valuation.

17.3 Warranty is provided for Goods as well as for services to customers. The Company provides provision for warranty expenses in accordance with IND AS 37.

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(All amounts in Rs. Lakhs, unless otherwise stated)

18. Other liabilities

18A. Other non-current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
- Deferred Grant Related to asset	14.95	16.02
- Deferred Revenue	443.12	148.44
Total	**458.07**	**164.46**

18B. Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
- Advance from customers		
From Related Parties	-	-
From Others	1,802.53	3,207.87
- Deferred Grant Related to income	12.87	12.87
- Deferred Grant Related to asset	1.07	1.07
- Interest payable under Consolidated Fund of India	0.14	0.13
- Deferred revenue	367.14	163.73
- Statutory dues	243.72	282.35
Total	**2,427.47**	**3,668.02**

18.1 Deferred Grant related to Income will be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

18.2 Deferred Grant related to Assets is recognised in profit or loss on a systematic basis over the useful life of the asset.

19A. Trade payables - Non Current

Particulars	As at March 31, 2026	As at March 31, 2025
From Related Parties		
From Others		
-Total Outstanding dues of creditors of micro and small enterprises	-	-
-Total Outstanding dues of creditors other than micro and small enterprises	14.46	16.60
Total	**14.46**	**16.60**

19B. Trade payables - Current

Particulars	As at March 31, 2026	As at March 31, 2025
From Related Parties		
From Others		
-Total Outstanding dues of creditors of micro and small enterprises	2,713.88	2,193.76
-Total Outstanding dues of creditors other than micro and small enterprises	24,508.77	16,354.99
Total	**27,222.65**	**18,548.75**

19.1 The above outstanding amount includes Rs. 3,229.89 Lakhs recoverable related to M/s Suntech Industries on account of non-fulfilment of contractual obligations under the respective contracts. The party has already lost two cases at the lower court level pertaining to the Company's customers, namely Pradeshik Cooperative Dairy Federation (PCDF), Uttar Pradesh and Uttar Pradesh New and Renewable Energy Development Agency. In the matter relating to PCDF, vide order dated 29.09.2023, the Hon'ble Rajasthan High Court, Jaipur Bench appointed an Arbitrator to adjudicate all disputes arising between the parties. Subsequently, vide order dated 27.05.2025, both parties were directed to submit their written arguments, issue-wise as well as claim-wise. Further, vide order dated 17.03.2026, the learned Sole Arbitrator directed that in the interest of complete, effective and binding adjudication of the disputes, Pradeshik Cooperative Dairy Federation, through its Managing Director, be impleaded as Respondent No. 2 in the arbitral proceedings.
In the matter relating to UPNEDA, M/s Suntech Industries filed S.B. Civil Arbitration Application No. 133/2021 before the Hon'ble Rajasthan High Court, Jaipur. Vide order dated 17.11.2023, the Hon'ble Court appointed a Sole Arbitrator to adjudicate the disputes. The learned Sole Arbitrator vide order dated 19.04.2026 passed the award in favour of the Company.

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

Current Trade Payables ageing schedule as on March 31, 2026

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More than 3 Years	
(i) MSME	1,069.28	384.11	465.88	385.26	409.35	2,713.88
(ii) Others	12,517.88	542.44	1,365.52	205.31	6,533.68	21,164.83
(iii) Disputed dues --MSME	-	-	-	-	-	-
(iv) disputed dues -- others	-	-	-	15.85	3,328.09	3,343.94
Total	13,587.16	926.55	1,831.40	606.42	10,271.12	27,222.65

Non Current Trade Payables ageing schedule as on March 31, 2026

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) Others	14.46	-	-	-	-	14.46
(iii) Disputed dues --MSME	-	-	-	-	-	-
(iv) disputed dues -- others	-	-	-	-	-	-
Total	14.46	-	-	-	-	14.46

Current Trade Payables ageing schedule as on March 31, 2025

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More than 3 Years	
(i) MSME	858.55	122.47	233.44	88.60	890.70	2,193.76
(ii) Others	5,846.50	495.68	655.24	304.55	5,706.41	13,008.38
(iii) Disputed dues --MSME						-
(iv) disputed dues -- others	-	-	16.19	0.11	3,330.31	3,346.61
Total	6,705.05	618.15	904.87	393.26	9,927.42	18,548.75

Non Current Trade Payables ageing schedule as on March 31, 2025

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) Others	16.60	-	-	-	-	16.60
(iii) Disputed dues --MSME	-	-	-	-	-	-
(iv) disputed dues -- others	-	-	-	-	-	-
Total	16.60	-	-	-	-	16.60

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in Rs. Lakhs, unless otherwise stated)

20. Contingent liabilities, Contingent assets and Commitments

20.1 Contingent liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Guarantees given by bankers on behalf of the company.	1825.83	1,214.20
(b) Claims against the company not acknowledged as debts.	5534.95	7,445.07
(c) GST show cause notice-pending with GST Appellate Tribunal	240.78	238.46
(d) GST related show cause notice pending with Commissioner Appeals	302.32	304.45
(e) Service Tax Show cause notices/Demand raised by Excise & Service Tax Department (2009-10)	3.82	3.82

20.1.1 Claims against the company not acknowledge as debts include claim by M/s Suntech Industries, M/s Uttam Prakash, M/s Magenta Power Pvt Ltd., Gratuity related matter of contractual employess and Ex-Employees of the Company for which litigation is pending in court of law.

