ARROWHEAD

ARROWHEAD SEPERATION ENGINEERING LIMITED

CIN: U74210MH1991PLC062643
Email ID: info@arrowhead-dryers.co.in Ph: +91 8422 82 9060
Website: www.arrowhead-dryers.com GST Number: 27AAACA6711D1Z6

Date: August 24, 2026

To,
BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai - 400001

Scrip code: 544025

Sub.: Annual Report of the Company for the Financial Year 2025-26 along with Notice of the Thirty Fifth Annual General Meeting

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) please find enclosed herewith the copy of the Annual Report for the Financial Year 2025-26 along with Notice of the Thirty Fifth Annual General Meeting ("AGM") scheduled on Wednesday, September 16th 2026 at 03:00 P.M. (IST) through Video Conference (VC) / Other Audio-Visual Means (OAVM).

Further, the aforesaid Annual Report along with Notice of the AGM has also been uploaded on the website of the Company at https://www.arrowhead-dryers.com/investor-relations.html

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Arrowhead Seperation Engineering Limited
(Formerly known as Arrowhead Seperation Engineering Pvt. Ltd.)

AJIT SHANKAR MUNDLE
Digitally signed by AJIT SHANKAR MUNDLE
Date: 2026.08.24 22:01:29 +05'30'

Ajit Mundle
Chairman & Managing
DIN: 01745577

ARROWHEAD

ARROWHEAD
SEPERATION ENGINEERING LIMITED

35th

ANNUAL REPORT

2025-26

INDEX

CORPORATE INFORMATION

CIN: U74210MH1991PLC062643

BOARD OF DIRECTORS:
EXECUTIVE DIRECTORS:

- Mr. Ajit Mundle
- Mrs. Jyoti Mundle

INDEPENDENT DIRECTORS:

- Ms. Priyanka Moondra Rathi
- Mrs. Mayuri Rupareliya
- Mr. Nikhil Malpani

KEY MANAGERIAL PERSON:

- Mr. Ajit Mundle (Chairman & Managing Director)
- Mrs. Jyoti Mundle (Whole Time Director)
- Mr. Sitaram Sakharam Kavar (CFO)
- Ms. Radhika Bhootra (Company Secretary & Compliance Officer)

COMMITTEES:
AUDIT COMMITTEE:

- Mr. Nikhil Malpani (Chairman)
- Mr. Mayuri Rupareliya (Member)
- Mr. Ajit Mundle (Member)

STAKEHOLDERS RELATIONSHIP COMMITTEE:

- Mrs. Mayuri Rupareliya (Chairperson)
- Mrs. Jyoti Mundle (Member)
- Mr. Ajit Mundle (Member)

NOMINATION REMUNERATION COMMITTEE:

- Mrs. Mayuri Rupareliya (Chairman)
- Mrs. Priyanka Moondra Rathi (Member)
- Mr. Nikhil Malpani (Member)

STATUTORY AUDITOR:

M/s B.B. Gusani & Associates
Chartered Accountants
215-B, Manek Center, P.N. Marg, Jamnagar, Gujarat- 361008

Tel No.: +91–288–266 1941/266 1942
Email: bhargavgusani77@gmail.com

REGISTRAR AND SHARE TRANSFER AGENT:

Cameo Corporate Services Limited
Subhramanian Building No. 1, Club House Road, Chennai, Tamil Nadu-600002

Tel- 44 - 40020700
E-Mail: investors@cameoindia.com
Website: www.cameoindia.com

REGISTERED OFFICE:

Survey No 39, Village Mundhegaon,
Tal Igatpuri, Nashik – 422403,
Maharashtra.

In case of any Queries relating to Annual Report, Contact:

Mr. Ajit Mundle (Chairman & Managing Director)
Survey No 39, Village Mundhegaon,
Tal Igatpuri, Nashik – 422403,
Maharashtra.
Tel: 8422829060

NOTICE

NOTICE is hereby given that the **Thirty Fifth Annual General Meeting** of the Members of **Arrowhead Seperation Engineering Limited (*Formerly known as Arrowhead Sepration Engineering Pvt Ltd.*)** will be held on **Wednesday, September 16, 2026** at **03:00 P.M.** through Video Conference (VC) / Other Audio-Visual Means (OAVM) to transact the following business to transact the following business:

ORDINARY BUSINESS:

1) To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended March 31, 2026 and the Reports of the Board of Directors and Auditors thereon.

2) To appoint a director in place of Mr. Ajit Mundle, (DIN: 01745577), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3) APPROVAL OF REMUNERATION OF MR. AJIT MUNDLE (DIN: 01745577 CHAIRMAN & MANAGING DIRECTOR OF ARROWHEAD SEPERATION ENGINEER LIMITED.

To Consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications or re-enactment(s) thereof for the time being in force, applicable provisions of the Memorandum and Articles of Association of the Company, and based on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors, the consent of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Ajit Mundle (DIN: 01745577), Managing Director of the Company, who has already attained the age of 76 years up to Rs. 1.5 Crore for the remaining period of his tenure (inclusive of salary, perquisites, benefits, incentives and allowances), on such terms and conditions as may be agreed to between the Board of Directors and Mr. Ajit Mundle, with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said remuneration from time to time.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Ajit Mundle, the Company has no profits or its profits are inadequate, the aforesaid remuneration shall be paid to him as minimum remuneration in accordance with the provisions of Part II of Schedule V of the Act, subject to such approvals as may be required, and as may be determined by the Board of Directors/Nomination & Remuneration Committee after assessing the Company's performance.

RESOLVED FURTHER THAT Ajit Shankar Mundle (DIN: 01745577)) be paid

a. Basic Salary of upto Rs. 84,00,000 per annum subject to revision every year by an increment not exceeding 10% as may be determined by the Board / Chairman

b. Perquisites:-

i. Housing :- As applicable

ii. Provident Fund – As applicable
iii. Superannuation – As applicable
iv. Gratuity – As applicable
v. Insurance – As applicable
vi. Mediclaim:- As per rules applicable to Managing Director grade of the Company.
vii. Leave:- Leave will full salary as per the rules of the Company but not exceeding 30 days leave for every completed year of service. Leave accumulated but not availed may be encashed as per the rules of the Company.
viii. Car:- As applicable if Company maintained cars with driver will be provided. All the expenses for maintenance and running of the car including salary of the driver to be borne by the Company. All expenses of car for private purposes will be reimbursed to the Company at actuals.
ix. Telephone: - Reimbursement of expenses at actuals.
x. Reimbursement of expenses, incurred by him on account of business of the company in accordance with the Company's policy
xi. Reimbursement of any other expenses properly incurred by him in accordance with the policies of the Company.

RESOLVED FURTHER THAT the total remuneration paid shall not exceed Rs. 1.5 Crore (Rupees One Crore Fifty Lakhs Only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the directors of the Company be and are hereby jointly and/or severally authorised, to do all acts, deeds, matters, and things as deem necessary, proper and desirable and to sign and execute all necessary documents, application and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary e-forms with the Registrar of Companies."

4. **APPROVAL OF REMUNERATION OF MRS. JYOTI MUNDLE (DIN: 01744211), WHOLE TIME DIRECTOR, ARROWHEAD SEPERATION ENGINEER LIMITED.**

To Consider And If Thought Fit, To Pass With Or Without Modification(S), The Following Resolution As A Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications or re-enactment(s) thereof for the time being in force, applicable provisions of the Memorandum and Articles of Association of the Company, and based on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors, the consent of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Jyoti Mundle (DIN: 01744211), Whole-time Director of the Company, who has attained the age of 70 years up to Rs. 1.5 Crore for the Financial Year, for the remaining period of her tenure (inclusive of salary, perquisites, benefits, incentives and allowances), on such terms and conditions as may be agreed to between the Board of Directors and Mr. Jyoti Mundle, with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said remuneration from time to time.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mrs. Jyoti Mundle, the Company has no profits or its profits are inadequate, the aforesaid remuneration shall be paid to him as minimum remuneration in accordance with the provisions of Part II of Schedule V of the Act, subject to such approvals as may be required, and as may be determined by the Board of Directors/Nomination & Remuneration Committee after assessing the Company's performance.

RESOLVED FURTHER THAT Jyoti Vijay Mundle (DIN: 01744211) be paid.

a. Basic Salary of upto Rs. 84,00,000 per annum subject to revision every year by an increment not exceeding 10% as may be determined by the Board / Chairman
b. Perquisites:-
i. Housing :- As applicable
ii. Provident Fund – As applicable
iii. Superannuation – As applicable
iv. Gratuity – As applicable
v. Insurance – As applicable
vi. Mediclaim:- As per rules applicable to Managing Director grade of the Company.
vii. Leave:- Leave will full salary as per the rules of the Company but not exceeding 30 days leave for every completed year of service. Leave accumulated but not availed may be encashed as per the rules of the Company.
viii. Car:- As applicable if Company maintained cars with driver will be provided. All the expenses for maintenance and running of the car including salary of the driver to be borne by the Company. All expenses of car for private purposes will be reimbursed to the Company at actuals.
ix. Telephone: - Reimbursement of expenses at actuals.

x. Reimbursement of expenses, incurred by him on account of business of the company in accordance with the Company's policy
xi. Reimbursement of any other expenses properly incurred by him in accordance with the policies of the Company.

RESOLVED FURTHER THAT the total remuneration paid shall not exceed Rs. 1.5 Crore (Rupees One Crore Fifty Lakhs Only)

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the directors of the Company be and are hereby jointly and/or severally authorised, to do all acts, deeds, matters, and things as deem necessary, proper and desirable and to sign and execute all necessary documents, application and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary e-forms with the Registrar of Companies."

Registered Office:
Survey No 39, Village Mundhegaon, Tal. Igatpuri,
Nashik - 422403, Maharashtra.
Tel : 8422829060
CIN: U74210MH1991PLC062643
Website: https://www.arrowhead-dryers.com/
Email: compliance@arrowhead-dryers.co.in

By Order Of The Board of Directors
For Arrowhead Seperation Engineering Limited
(Formerly known as Arrowhead Seperation Engineering Pvt. Ltd.)

Sd/-
Mr. Ajit Mundle
(Chairman & Managing Director)
DIN: 01745577
Monday, August 24, 2026

NOTES:

The Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 03/2025 dated 22nd September, 2025 read together with General Circular Nos. 09/2024 dated 19th September, 2024,09/2023 dated 25th September, 2023, 10/2022 dated 28th December, 2022, 02/2022 dated 5th May, 2022, 21/2021 dated 14th December, 2021, 19/2021 dated 8th December, 2021, 02/2021 dated 13th January, 2021, 20/2020 dated 5th May, 2020, 17/2020 dated 13th April, 2020 and 14/2020 dated 8th April, 2020 (collectively referred to as 'MCA Circulars') have permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment thereof for the time being in force) read with rules made there under, as amended from time to time, read with MCA Circulars, SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October, 2023. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024. and Master Circular No. HO/49/14/14(7)2025-CFDPOD2//3762/2026 dated 30th January, 2026 and pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended, the 35th AGM of the Company is scheduled to be held on Wednesday, September 16, 2026, at 03:00 PM (IST) through VC/OAVM. The deemed venue for the AGM shall be the registered office of the Company.
In view of the above circulars issued by the MCA and SEBI from time to time, the Company is convening the 35th AGM through VC/OAVM, without the physical presence of the Members. The deemed venue for the AGM will be the Registered Office of the Company.

Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 (“SEBI Circular”) and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold EGM/AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, EGM/AGM shall be conducted through VC / OAVM.

1. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH**. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map for the AGM are not annexed to this Notice.

2. Institutional Investors who are Members of the Company are encouraged to attend and vote at the AGM through e-voting facility. Corporate Members and Institutional Investors intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC or OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by email at jigar.gandhi@jngandco.in with a copy marked to evoting@nsdl.co.in.

3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and

Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. Members are requested to: (a) intimate to the Company/their Depository Participant ("DP"), changes, if any, in their registered address at an early date; (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence.

6. In accordance with the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report 2025-26 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same by writing to compliance@arrowhead-dryers.co.in mentioning their Folio No. /DP ID and Client ID. The Notice convening the 35th AGM has been uploaded on the website of the Company at https://www.arrowhead-dryers.com/ and may also be accessed from the relevant section of the websites of the stock exchanges i.e., BSE Limited (BSE) at www.bseindia.com respectively. The Notice is also available on the website of NSDL at www.evoting.nsdl.com.