20.1.2:- Contingent Liabilities are recognised when a possible obligation arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, One of the MSME Vendors , M/s Gansum Global Solutions India Private Limited having outstanding amount of Rs. 14.75 Lakhs has claimed interest as per MSMED Act, 2006 and filed an application before Hon'ble High Court of Andhra Pradesh at Amaravati. On 26.12.2022 The Hon'ble High Court passed the order directed to the petitioner to prefer an appeal under sec 34 of the Arbitration Act at Arbitration court at Jaipur. Now the matter is pending before Commercial Court, Jaipur. As per the management, reliable estimates of the interest obligation cannot be made, Hence, the same has not been disclosed as Contingent Liability.

20.1.3:- M/s Magenta Power Private Limited, the Company filed S.B. Civil Arbitration Application Nos. 12/2023, 13/2023 and 14/2023 under Section 11(6) of the Arbitration and Conciliation Act, 1996 before the Hon'ble High Court of Rajasthan, Jaipur Bench, seeking appointment of an Arbitrator for adjudication of disputes. Vide order dated 06.10.2023, the Hon'ble High Court appointed Hon'ble Justice Sabina as the Sole Arbitrator. Subsequently, the Sole Arbitrator pronounced an Arbitral Award on 12.08.2025 directing REIL to pay a sum of Rs. 14.67 Crore to M/s Magenta Power Private Limited. Aggrieved by the Award, REIL has filed objections under Section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Commercial Court No. 1, Jaipur Metro-II, along with a stay application seeking suspension of the operation and effect of the Award. The matter is presently sub judice and pending adjudication before the Court.

20.2 Contingent assets

Particulars	As at March 31, 2026	As at March 31, 2025
Insurance Claims lodged but not approved/settled	2.04	-
Total	**2.04**	-

20.3 Commitments

Particulars	As at March 31, 2026	As at March 31, 2025
Commitments		
Estimated amount of contracts remaining to be executed and not provided for including service and maintenance contracts.	9,592.00	25,562.83
Total	**9,592.00**	**25,562.83**

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in Rs. Lakhs, unless otherwise stated)

21. Revenue from operations

The following is details of the Company's revenue for the period from continuing operations

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(a) Sales		
Exports	123.02	1,637.58
Domestic	15,275.89	11,601.89
(b) Sale of Services		
Service Maintenance and installation charges	12,416.53	2,509.31
(c) Other operating revenues	-	
(d) Excise Duty	-	-
Total	**27,815.44**	**15,748.78**

21.1 Grant in aid includes grant related to income amounting to Rs 12.87 Lakhs in previous year which is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

21.2 Revenue disaggregation as has been included in segment information (Refer note 34).

21.3 The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs. 810.26 Lakhs of which 45.31% is expected to be recognised next year. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in Deferred Revenue for the year ended March 31, 2026 are as follows:

Balances at the beginning of the year	**312.17**	**296.11**
Revenue recognised during the year	(434.98)	(166.98)
Addition during the year	933.07	183.04
Balance at the end of the year	**810.26**	**312.17**

22. Other Income

a) Interest Income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Bank Deposits	88.25	49.93
Others	43.72	42.34
Total (a)	**131.97**	**92.27**

b) Other Non-Operating Income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Insurance Receipts	3.38	3.71
Carriage Receipts	3.38	2.89
Amortisation of Government Grant*	1.07	1.07
Foreign Exchange Fluctuation	1.11	30.67
Duty Drawback on Exports	2.00	26.70
Rent Receipts	77.33	52.16
Scrap Sales	27.65	-
Others (aggregate of immaterial items)	1.29	1.75
Provisions Written Back# (since no longer required)	226.55	-
Total (b)	**343.76**	**118.95**
Total (a+b)	**475.73**	**211.22**

*Amortisation of Grant of Rs. 1.07 Lakhs (Rs. 1.07 Lakhs in Previous Year) is amortisation of grant related to assets which is recognised in profit or loss on a systematic basis over the useful life of the asset.

#Provision of Rs.1.02 Crore standing in books for awareness programme of transport department (under PUC project) written back as no expenditures have incurred during the financial year 2024-25 and 2025-26 under this head.

#Provision of Customs duty of Rs 20.48 Lakhs plus interest of Rs 33.18 Lakhs aggregating to Rs.53.66 Lakhs for duty saved on import of stringer machine during 2016-17 under EPCG license written back as the statutory limitation period for raising any demand by Customs department stands expired.

#Provision of PRP of Rs.50 Lakhs created during the year 2018-19 has been written back persuant to the decision of board of directors to recover PRP already disbursed. Remaining excess provisions of Rs 20.86 Lakhs of earlier years also written back as this liability is also no longer outstanding.