   To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

   Non-resident Indian members are requested to inform the RTA, Cameo Corporate Services Limited situated at Subhramanian Building No. 1, Club House Road, Chennai, Tamil Nadu-600002, immediately about:

a. Change in their residential status on return to India for permanent settlement
b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.

8. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM and Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA/Depositories. Members may note that the Notice of the AGM and Annual Report will also be available on the Company's website at https://www.arrowhead-dryers.com/ website of BSE Limited at www.bseindia.com Further, the Notice of AGM shall also be available on the website of the e-voting agency- NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com

9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL

10. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time

11. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013,

representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

12. Corporate members (other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body resolution/authorisation to attend AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution / authorisation shall be sent to the Scrutinizer by e-mail through its registered e-mail address to jigar.gandhi@jngandco.in with a copy marked to evoting@nsdl.co.in.

13. The statutory documents of the Company and/or the documents referred to in this Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM, i.e. on Wednesday, September 16, 2026. Members seeking to inspect can send an e- mail to compliance@arrowhead-dryers.co.in.

14. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA to receive all communication (including Annual Report) in electronic mode.

15. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Company's RTA.

16. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates and self-attested copy of PAN card and Aadhar card for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

17. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in demat form the nomination form may be filed with the respective Depository Participant.

18. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, September 09, 2026 to Tuesday, September 15, 2026(both days inclusive).**

19. SEBI has established a common Online Dispute Resolution Portal (ODR Portal) for resolution of disputes arising in the Indian Securities Market. Pursuant to this, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal: https://smartodr.in/ login and the same can also be accessed through the Company's Website at https://www.arrowhead-dryers.com/.

A. Voting through electronic means

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

2. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

3. The remote e-voting period commences on **Saturday, September 12, 2026 (9:00 A.M.)** and ends on **Tuesday, September 15, 2026 (5:00 P.M.)**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Wednesday, September 09, 2026** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

4. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date **Wednesday, September 09, 2026.**

5. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice electronically and holding shares as of the cut-off date i.e. **Friday, August 21, 2026.** may obtain the login ID and password by sending a request at evoting@nsdl.com.

   However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Saturday, September 12, 2026 (9:00 A.M.) and ends on **Tuesday, September 15, 2026 (5:00 P.M.). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 09, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, September 09, 2026.**

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After

	successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience.

	NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to jigar.gandhi@jngandco.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request at evoting@nsdl.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to compliance@arrowhead-dryers.co.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to compliance@arrowhead-dryers.co.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at compliance@arrowhead-dryers.co.in. The same will be replied by the company suitably.

6. Shareholders who would like to express their views/ask questions during the AGM may register themselves as an attendee by sending their request in advance at least 2 days prior to meeting mentioning their name, demat account number/folio number, email id, PAN, mobile number at compliance@arrowhead-dryers.co.in.

7. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, PAN, mobile number at compliance@arrowhead-dryers.co.in,. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as an attendee will be allowed to express their views/ ask questions during the meeting. The member who has not registered themselves an attendee but have queries during the AGM can use the chat box/ send query button and ask the question.

9. If you have any queries or issues regarding attending AGM & e-Voting from the NSDL e-Voting System, you can write an email to evoting@nsdl.com or call at 022 -4886 7000.

10. All grievances connected with the facility for voting by electronic means may be addressed to (NSDL) National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013 or send an email to evoting@nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000. For, any other queries regarding Participating in AGM or other matter kindly write to compliance@arrowhead-dryers.co.in, In case you have any queries or issues regarding attending Annual General Meeting through VC/OAVM write an email to: investors@cameoindia.com.

1. The Board of Directors of the Company has appointed **Mr. Jigar kumar Gandhi, Company Secretary (Membership No. F7569),** as Scrutinizer for conducting the voting process of remote e-voting and e-voting during AGM in a fair and transparent manner.

2. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote evoting in the presence of at least two witnesses not in the employment of the company and make, not later than two working days from conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

3. The Results will be declared on receipt of Scrutinizer's Report at the registered office of the Company at Survey No 39, Village Mundhegaon, Tal Igatpuri, Nashik - 422403, Maharashtra. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website https://www.arrowhead-dryers.com/ and on the website of NSDL immediately and communicated to the stock exchange.

4. **All queries relating to Share Transfer and allied subjects should be addressed to:**

Cameo Corporate Services Limited
Subhramanian Building No. 1, Club House Road,
Chennai, Tamil Nadu-600002.
Tel- 44 - 40020700

E-Mail: investors@cameoindia.com
Website: www.cameoindia.com

Registered Office:
Survey No 39, Village Mundhegaon, Tal Igatpuri, Nashik - 422403, Maharashtra.
Tel: 8422829060
CIN: **L74210MH1991PLC062643**
Website: https://www.arrowhead-dryers.com/
Email: compliance@arrowhead-dryers.co.in

By Order Of The Board Of Directors
For Arrowhead Seperation Engineering Limited
(Formerly known as Arrowhead Sepration Engineering Pvt. Ltd.)

Sd/-
Mr. Ajit Mundle
(Chairman & Managing Director)
DIN: 01745577
Monday, August 24 2026

Annexure – A

The relevant details of directors who is proposed to be re-appointed directors of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under;

Particulars	Mr. Ajit Mundle
Current Position	Chairman & Managing Director (Liable to retire by rotation)
Age:	76 Years
Qualification:	Bachelor's degree in Bachelors of Science from Bombay University.
Experience:	Over three decades of experience in Engineering Industry.
Expertise in specific functional areas	He has over three decades of experience in Engineering Industry. He is currently responsible for the overall working of the Company and is instrumental in making strategic decisions. His strong leadership skill, comprehensive understanding of financial management principles, entrepreneurship with commercial acumen and excellent management skill allow the business to grow by way of developing the new clients whilst maintaining its existing customer base.
Brief Resume of the Director	Ajit Mundle, aged 76 years, is the one of the founding promoter of the Company. He has been a part of the Board since inception and is currently designated as Chairman & Managing Director of the company. He has completed his Bachelor's degree in Bachelors of Science from Bombay University in the year 1969. He has over three decades of experience in Engineering Industry. He is currently responsible for the overall working of the Company and is instrumental in making strategic decisions. His strong leadership skill, comprehensive understanding of financial management principles, entrepreneurship with commercial acumen and excellent management skill allow the business to grow by way of developing the new clients whilst maintaining its existing customer base.
Remuneration last drawn	Rs. 22,16,400 (Rupees twenty two lakhs sixteen thousand and four hundred)
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the resolution at item no. 2 of this Notice
Date of first Appointment:	July 25, 1991
Number of Board Meetings attended during the year:	Attended all the Five meetings held in F.Y. 2025-26
Shareholding in the Company:	1,88,175 Equity Shares (One Lakh Eighty-Eight Thousand One Hundred and Seventy-Five.)
Relationship with Other Directors:	Mrs. Jyoti Mundle (Sister-in-Law)
Other Directorships:	No directorship in any other Company.
Memberships / Chairmanship of Committees:	He is the member in Audit Committee and Stakeholders Relationship Committee of Arrowhead Seperation Engineering Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 3:

The Board of Directors of the Company, at its meeting held on 24th August 2026, be and hereby recommends the remuneration to be paid to Mr. Ajit Mundle, Chairman & Managing Director, for the Financial Years, 2026-27 and 2027-28, based upon recommendation of the Nomination & Remuneration Committee upon such terms and conditions including payment of salary, perquisites, benefits, incentives and allowances.

It is proposed to obtain the approval of the Members for payment of remuneration up to Rs. 1.5 Crore per annum to Mr. Ajit Mundle for each of the Financial Years, 2026-27 and 2027-28, inclusive of salary, perquisites, benefits, incentives and allowances, on the terms set out in the Resolution at Item No. 3 above.

Pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Section II of Part II of Schedule V of the Act, in case of no profits or inadequate profits during the tenure of a managerial person, remuneration is payable as per the applicable slab based on the effective capital of the Company. Remuneration in excess of the permissible slab may be paid if the Members pass a Special Resolution, for a period not exceeding three years at a time. Approval is accordingly sought for payment of the aforesaid remuneration to Mr. Ajit Mundle even in the event of no profits or inadequate profits for remaining period.

Mr. Ajit Mundle has confirmed that he is not debarred from holding office as Director by virtue of any SEBI Order or other such authority, and satisfies the conditions in Part I of Schedule V and Section 196(3) of the Act for continuing in his role. It is confirmed that the Company has not defaulted in payment of dues to any bank, financial institution, or secured creditor.

In terms of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, fee and compensation payable to Executive Directors who are promoters or members of the promoter group requires Members' approval by Special Resolution where annual remuneration exceeds ₹5 Crore or 2.5% of net profits, whichever is higher, or where aggregate remuneration to more than one such director exceeds 5% of net profits. Approval is accordingly sought so that remuneration may be paid to Mr. Ajit Mundle even if the aggregate remuneration payable to promoter/promoter-group directors of the Company exceeds these thresholds in any year covered by this Resolution.

I. General Information:

Sr. No.	Particulars	Disclosures
1.	Nature of Industry	Arrowhead Seperation Engineering Limited originally incorporated as Arrowhead Seperation Engineering Private Limited on July, 25, 1991 and converted into public company on April 18, 2023 and company is involved in business of designing, manufacturing, erection, commissioning, trading and consultancy of chemical and process equipment by means of technology available indigenously or otherwise.
2.	Date of commencement of commercial production	July, 25, 1991
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4.	Financial performance based on	The Total Income of the Company stood at ₹ 2335.81 Lakhs for the year

Sr. No.	Particulars	Disclosures
	given indicators.	ended March 31, 2026 as against ₹ 2046.50 Lakhs in the previous year. The Company made a net profit of ₹ 16.57 Lakhs for the year ended March 31, 2026 as compared to the net profit of ₹ 41.37 Lakhs in the previous year.
5.	Foreign investments or collaborators, if any	N.A.

II. INFORMATION ABOUT THE DIRECTOR

Particulars	Details
Background details	Mr. Ajit Mundle is a Promoter and Chairman & Managing Director of the Company, and has been on the Board since the Company's incorporation on July 25, 1991
Age	Above 76 years
Qualification	Bachelor's degree in Science from Bombay University
Experience	Over three decades of experience in the Engineering Industry, including prior experience in the dryer industry through earlier partnership firms in a similar line of business
Job Profile and suitability	Responsible for the overall working of the Company, plays an instrumental role in strategic decision-making, and has been closely involved in the Company's growth, customer and supplier relationships, and overall business direction
Shareholding in the Company	1,88,175 Equity Shares.
Remuneration proposed	As set out in the Resolution at Item No. 3 of the Notice
Comparative remuneration profile	The proposed remuneration is commensurate with prevailing remuneration levels in the industry, having regard to the size of the Company and the qualifications, experience and responsibilities of the appointee
Pecuniary/family relationship with other managerial personnel	Related to Mrs. Jyoti Mundle, Whole Time Director

III. Information about the appointee:

Sr. No.	Particulars	Disclosures
1.	Background details	Ajit Shankar Mundle, aged 76 years was appointed and has been on the Board since incorporation. He being one of the founding members is responsible for the overall management of the company.
2.	Past remuneration	Rs. 22,16,400

Sr. No.	Particulars	Disclosures
3.	Recognition or awards	N.A.
4.	Job profile and his suitability	Ajit Shankar Mundle upon appointment as a Director of the Company, shall be responsible for the overall growth business strategy and development in the company through his experience in this industry.
5.	Remuneration proposed	Upto Rs.1.5 Crore. p.a.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Looking into his experience and expertise in the Industry, the Board of Directors of the Company decided to increase remuneration of Mr. Ajit Shankar Mundle as Chairman and Managing Director of the Company. The remuneration paid to him is reasonable considering the prevailing emoluments in the industry for senior management with similar qualifications and experience.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any:	Beside the remuneration proposed to be paid to Ajit Shankar Mundle, he has other pecuniary relation with company such as he is a partner in Transfer Systems partnership firm which has related part transaction with company and also he is the Brother in Law of Jyoti Vijay Mundle who is also a director in the company.