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in Rs. Lakhs, unless otherwise stated)

23. Cost of material consumed

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Cost of material Consumed		
Opening stock	1,331.90	1,730.88
Add: Purchase of raw material	7,130.70	8,654.76
	8,462.60	**10,385.64**
Less: Closing stock	1,131.34	1,331.90
Total	**7,331.26**	**9,053.74**

23A. Details of material consumed

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(a) Details of Raw Materials consumed		
Solar Energy Equipments		
-Solar Cells	85.89	121.16
-Others	4,675.21	5,645.63
Electronic Milk Analysers	2,553.34	3,254.50
Consumables & packing materials	16.82	32.45
Total	**7,331.26**	**9,053.74**
(b) Value of Imported and indigenous material consumed		
Imported	500.01	352.69
Indigenous	6,831.25	8,701.05
Total	**7,331.26**	**9,053.74**

24. Change in inventories of finished goods

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Increase(-) / Decrease(+) in Stock		
Opening Stock		
Finished goods	369.86	182.17
	369.86	182.17
Less: Closing stock		
Finished goods	451.72	369.86
	451.72	369.86
Change in inventories of Finished goods	(81.86)	(187.69)
Total	**(81.86)**	**(187.69)**

25. Employee benefits expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries and Wages	2,771.11	2,874.61
Contribution to provident and other funds	451.32	322.42
Staff Welfare Expenses	41.90	39.87
Medical expenses	11.58	47.23
Total	**3,275.91**	**3,284.13**

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RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts Rs. in Lakhs, unless otherwise sta

26. Finance costs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest costs	33.33	3.93
Bank Charges	11.41	11.51
Bank Guarantee Commission	28.58	14.91
Total	**73.32**	**30.35**

27. Depreciation,impairment and amortisation expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of property, plant and equipment pertaining to continuing operations	192.24	194.55
Impairment loss of Property, Plant and Equipments	-	-
Less : Depreciation of earlier year written off	-	-
Amortisation of intangible assets	-	-
Total depreciation, impairment and amortisation pertaining to continuing operations	**192.24**	**194.55**

28. Other expenses

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Direct Expense	**16,411.33**	**3,626.57**
Power & fuel	41.48	43.09
Repair & Maintenance - Plant & machinery	12.26	11.29
Testing & other expenses	1.72	2.13
Component & prototype for R&D	3.98	3.20
Warranty Obligation	30.49	80.72
Service & maintenance charges	9,130.31	1,698.49
Installation charges	7,191.09	1,787.65
Administrative Expenses	**384.02**	**393.88**
Repair & Maintenance - Building	1.43	26.12
Repair & Maintenance - Others	4.27	3.12
Rent	17.31	15.22
Rates & taxes	31.38	20.86
Printing & stationery	11.32	13.27
Travelling & conveyance	67.33	76.36
Postage & communication expenses	13.96	13.98
Legal & professional fee	62.75	54.96
Security,cleaning & other expenses	124.86	123.07
Payment to Auditors	2.95	2.98
Insurance charges	9.75	8.84
Foreign exchange fluctuation	7.78	-
Loss on Written off of assets	0.12	0.31
Miscellaneous expenses	28.81	34.79
Selling & Distribution Expenses	**642.31**	**788.46**
Allowances for Doubtful Debts	379.96	319.63
Royalty, Discount & commission	109.72	237.07
Advertising & business promotion	21.39	37.23
Forwarding expenses	131.24	193.81
Bad debts	-	0.72
Total	**17,437.66**	**4,808.91**

28.1 Details of remuneration to Auditors

Remuneration to auditors	Year ended March 31, 2026	Year ended March 31, 2025
(a) Statutory audit fee	1.25	1.25
(b) Tax audit fee	0.70	0.70
(c) Certification work	0.75	0.78
(d) Out of pocket expenses	0.25	0.25
Total	**2.95**	**2.98**

28.2 Miscellaneous expenses includes Director's Sitting fees of NIL (Previous year Rs. 0.32 Lakh) and Board Meeting expenses of Rs. 0.07 Lakh (Previous year Rs. 0.07 Lakh)

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts Rs. in Lakhs, unless otherwise stated)

29. Income taxes relating to continuing operations

29.1 Income tax recognised in profit or loss

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current tax		
In respect of the current period	-	-
Adjustment of tax relating to earlier years		
	-	-
Provision Reversal		
In respect of the Previous period		
	-	-
Deferred tax		
In respect of the current period	(437.72)	328.56
Adjustment of tax relating to earlier year		
	(437.72)	**328.56**
Total income tax expense recognised in the current period relating to continuing operations	**(437.72)**	**328.56**

29.2 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Deferrred Tax		
Re-measurement of defined benefit obligation	(4.50)	3.60
Total	**(4.50)**	**3.60**
Bifurcation of the income tax recognised in other		
Items that will not be reclassified to profit or loss	(4.50)	3.60

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30. Earnings per share

(All amounts Rs. in Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
From Continuing operations	**Rs. per share**	**Rs. per share**
Profit / (Loss) after tax	(375.08)	(895.43)
Weighted average number of equity shares for calculation of basic EPS	122.50	122.50
Basic earnings per share (one equity share of Rs. 10/- each)	**(3.06)**	**(7.31)**
Weighted average number of equity shares for calculation of diluted EPS	122.50	122.50
Diluted earnings per share (one equity share of Rs. 10/- each)	**(3.06)**	**(7.31)**
From Continuing operations	**Rs. per share**	**Rs. per share**
Basic earnings per share	(3.06)	(7.31)
Diluted earnings per share	(3.06)	(7.31)

30.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Profit / (Loss) for the period attributable to owners of the Company (A)	(375.08)	(895.43)
Weighted average number of equity shares for the purposes of basic earnings per share (B)	122.50	122.50
Basic Earnings per share (A/B)	**(3.06)**	**(7.31)**

30.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.
The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Earnings used in the calculation of basic earnings per share	(375.08)	(895.43)
Earnings used in the calculation of diluted earnings per share (A)	(375.08)	(895.43)
Weighted average number of equity shares used in the calculation of basic earnings per share	122.50	122.50
Weighted average number of equity shares used in the calculation of diluted earnings per share (B)	122.50	122.50
Diluted earnings per share (A/B)	(3.06)	(7.31)

31. Employee benefit plans

31.1 Defined contribution plans

The Company contributes to defined contribution retirement benefit plans for all qualifying employees of its Company maintained at Employee Provident Fund Office, Govt.of India .