IV. Other Information:

Sr. No.	Particulars	Disclosures
1	Reasons of loss or inadequate profits and Steps taken or proposed to be taken for improvement	Consequent to the conversion of company into public limited company, the profit earned during the financial year 2021-22 seems inadequate for the payment of Director's remuneration under Section 197 of the Companies Act, 2013. Thus, the Company proposes to pay the Director's remuneration as per Item A of Section II of Part II of the Schedule V of the Companies Act, 2013.The Management of the Company is in the process of expanding the business of the Company, for that reason management focus more on expanding the business rather Profitability. Once the business of the Company will be in growth stage the profitability of the Company will certainly increase.
2.	Expected increase in productivity and profits in measurable terms	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

The details of the terms of re-designation and remuneration payable to Ajit Shankar Mundle are given below:

Sr. No.	Particulars	Disclosures
1.	Tenure of Remuneration	2 years with effect from May 29, 2024.
2.	Salary inclusive of all allowances and incentives	Upto Rs.1.5 Crore per annum. The Chairman and Managing Director shall be entitled to such increment from time to time as the Board may by its discretion determine subject to the limits set out in Schedule V of Companies Act, 2013.
3.	Perquisites and Allowances in addition to the salary	Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule, Perquisites shall be evaluated at actual cost.
4.	Retirement benefits	A. Gratuity payable shall be in accordance with the rules of Companies Act and Gratuity Rules. B. Earned leave on full pay and allowances as per the rules of the Company, leave accumulated shall be encashable of

5. Other benefits:
A. The Director shall be entitled to reimbursement of expenses like Vehicle, Guest Entertainment, Travelling Expenses actually and properly incurred during the course of doing legitimate business of the company.

B. The appointee shall be eligible for Housing, Education and Medical Loan and other Loans or facilities as applicable in accordance with the rules of the company and in compliance with the provisions of the Companies Act, 2013.

6. Minimum Remuneration
The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.

Provided that where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Whole Time Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approval of the Central Government, if required, or any other approvals as may be required under law.

Except Mr. Ajit Mundle, being the appointee, and Mrs. Jyoti Mundle, to the extent of her relationship and shareholding interest, none of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval of the Members.

ITEM NO. 4:

The Board of Directors of the Company, at its meeting held on 24th August 2026, be and hereby recommends the remuneration to be paid to Mrs. Jyoti Mundle, Whole-time Director, for the Financial Years, 2026-27 and 2027-28, based upon recommendation of the Nomination & Remuneration Committee upon such terms and conditions including payment of salary, perquisites, benefits, incentives and allowances.

It is proposed to obtain the approval of the Members for payment of remuneration up to Rs. 1.5 Crore per annum to Mrs. Jyoti Mundle for each of the Financial Years 2026-27 and 2027-28, inclusive of salary, perquisites, benefits, incentives and allowances, on the terms set out in the Resolution at Item No. 4 above.

Pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Section II of Part II of Schedule V of the Act, in case of no profits or inadequate profits during the tenure of a managerial person, remuneration is payable as per the applicable slab based on the effective capital of the Company. Remuneration in excess of the permissible slab may be paid if the Members pass a Special Resolution, for a period not exceeding three years at a time. Approval is accordingly sought for payment of the aforesaid remuneration to Mrs. Jyoti Mundle even in the event of no profits or inadequate profits during Financial Years, 2026-27 and 2027-28.

Mrs. Jyoti Mundle has confirmed that she is not debarred from holding office as Director by virtue of any SEBI Order or other such authority, and satisfies the conditions in Part I of Schedule V and Section 196(3) of the Act for continuing in her role. It is confirmed that the Company has not defaulted in payment of dues to any bank, financial institution, or secured creditor.

In terms of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, fee and compensation payable to Executive Directors who are promoters or members of the promoter group requires Members' approval by Special Resolution where annual remuneration exceeds ₹5 Crore or 2.5% of net profits, whichever is higher, or where aggregate remuneration to more than one such director exceeds 5% of net profits. Approval is accordingly sought so that remuneration may be paid to Mrs. Jyoti Mundle even if the aggregate remuneration payable to promoter/promoter-group directors of the Company exceeds these thresholds in any year covered by this Resolution.

Sr. No.	Particulars	Disclosures
1.	Nature of Industry	Arrowhead Seperation Engineering Limited originally incorporated as Arrowhead Seperation Engineering Private Limited on July, 25, 1991 and converted into public company on April 18, 2023 and company is involved in business of designing, manufacturing, erection, commissioning, trading and consultancy of chemical and process equipment by means of technology available indigenously or otherwise.
2.	Date of commencement of commercial production	July, 25, 1991
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4.	Financial performance based on given indicators.	The Total Income of the Company stood at ₹ 2335.81 Lakhs for the year ended March 31, 2026 as against ₹ 2046.50 Lakhs in the previous year. The Company made a net profit of ₹ 16.57 Lakhs for the year ended March 31, 2026 as

Sr. No.	Particulars	Disclosures
		compared to the net profit of ₹ 41.37 Lakhs in the previous year.
5.	Foreign investments or collaborators, if any	N.A.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Looking into her experience and expertise in the industry, the Board of Directors of the Company decided to Re-designate Jyoti Vijay Mundle as Whole Time Director of the Company. The remuneration paid to her is reasonable considering the prevailing emoluments in the industry for senior management with similar qualifications and experience.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any:	Beside the remuneration proposed to be paid to Jyoti Vijay Mundle, She has other pecuniary relation with company such as She is a partner in Transfer Systems partnership firm which has related part transaction with company and also he is the Sister in Law of Ajit Shanker Mundle who is also a director in the company.