The total expense recognised in profit or loss account of Rs.216.05 Lakhs (Previous Year Rs.218.63 Lakhs).

31.2 Defined benefit plans

The employee gratuity fund scheme is managed by a policy , administered by Life Insurance Corporation of India through approved gratuity trust fund. The present value of obligation is determined based on Acturial Valuation using the Projected Unit Credit Method to assess the plan's liabilities including those related to retirement , resignation and death-in-service benefits.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.Since investment is with insurance company (LIC) , assets are considered to be secured.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in Rs. Lakhs, unless otherwise stated)

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	As at March 31, 2026	As at March 31, 2025
Discount rate(s)	7.06%	6.72%
Rate(s) of salary increase	6.00%	6.00%
Rate of Employee Turnover	3.00%	3.00%
Expected Return on Plan Assets	7.06%	6.72%
Mortality rates (During Employment)	Indian Assured Lives Mortality (2012-14) (urban)	Indian Assured Lives Mortality (2012-14) (urban)

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of funded defined benefit obligation	(1,449.25)	(1,480.64)
Fair value of plan assets	895.28	958.73
Funded status	(553.97)	(521.91)
Restrictions on asset recognised		
Net liability arising from defined benefit obligation	**(553.97)**	**(521.91)**

Net Interest Cost for Current Period are as follows.

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of Benefit Obligation at the Period	1,480.64	1,486.46
Fair value of plan assets at the Beginning of the Period	(958.73)	(655.62)
Net Liability/(Assets) at the Beginning	**521.91**	**830.84**
Interest Cost	99.50	107.03
(Interest Income)	(64.43)	(47.21)
Net Interest Cost for Current Period	**35.07**	**59.82**

Expenses Recognized in the Statement of Profit or Loss for Current Period are as follows.

Particulars	As at March 31, 2026	As at March 31, 2025
Current Service Cost	29.95	31.37
Net Interest Cost	35.07	59.82
Past Service Cost	158.13	-
Expenses Recognized	**223.15**	**91.19**

Expenses Recognized in the Other Comprehensive Income (OCI)for Current Period are as follows.

Particulars	As at March 31, 2026	As at March 31, 2025
Acturial (Gains)/Losses on Obligation For the Period	(10.35)	38.05
Return on Plan Assets, Excluding Interest Income	(5.12)	(25.69)
Change in Asset Ceiling		
Net (Income)/Expense For the Period Recognized in OCI	**(15.47)**	**12.36**

Movements in the present value of the defined benefit obligation are as follows.

Particulars	As at March 31, 2026	As at March 31, 2025
Opening defined benefit obligation	1,480.64	1,486.46
Interest cost	99.50	107.03
Current service cost	29.95	31.37
Past Service Cost	158.13	-
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(25.36)	32.76
Actuarial gains and losses arising from experience adjustments	15.02	5.29
Benefits paid from the Fund	(308.62)	(182.27)
Closing defined benefit obligation	**1,449.26**	**1,480.64**

Movements in the fair value of the plan assets are as follows.

Particulars	As at March 31, 2026	As at March 31, 2025
Opening fair value of plan assets	958.72	655.62
Interest income	64.43	47.21
Return on plan assets (excluding amounts included in net interest expense)	5.12	25.69
Contributions from the employer	175.61	412.47
Benefits paid from the Fund	(308.62)	(182.27)
Closing fair value of plan assets	**895.26**	**958.72**

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

Balance Sheet Reconciliation (All amounts Rs. in Lakhs, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Net Liability	521.92	830.84
Expenses Recognized in Statement of Profit or Loss	223.15	91.19
Expenses Recognized in OCI	(15.47)	12.36
Net Liability/(Asset) Transfer In	-	-
Net Liability/(Asset) Transfer Out	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
(Benefit Paid Directly by the Employer)	-	-
Contributions from the employer	(175.61)	(412.47)
Net Liability/(Asset) Recognized in the Balance Sheet	**553.99**	**521.92**

Category of Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Insurance Fund	895.26	958.72
Net Liability/(Asset) Recognized in the Balance Sheet	**895.26**	**958.72**

Other Details

Particulars	As at March 31, 2026	As at March 31, 2025
No of Active Members	172	186
Per Month Salary For Active Members	145.89	151.98
Weighted Average Duration of the Projected Benefit Obligation	6.00	6.00
Average Expected Future Service	9.00	9.00
Projected Benefit Obligation (PBO)	1,449.25	1,480.64
Prescribed Contribution for Next Year (12 Months)	145.89	151.98

Net Interest Cost for Next Year are as follows.

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of Benefit Obligation at the End of the Period	1,449.25	1,480.64
Fair value of plan assets at the End of the Period	(895.28)	(958.73)
Net Liability/(Assets) at the End of the Period	553.97	521.91
Interest Cost	102.32	99.50
(Interest Income)	(63.21)	(64.43)
Net Interest Cost for Next Period	39.11	35.07

Expenses Recognized in the Statement of Profit or Loss for Next Period are as follows.

Particulars	As at March 31, 2026	As at March 31, 2025
Current Service Cost	44.15	29.95
Net Interest Cost	39.11	35.07
Expenses Recognized	**83.26**	**65.02**

Maturity Analysis of Projected Benefit Obligation: From the Fund.