II. INFORMATION ABOUT THE DIRECTOR

Particulars	Details
Background details	Mrs. Jyoti Mundle is a Promoter and Whole Time Director of the Company, and has been part of the Board since the Company's incorporation on July 25, 1991
Age	Above 79 years
Experience	Extensive experience in the dryer/engineering industry, including through earlier partnership firms engaged in a similar line of business prior to the Company's incorporation as a public entity
Job Profile and suitability	Actively involved in the Company's overall business affairs, and has been closely associated with its growth, customer and supplier relationships, and strategic direction alongside the Chairman & Managing Director
Shareholding in the Company	2,19,863 Equity Shares
Remuneration proposed	As set out in the Resolution at Item No. 4 of the Notice

Comparative remuneration profile	The proposed remuneration is commensurate with prevailing remuneration levels in the industry, having regard to the size of the Company and the qualifications, experience and responsibilities of the appointee
Pecuniary/family relationship with other managerial personnel	Related to Mr. Ajit Mundle, Chairman & Managing Director

III. Other Information:

Sr. No.	Particulars	Disclosures
1.	Reasons of loss or inadequate profits and Steps taken or proposed to be taken for improvement	Consequent to the conversion of company into public limited company, the profit earned during the financial year 2021-22 seems inadequate for the payment of Director's remuneration under Section 197 of the Companies Act, 2013. Thus, the Company proposes to pay the Director's remuneration as per Item A of Section II of Part II of the Schedule V of the Companies Act, 2013.The Management of the Company is in the process of expanding the business of the Company, for that reason management focus more on expanding the business rather Profitability. Once the business of the Company will be in growth stage the profitability of the Company will certainly increase.
2.	Expected increase in productivity and profits in measurable terms	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

The details of the terms of re-designation and remuneration payable to Jyoti Vijay Mundle are given below:

Sr. No.	Particulars	Disclosures
1.	Tenure of Remuneration	2 years with effect from May 29, 2026.
2.	Salary inclusive of all allowances and incentives	Upto Rs.1.5 Crore per annum. The Chairman and Managing Director shall be entitled to such increment from time to time as the Board may by its discretion determine subject to the limits set out in Schedule V of Companies Act, 2013.
3.	Perquisites and Allowances in addition to the salary	Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule, Perquisites shall be evaluated at actual cost.

Sr. No.	Particulars	Disclosures
4.	Retirement benefits	A. Gratuity payable shall be in accordance with the rules of Companies Act and Gratuity Rules. B. Earned leave on full pay and allowances as per the rules of the Company, leave accumulated shall be encashable of Leave at this end of the tenure, will not be included in the computation of the ceiling on perquisites.
5.	Other benefits	A. The Director shall be entitled to reimbursement of expenses like Vehicle, Guest Entertainment, Travelling Expenses actually and properly incurred during the course of doing legitimate business of the company. B. The appointee shall be eligible for Housing, Education and Medical Loan and other Loans or facilities as applicable in accordance with the rules of the company and in compliance with the provisions of the Companies Act, 2013.
6.	Minimum Remuneration	The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law. Provided that where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Whole Time Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approval of the Central Government, if required, or any other approvals as may be required under law.

Except Mrs. Jyoti Mundle, being the appointee, and Mr. Ajit Mundle, to the extent of his relationship and shareholding interest, none of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the Members.

BOARD'S REPORT

TO
THE MEMBERS,
ARROWHEAD SEPERATION ENGINEERING LIMITED
Survey No 39 Village Mundhegaon Taluka Igatpuri,
District Nasik, Maharashtra, India - 422403

Your directors take pleasure in presenting their Thirty Fifth Annual Report on the Business and Operations of the Company and the Accounts for the Financial Year ended 31st March, 2026 (period under review).

1. FINANCIAL PERFORMANCE OF THE COMPANY:

The summary of the financial performance for the financial year ended March 31, 2026 and the previous financial year ended March 31, 2025 is given below:

(₹ in lacs) Except EPS

Particulars	31-Mar-26	31-Mar-25
Total Income	**2335.81**	**2046.50**
Less: Expenditure	2302.62	1964.42
Profit before Depreciation and tax	**33.19**	**82.08**
Less: Depreciation	6.21	2.74
Profit before Tax	**26.98**	**79.34**
Provision for Taxation	10.41	37.97
Profit after Tax	**16.57**	**41.37**
Other Comprehensive Income	00	0.00
Total Comprehensive Income	**16.57**	**41.37**
Earnings Per Share (FV of Rs.10/- per share)		
(1) Basic	**0.89**	**2.21**
(2) Diluted	**0.89**	**2.21**

We are a renowned manufacturer of chemical process equipment, specializing in continuous drying and cooling systems. Our strategic objective is to deliver world-class solutions that meet international standards, driving growth and value creation for stakeholders.

2. REVIEW OF OPERATIONS:

Established in 1991, Arrowhead Seperation Engineering Limited is a Manufacturer, Trader, and Exporter based in Mundhegaon, Igatpuri, Nashik, Maharashtra, specializing in drying and seperation equipment including Vacuum Double Drum Dryers, Rotary Dryers, Single Drum Dryers, Double Drum Dryers, Paddle Dryers, Flaker Systems, Totally Enclosed Single Drum Dryers, and Continuous Particulate Dryers. The company is committed to meeting customer expectations through consistently high-quality products, and operates with strong ethical standards and complete transparency in every transaction to build lasting relationships with its clients. This growth has been driven under the continued guidance and leadership of Mr. Ajit Mundle.

The Total Income of the Company stood at ₹ 2335.81 Lakhs for the year ended March 31, 2026 as against ₹ 2046.50 Lakhs in the previous year. The Company made a net profit of ₹ 16.57 Lakhs for the year ended March 31, 2026 as compared to the net profit of ₹ 41.37 Lakhs in the previous year.

3. CASH FLOW STATEMENTS;

As required under regulation 34 of the SEBI (LODR) Regulations, 2015, a Cash Flow Statement forms part of Annual Report.

4. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013:

The Board has decided not to transfer any amount to the Reserves for the year under review.

5. DIVIDEND:

During the year under review, your Board does not recommend any dividend and wishes to plough back the profits. Further, as per Regulation 43A of the listing regulations, the requirement to formulate a Dividend Distribution Policy applies to the top 1,000 listed entities based on market capitalization. As our company does not fall within this threshold, the formulation and disclosure of a Dividend Distribution Policy do not apply to us.

6. TRANSFER OF UNPAID AND UNCLAIMED DIVIDENDS TO INVESTOR EDUCATION AND PROTECTION FUND:

The Ministry of Corporate Affairs under Sections 124 and 125 of the Companies Act, 2013 requires dividends that are not encashed/ claimed by the shareholders for a period of seven consecutive years, to be transferred to the Investor Education and Protection Fund (IEPF). In FY 2025-26, there was no amount due for transfer to IEPF.