Particulars	As at March 31, 2026	As at March 31, 2025
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	239.76	335.34
2nd Following Year	169.66	114.80
3rd Following Year	177.38	230.19
4th Following Year	154.22	147.01
5th Following Year	202.79	127.46
Sum of Years 6 To 10	571.43	565.77
Sum of Years 11 and above	775.51	711.06

Sensitivity Analysis

Particulars	As at March 31, 2026	As at March 31, 2025
Projected Benefits Obligation on Current Assumptions	1,479.36	1,480.64
Delta Effect of +1% Change in Rate of Discounting	(62.28)	(66.30)
Delta Effect of -1% Change in Rate of Discounting	75.05	74.39
Delta Effect of +1% Change in Rate of Salary Increase	39.31	38.67
Delta Effect of -1% Change in Rate of Salary Increase	(39.59)	(38.82)
Delta Effect of +1% Change in Rate of Employee Turnover	14.66	12.67
Delta Effect of -1% Change in Rate of Employee Turnover	(16.12)	(14.05)

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RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in Rs. Lakhs, unless otherwise stated)

32. Financial instruments

32.1 Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

32.2 Categories of financial instruments and Fair Values

A.) The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:	**29,988.28**	**29,988.28**	**22,249.96**	**22,249.96**
Non Current				
Trade receivables	265.10	265.10	116.17	116.17
Other Financial Assets	117.43	117.43	56.53	56.53
Current				
Trade receivables	29,036.13	29,036.13	17,048.04	17,048.04
Cash and cash equivalents	454.99	454.99	4,846.89	4,846.89
Other financial assets	114.63	114.63	182.33	182.33
Financial liabilities				
Financial liabilities held at amortised cost:	**27,581.36**	**27,581.36**	**19,018.98**	**19,018.98**
Non Current				
Trade Payables	14.46	14.46	16.60	16.60
Borrowings				
Current				
Trade Payables	27,222.65	27,222.65	18,548.75	18,548.75
Others financial liabilities	344.25	344.25	453.63	453.63

The Company has disclosed financial instruments such as cash and cash equivalents, current trade receivables, current trade payables and other current financial assets/liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

B.) FAIR VALUE HIERARCHY

Except for cash and cash equivalents, current trade receivables, current trade payables and other current financial assets/liabilities disclosed at carrying value, all other financial assets /liabilities are fair valued using level 3 hierarchy

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis

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32.3 Financial risk management objectives

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework.Risk Management framework is constantly updated for new and emerging risks emanating from business expansion and interests.Risk Managemnt framework of the company encompasses pratices relating to identification, assessment, monitoring and mitigation of various risks to key business objective. Risk management practices of the company seek to sustain and enhance the long-term competitive advantage of the company. Core values and ethics of the company provide the platform for its risk management practices. This system provides a holistic view of the business, wherein risks are identified in a structured manner.

Risk Management aims to ensure timely and prudent decisions to:
- Maximise positive impacts of opportunities.
- Minimise negative impacts of risks.
- Convert risks into opportunities.

A.) Market risk management

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note **A(i)** below) and interest rates (see note **A(ii)** below)

There has been no change to the company's exposure to market risks or the manner in which these risks are managed and measured.

A.)(i) Foreign currency risk management

The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material and property, plant and equipment.

The Company is exposed to foreign exchange risk arising from various currency exposures like US Dollar and EURO

As at 31st March, 2026, the foreign currency exposure to the Company on holding financial liabilities (trade payables) amounted to Rs.21 Lakhs (March 31, 2025: Rs 18 Lakhs) and financial assets (trade receivables) amounted to NIL (March 31, 2025: 258 Lakhs).

A.)(i)(a) Foreign currency sensitivity analysis

A 5% strengthening of the INR against key currencies to which the Company is exposed would have led to approximately an additional Rs 11.56 Lakhs gain in the Statement of Profit and Loss (2024-25: Rs. 16.35 Lakhs gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

A.)(ii) Interest rate risk management

There is no outstanding Credit balance of Cash Credit/Overdraft. Thus the Company has no exposure to changes in interest rates.

B.) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties. The company mostly transacts with government entities reducing the risk of default on contractual obligations.The company's exposure is continuously monitored.

The credit limits are fixed in respect of individual customers that are approved by Head of Marketing Department These limits are checked before orders are accepted from the customers. Also there is a system of periodic review of credit limits.

The Company's maximum exposure to credit risk as at 31st March, 2026 & 31st March, 2025 is the carrying value of each class of financial assets.

The company is making provisions on trade receivables based on Simplified Approach of Expected Credit Loss (ECL) model.The Company had followed the practice of creating the provision for doubtful debts @ 10% for outstanding of more than 3 years and upto 4 years, @20% for outstanding of more than 4 years and upto 5 years and @ 30% for for outstanding of more than 5 years thereby totaling to Rs. 379.96 Lakhs. The above principle is based on the assumptions of prudence; consistency in recovery of debtors as per past trends where recovery has been delayed but debts has always remained good.

Particulars	2025-26	2024-25
Opening Balance	**2,849.37**	**2,529.74**
Changes in loss allowance:		
Additional Provision	379.96	319.63
Closing Balance	**3,229.33**	**2,849.37**

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in Rs. Lakhs, unless otherwise stated)

C.) Liquidity risk management

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position

Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through fund based limit in Bank Accounts.

The following table shows the maturity analysis of the Company's financial liabilities based on estimated flows along with its carrying value as at the Balance Sheet date.

Particulars	Carrying Amount	Payable within 1 year	1-2 years	More than 2 years	Total
As at March 31 , 2026					
Trade Payables*	27,237.11	14,513.71	1,845.86	10,877.54	27,237.11
Other financial Liabilities	344.25	344.25	-	-	344.25
Total	**27,581.36**	**14,857.96**	**1,845.86**	**10,877.54**	**27,581.36**
As at March 31 , 2025					
Trade Payables*	18,565.35	7,323.20	921.47	10,320.68	18,565.35
Other financial Liabilities	453.63	453.63	-	-	453.63
Total	**19,018.98**	**7,776.83**	**921.47**	**10,320.68**	**19,018.98**

* Trade Payable includes Rs 15427.72 Lakhs as at March 31, 2026 (Rs.10661.54 Lakhs as at March 31, 2025) which is payable to the contractor only when the payment is received from customer.

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33. Related Party Disclosures

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

As at March 31, 2026

Nature of Relationship	Name of Entity	Abbreviation used
Control	Government of India	GOI
Significant Influence	RIICO	RIICO
Key Management Personnel	Shri Brijesh Dixit w.e.f. 30.04.2025	MD
	Shri Sanjay Banga w.e.f. 28.04.2025 to 29.04.2025	MD
	Shri P.N Sharma upto 27.04.2025	MD
	Shri Subhash Agrawal	CFO
	Shri Amit Kumar Jain	CS

As at March 31, 2025

Nature of Relationship	Name of Entity	Abbreviation used
Control	Government of India	GOI
Significant Influence	RIICO	RIICO
Key Management Personnel	Shri P.N Sharma	MD
	Shri Subhash Agrawal	CFO
	Shri Amit Kumar Jain	CS

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(All amounts in Rs. Lakhs, unless otherwise stated)

Related Party Disclosures (contd.)

33 (b) Transactions/ balances with above mentioned related parties (mentioned in note 33(a) above)

As at Mar 31,2026

Particulars	GOI	RIICO	MD	CFO	CS	Total
Balance						
Trade Receivable	1,284.85	531.38	-	-	-	**1,816.23**
Security Deposit	-	0.40	-	-	-	**0.40**
Trade Payable	-	-	-	-	-	-
Advances Received	-	-	-	-	-	-

Particulars	GOI	RIICO	MD	CFO	CS	Total
Transactions						
Sale of Services under Drone Project	-	202.36	-	-	-	**202.36**
Payment of Loan Installment	-	-	-	-	-	-
Interest Accrued and Due	-	-	-	-	-	-
Remuneration	-	-	64.03	55.35	18.59	**137.97**
a) Short Term Employee Benefits	-	-	59.00	46.76	17.54	**123.30**
b) Post Employment benefits	-	-	-	-	-	
c) Other Long Term Benefits	-	-	5.03	8.59	1.05	**14.67**
d) Termination Benefits			-	-	-	
e) Share Based Payments			-	-	-	
Sale of Assets			-			

As at Mar 31,2025

Particulars	GOI	RIICO	MD	CFO	CS	Total
Balance						
Trade Receivable	1,284.85	984.30	-	-	-	**2,269.15**
Security Deposit	-	0.40	-	-	-	**0.40**
Trade Payable	-	-	-	-	-	-

Particulars	GOI	RIICO	MD	CFO	CS	Total
Transactions						
Sale of Services under Drone Project	-	576.85	-	-	-	**576.85**
Remuneration	-	-	74.43	47.59	18.27	**140.29**
a) Short Term Employee Benefits	-	-	70.58	44.21	15.90	**130.69**
b) Post Employment benefits	-	-	-	-	-	
c) Other Long Term Benefits	-	-	3.85	3.37	2.38	**9.60**
d) Termination Benefits	-	-	-	-	-	
e) Share Based Payments	-	-	-	-	-	
Sale of Assets	-	-	1.85	-	-	**1.85**

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Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

34. Segment Reporting (All amounts in Rs. Lakhs, unless otherwise stated)

In Compliance of Ind AS 108 on "Segment Reporting", the required information is as under:

Business Segments: - The Company has adopted following business segments as its reportable segment.

1. Renewable Energy
2. Electronics
3. New Projects
4. Information Technology

Geographical Segment has been considered for secondary Segments Reporting by treating sales revenue in India and foreign countries as separate geographical segments.

(I) Primary - Business Segments:*

Year ended March 31, 2026

Particulars	Renewable Energy	Electronics	New Projects	Information Technology	Total
Revenue					
External	8,909.58	4,436.15	4,752.54	9,717.17	27,815.44
Inter-Segment					
Segment Revenue	**8,909.58**	**4,436.15**	**4,752.54**	**9,717.17**	**27,815.44**
Total Revenue					
Segment results	**462.36**	**(511.65)**	**(244.03)**	**263.98**	(29.34)
Interest income (+)					131.97
Interest expenditure (-)					39.99
Tax Expense (-)					(437.72)
Net Profit / (Loss)					**(375.08)**

Year ended March 31, 2025

Particulars	Renewable Energy	Electronics	New Projects	Information Technology	Total
Revenue					
External	8,895.29	5,322.98	308.95	1,221.56	15,748.78
Inter-Segment					
Segment Revenue	**8,895.29**	**5,322.98**	**308.95**	**1,221.56**	**15,748.78**
Total Revenue					
Segment results	**190.08**	**(894.50)**	**(525.74)**	**(55.75)**	**(1,285.91)**
Interest income (+)					92.27
Interest expenditure (-)					30.35
Tax Expense (-)					328.56
Net Profit / (Loss)					**(895.43)**

* Segment has been reclassified as per the current year sales pattern.