7. SHARE CAPITAL:

The authorized share capital of the company is Rs. 2,00,00,000/- (Rupees Two Crores Only) divided into 20,00,000 (Rupees Twenty Lakh Only) equity shares of Rs. 10/- (Rupees Ten Only)

The Paid-up capital of the Company is Rs. 1,87,13,250/- (Rupees One Crores Eighty-Seven Lakhs Thirteen Thousand Two Hundred Fifty Only) divided into 18,71,325 (Eighteen Lakhs Seventy-One Thousand Three Hundred Twenty-Five) Equity shares of Rs. 10/-

Company has appointed **M/s Cameo Corporate Services Limited** as the Registrar and Transfer Agent of the Company.

8. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (the "Amended Listing Regulations"), is presented in a separate section forming part of the Annual Report as "***Annexure III***".

9. CHANGE IN NATURE OF BUSINESS, IF ANY:

There has been no change in nature of business of the Company during the FY under review.

10. DISCLOSURES BY DIRECTORS:

The Board of Directors has submitted notice of interest in Form MBP 1 under Section 184(1) as well as intimation by directors in Form DIR-8 under Section 164(2) and declarations as to compliance with the Code of Conduct of the Company.

Certificate of Non-Disqualification of Directors received from JNG & Co., Practicing Company Secretary is annexed to the Board's Report as **"*Annexure IV*".**

11. COMPANY'S POLICY RELATING TO APPOINTMENT, PAYMENT OF REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES:

The As per the provisions of Section 178(3) of the Companies Act, 2013, on the recommendation of the Nomination & Remuneration Committee of the Company, the Board of Directors had approved a Policy which lays down a framework in relation to the appointment and remuneration of Directors, Key Managerial Personnel, and the other employees and their remuneration.

The Policy forms part of the Annual Report as **"*Annexure I*",** as required under Section 134(3) of the Act. Further, the Nomination and Remuneration Policy of the Company is available on the website of the Company pursuant to the proviso of Section 178(4) of the Companies Act, 2013.

The Policy broadly lays down the guiding principles, philosophy, and the basis for payment of remuneration to Directors, Key Managerial Personnel, and other employees. The policy also provides the criteria for determining qualifications, positive attributes, and Independence of the Director, and criteria for appointment of Key Managerial Personnel / Senior Management while making the selection of the candidates.

The statement giving details of names of the top ten employees in terms of remuneration drawn and the name of every employee who was in receipt of remuneration exceeding the limits specified under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, does not apply to the Company

12. SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY:

The Company does not have any Subsidiary, Joint venture or an Associate Company.

13. MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the Financial Year and the date of this Report.

14. ANNUAL RETURN:

The draft Annual Return of the Company as on March 31, 2026, in the Form MGT-7 in accordance with Section 92(3) and 134(3)(9) of the Companies Act, 2013, as amended from time to time and the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at https://www.arrowhead-dryers.com.

15. CHANGE IN SHARE CAPITAL:

There were no changes in Share Capital of the company for the year ended March 31, 2026.

16. FAMILIARISATION PROGRAMME FOR DIRECTORS:

In terms of Regulation 25(7) of the Listing Regulations, the Company is required to familiarise its Independent Directors through various programmes about the Company, including the following:

(a) nature of the industry in which the company operates;
(b) business model of the company;
(c) roles, rights, responsibilities of independent directors; and
(d) any other relevant information.

As a practice, all Directors (including Independent Directors) inducted to the Board go through a structured orientation programme. Presentations are made by Senior Management, giving an overview of the operations, to familiarise the new Directors with the Company's business operations. The Directors are given an orientation on the products of the business, group structure and subsidiaries, Board constitution and procedures, matters reserved for the Board, and the major risks and risk management strategy of the Company.

During the year under review, the Independent Directors attended one familiarisation programme designed to enhance their understanding of the Company and their roles.

The details of the Familiarisation Programme are available on the Company's website at https://www.arrowhead-dryers.com/policies.html .

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

i. Composition of Board

S.no	Name of Director	Designation	Date of appointment
1	Jyoti vijay mundle	Whole-time director	25/07/1991
2	Ajit shankar mundle	Managing Director	25/07/1991
3	Nikhil malpani	Independent Director	29/05/2023
4	Priyanka moondra rathi	Independent Director	29/05/2023
5.	Mayuri bipinbhai rupareliya	Independent Director	18/11/2022

The composition of Board complies with the requirements of the Companies Act, 2013 ("Act"). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from the requirement of having composition of Board as per Regulation 17 of Listing Regulations.

None of the Director of the Company is serving as a Whole-Time Director in any other Listed Company and the number of their directorship is within the limits laid down under section 165 of the Companies Act, 2013.

ii. Key Managerial Personnel:

S.no	Name of Director	Designation	Date of appointment
1	Radhika Bhootra	Company Secretary	05/06/2023
2	Sitaram Sakharam Kavar	Chief Financial Officer (CFO)	05/05/2023

iii. Change in Directors and Key Managerial personnel

During the year, there were no changes in the Company's Directors and Key Managerial Personnel.

iv. Retirement by Rotation of the Directors

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ajit Mundle, (DIN: 01745577) Chairman & Managing Director of the Company, retires by rotation and offers himself for re-appointment.

The brief resume of Mr. Ajit Mundle, the nature of his expertise in specific functional areas, names of the companies in which he has held directorships, his shareholding etc. are furnished in the '**Annexure – A'** to the notice of the ensuing AGM.

iv. Independent Directors

Our Company has received annual declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence provided in Section 149(6) of the Companies Act, 2013 and Regulations 16(1) (b) & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances, which may affect their status as Independent Director during the year.

The Independent Directors met on March 10, 2026, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

18. PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under Section 197 & Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below.

a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-26 is as under: Mr. Ajit Mundle, Chairman & Managing Director – 33.95 times; Mrs. Jyoti Mundle, Whole-time Director – 15.57 times; Mr. Nikhil Malpani, Independent Director – 0.92 times; Ms. Priyanka Moondra Rathi, Independent Director – 0.92 times; Mrs. Mayuri Rupareliya, Independent Director – 0.92 times.
b) The median remuneration of employees of the Company during the financial year is Rs. 65,280/-
c) Percentage increase/decrease in the median remuneration of employees in the financial year 2025-26: Not Applicable
d) Percentage increase in the remuneration of each Director in the financial year 2025-26: Mr. Ajit Mundle, Chairman & Managing Director – 37.12%; Mrs. Jyoti Mundle, Whole-time Director – Nil; Mr. Nikhil Malpani, Independent Director – Nil; Ms. Priyanka Moondra Rathi, Independent Director – Nil; Mrs. Mayuri Rupareliya, Independent Director – Nil.
e) Number of permanent employees on the rolls of the Company as on March 31, 2026: 49 (Forty Nine).
f) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy of the Company.
g) There is no employee covered under the provisions of section 197(14) of the Companies Act, 2013.