Direct Expenses including salaries have been charged and indirect overheads apportioned as per proportionate turnover of respective segment

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(All amounts in Rs. Lakhs, unless otherwise stated)

Year ended March 31, 2026

Particulars	Renewable Energy	Electronics	New Projects	Information Technology	Total
Segment assets	**14,516.04**	**4,073.41**	**9,008.77**	**5,483.48**	**33,081.70**
Unallocated Assets					4,206.73
Total assets					**37,288.43**
Segment liabilities	**13,693.75**	**3,083.44**	**6,949.85**	**5,360.69**	**29,087.73**
Unallocated Liabilities					8,200.70
Total liabilities					**37,288.43**

Year ended March 31, 2025

Particulars	Renewable Energy	Electronics	New Projects	Information Technology	Total
Segment assets	**11,987.77**	**5,004.96**	**3,034.35**	**1,266.40**	**21,293.48**
Unallocated Assets					8,582.45
Total assets					**29,875.93**
Segment liabilities	**11,653.60**	**9,060.17**	**1,416.12**	**557.57**	**22,687.46**
Unallocated Liabilities					7,188.47
Total liabilities					**29,875.93**

Year ended March 31, 2026

Particulars	Renewable Energy	Electronics	New Projects	Information Technology	Total
Capital Expenditure for the year	-	19.12	-	-	**19.12**
Depreciation for the year	139.74	52.50	-	-	**192.24**

Year ended March 31, 2025

Particulars	Renewable Energy	Electronics	New Projects	Information Technology	Total
Capital Expenditure for the year	-	7.43	-	-	**7.43**
Depreciation for the year	140.59	53.96	-	-	**194.55**
Non cash expenditure other than depreciation for the year					

(II) Secondary - Geographical Segments:

Particulars	India		Outside India	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Revenue	27,692.42	14,111.20	123.02	1,637.58
Carrying Amount of Segment Assets	33,081.70	21,293.48	-	-
Capital Expenditure/ Additions to Fixed Assets	19.12	7.43	-	-

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JAIPUR
Chartered Accountants

RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in Rs. Lakhs, unless otherwise stated)

35. Other notes annexed to and forming parts of the accounts for the year ended March 31, 2026

A. CIF value of imports

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Raw material & Components	482.22	332.27
Total	**482.22**	**332.27**

B. Expenditure in foreign currency

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Royalty	401.20	112.18
Travelling Expenses	-	-
Total	**401.20**	**112.18**

C. Earning in foreign exchange on FOB value

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Export Sales	123.02	1,637.58
Total	**123.02**	**1,637.58**

D.(i) Corporate Social Responsibility (2025-26)

-Gross amount required to be spent by the Company during the year- Rs Nil
-Amount spent during the year;

Nature of Work	In cash	Yet to be paid in cash	Total
Construction/Acquisition of any asset	-	-	-
On purpose other than above	-	-	-

D.(ii) Corporate Social Responsibility (2024-25)

-Gross amount required to be spent by the Company during the year- Rs Nil
-Amount spent during the year;

Nature of Work	In cash	Yet to be paid in cash	Total
Construction/Acquisition of any asset	-	-	-
On purpose other than above	-	-	-

E. Expenditure on Research and Development

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Revenue	240.97	228.46
Capital	7.57	-
Total	**248.54**	**228.46**

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RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in Rs. Lakhs, unless otherwise stated)

F. Disclosures under Section 22 of the MICRO, SMALL & MEDIUM Enterprises

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
i) The Principal amount remaining unpaid to supplier as at the end of accounting year.*	2,713.88	2,193.76
ii) The interest due thereon remaining unpaid to supplier as at the end of accounting year.	2.92	3.92
iii) The amount of interest paid in terms of section 16, alongwith the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
iv) 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 the Act.	-	-
v) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-
vi) 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 enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	-	-
Total	**2,716.80**	**2,197.68**

* Mainly comprising of outstanding which is not payable due to contractual terms and conditions.

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

G. Provision(s)/Adjustment(s) has not been made in the accounts for:
(a) Additional liabilities, if any, in respect of pending Indirect taxes and Income-tax assessment, being unascertained and liabilities which may arise in future due to mismatching of input tax credit.
(b) Claims pending for settlement in court of law, being unascertained.

H. Expenditure on Technical Literature, Software, Electronic Media Stores, Maintenance, Printing & Stationery and Consumable stores are charged to profit & loss account treating them as consumed in the year of purchases.

I. Sales does not include sales of spares for which service job reports from field has been received after closing of the financial year.
J. Previous years comparative figures have been regrouped wherever necessary.

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RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED
2,KANAKPURA INDUSTRIAL AREA,JAIPUR-302034, RAJASTHAN
CIN - U51395RJ1981GOI002249
EMAIL-fin_acct@reiljp.com

(All amounts in Rs. Lakhs, unless otherwise stated)

Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

36 Additional Regulatory Information in terms of MCA notification dated 24/03/2021:

36.1 Title deeds of immovable property not held in name of company-Under Property, Plant and Equipment

There is no such case where the company does not hold immovable property in its own name, hence no disclosure required.

36.2 Disclosure regarding fair value of Investment Property

The company does not hold any investment property in its books, hence no disclosur

36.3 Disclosure in case of Revaluation of property, plant and equipment

During the year the company has not revalued any of its property, plant and equipment, hence no disclosure is required.

36.4 Disclosure in relation to Revaluation of Intangible Assets

During the year the company has not revalued any of its intangible assets, hence no disclosure is required.

36.5 Disclosure in relation to Loans and advances to promoters, directors, key managerial persons (KMP) & related parties

The company has not granted any loans or advances to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment

36.6 Disclosure in relation to Capital Work in Progress

There is no capital work in progress as on balance sheet date.

36.7 Disclosure in relation to Intangible asset under development

The company does not have any intangible assets under development.

36.8 Disclosure in relation to Benami property held

No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

36.9 Disclosure in relation to borrowings from banks on the basis of security of current assets:

Company is availing fund / non-fund based limits from Punjab National Bank, secured by way of Hypothecation of Raw Material, Stock in process, finished goods and book debts.

Quarter	Securities Provided	Amount as per books	Amount as reported in Quarterly Statement	Amount of Difference (Excess stated in Qtrly St.)	Reasons for Variation
I	Inventories & Book Debts				
(30th June)	- Inventories	1902.86	1903.00	-0.14	
	- Book Debts	16274.21	16274.00	0.21	
II	Inventories & Book Debts				Negligible variance, hence no comments
(30th Sept.)	- Inventories	1371.00	1371.00	0.00	
	- Book Debts	17769.00	17768.90	0.10	
III	Inventories & Book Debts				
(31st Dec.)	- Inventories	1279.77	1279.77	0.00	
	- Book Debts	24962.91	24962.91	0.00	
IV	Inventories & Book Debts				Adjustments due to year end finalisation & Audit
(31st Mar.)	- Inventories	1583.06	1215.87	367.19	
	- Book Debts	29036.13	26971.97	2064.16	

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(All amounts in Rs. Lakhs, unless otherwise stated)

Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

36.10 Disclosure regarding Wilful Defaulter

The company has not been categorized as a wilful defaulter by any bank or financial institution during the year.

36.11 Relationship with Struck off Companies-General disclosure

The company has no transaction with companies struck off under section 248 of the Act, or under section 560 of the companies Act, 1956.

36.12 Disclosure regarding delay in registration of charges or satisfaction with ROC

There is no charge or satisfaction yet to be registered with ROC beyond statutory period.

36.13 Disclosure regarding Compliance with no. of layers of companies

This clause is not applicable to the company.

36.14 Disclosure of Ratios:-

S. No	Particulars	Numerator	Denominator	Year ended March 31, 2026	Year ended March 31, 2025	Variance	Reasons for Variation
a)	Current Ratio	Current Assets	Current Liabilities	1.04	1.04	0.00%	NA
b)	Debt-Equity Ratio	Long Term Debt	Shareholder's Fund +Long Term Debt	-	-	-	NA
c)	Debt Service Coverage Ratio	EBDITA	INT+PRICIPAL Interest means only term loan interest not WC Interest	-	-	-	NA
d)	Return on Equity Ratio	Net Earnings after Tax	Shareholder's Equity	-7.09%	-15.82%	55.18%	Incurred loss after tax during the year
e)	Inventory Turnover Ratio	Cost of Sales	Average Stock	4.41	4.90	-10.00%	NA
f)	Trade Receivables Turnover Ratio	Credit Sales	Accounts Receivable	0.95	0.92	3.26%	NA
g)	Trade Payables Turnover Ratio	Credit Purchases	Accounts Payable	0.26	0.47	-44.68%	Payable as per contractual terms
h)	Net Capital Turnover Ratio	Revenue from Operation	Working Capital	20.96	15.53	34.96%	Increase in turnover
i)	Net Profit Ratio	Net Profit after Tax	Revenue from Operation	-1.35%	-5.69%	76.27%	Incurred loss after tax during the year
j)	Return on Capital employed	Earnings before Interest, Tax & Prior Period Item	Capital Employed	2.57%	-21.10%	112.18%	Earned profit before tax
k)	Return on Investment	Net Profit after Interest, Taxes & Preference Dividends	Equity Share Capital plus Reserves	-7.09%	-15.83%	55.21%	Incurred loss after tax during the year

G.K. MITTAL & ASSOCIATES * JAIPUR * Chartered Accountants

RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2026 (Contd.)

36.15 Disclosure regarding compliance with approved scheme of arrangements

There is no scheme of arrangement approved in terms of section 230 to 237 of Companies Act, 2013.

36.16 Disclosure regarding Utilisation of borrowed funds and share premium.

The company has neither advanced any fund to intermediaries nor has received any fund with the understanding that intermediary or company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company/funding agency or provide any guarantee thereof.

See accompanying notes to the Financial Statements (1-36)

As per our separate report of even date
For G.K. Mittal & Associates
Chartered Accountants
FRN 005842C

(Jogendra Singh Shekhawat)
Partner
M.NO. 079348
Place: Jaipur
Date: 14.07.2026
UDIN: 26079348XGLEQU6662

G.K. MITTAL & ASSOCIATES JAIPUR Chartered Accountants

(Nidhi Mehta)
Director
DIN: 11398351

(Brijesh Dixit)
Managing Director
DIN: 11086971

(Amit Kumar Jain)
Company Secretary

(Subhash Agrawal)
Chief Financial Officer