There was no employee in the Company who drew remuneration of Rs. 1,00,00,000/ - per annum during the period under review. Hence, the Company is not required to disclose any information as per Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014.

19. BOARD MEETINGS:

The Company held Five meetings of its Board of Directors during the year on May 23, 2025, August 18, 2025, October 10, 2025, November 12, 2025, and March 10, 2026,

Attendance of Director:

Sr. No.	Name of the director	Board Meeting			Whether attended AGM held on
		Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	11.09.2025 (Y/N/NA)
1.	Mr. Ajit Mundle	5	5	100%	Y
2.	Mrs. Jyoti Mundle	5	5	100%	Y
3.	Ms. Priyanka Moondra Rathi	5	5	100%	Y
4.	Mrs. Mayuri Rupareliya	5	5	100%	Y
5.	Mr. Nikhil Malpani	5	5	100%	Y

COMMITTEES OF THE BOARD:

(a) Audit Committee:

The Audit Committee, as per Section 177 of Companies Act, 2013, was constituted on June 05, 2024 under the chairmanship of Mr. Nikhil Malpani. During the year, the committee met Three (3) times with full attendance of all the members. The composition of the Audit Committee as at March 31, 2026 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Position in the committee	Attendance at the Audit Committee Meetings held on		
			23.05.2025	18.08.2025	12.11.2025
Mr. Nikhil Malpani	Non-Executive - Independent Director	Chairman	Yes	Yes	Yes
Mrs. Mayuri Rupareliya	Non-Executive - Independent Director	Member	Yes	Yes	Yes
Mr. Ajit Mundle	Chairman & Managing Director	Member	Yes	Yes	Yes

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013. Some of the important functions performed by the Committee are:

Financial Reporting and Related Processes:

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management, the Half Yearly Unaudited Financial Statements and the Auditor's Limited Review Report thereon / Audited Annual Financial Statements and Auditors' Report thereon before submission

to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the Financial Statements and / or recommendation, if any, made by the Statutory Auditors in this regard.

- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Accounting Standard Policy.
- Review the investments made by the Company.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Auditors, Internal Auditors, Chief Financial Officer are invited to attend the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

(b) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee, as per Section 178(1) of Companies Act, 2013, was constituted on June 05, 2024 under the Chairmanship of Mrs. Mayuri Rupareliya. During the year, the committee met one time with full attendance of all the members. The composition of the Nomination and Remuneration Committee as at March 31, 2026 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Position in the committee	Attendance at the Remuneration Committee held on 23.05.2025
Mrs. Mayuri Rupareliya	Non – Executive Independent Director	Chairman	Yes
Mrs. Priyanka Moondra Rathi	Non – Executive Independent Director	Member	Yes
Mr. Nikhil Malpani	Non – Executive Independent Director	Member	Yes

The terms of reference of the Committee as per Companies Act 2013 and SEBI (LODR) 2015, include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  a) Use the services of an external agencies, if required;
  b) Consider candidates from a wide range of backgrounds, having due regard to diversity; and
  c) Consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

- Recommend to the board, all remuneration, in whatever form, payable to senior management.

The Company has formulated a Remuneration Policy which is annexed to the Board's Report in **"*Annexure I*"**.

(c) Stakeholders Relationship Committee:

The Stakeholders Relationship Committee, as per Section 178 (5) of Companies Act, 2013, was constituted on June 05, 2024, is under Chairmanship of Mrs. Mayuri Rupareliya. The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Companies Act, 2013. During the year, the committee met one time with full attendance of all the members. The composition of the Stakeholders Relationship Committee as at March 31, 2026 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Position in the committee	Attendance at the Stakeholders' Relationship Committee held on 23.05.2025
Mrs. Mayuri Rupareliya	Non – Executive Independent Director	Chairperson	Yes
Mr. Ajit Mundle	Chairman & Managing Director	Member	Yes
Mrs. Jyoti Mundle	Whole Time Director	Member	Yes

The terms of reference of the Committee are:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year, no complaints were received from shareholders. There are no balance complaints. The Company had no share transfers pending as on March 31, 2026.

Ms. Radhika Bhootra, Company Secretary is the Compliance Officer of the Company.

20. BOARD'S PERFORMANCE EVALUATION:

The Board of Directors carried out an annual evaluation of the Board itself, its Committees and individual Directors. The entire Board carried out performance evaluation of each Independent Director excluding the Independent Director being evaluated. The Nomination Remuneration Committee also carried out evaluation of every director's performance.

The evaluation was done after taking into consideration inputs received from the Directors, setting out parameters of evaluation. Evaluation parameters of the Board and Committees were mainly based on Disclosure of Information, Key functions of the Board and Committees, Responsibilities of the Board and Committees, etc. Evaluation parameters of

Individual Directors including the Chairman of the Board and Independent Directors were based on Knowledge to Perform the Role, Time and Level of Participation, Performance of Duties and Level of Oversight and Professional Conduct etc.

Independent Directors in their separate meeting evaluated the performance of Non-Independent Directors, Chairman of the Board and the Board as a whole.

21. MEETING OF SHAREHOLDERS:

During the year under review, the following General Meetings were held, the details of which are given as under:

S.no	Type of Meeting/Postal Ballot	Date of General Meeting/ Postal Ballot	Whether attended by all Directors
1	Annual General Meeting	September 11, 2025	Yes

22. CORPORATE SOCIAL RESPONSIBILITY

The Company does not fall under the criteria laid under the provisions of Section 135 of the Companies Act 2013 and rules framed there under for the year ended 31st March 2026. Therefore, the provisions of Corporate Social Responsibility are not applicable to the Company during the period.

23. REMUNERATION POLICY:

The Company has framed a Nomination and Remuneration Policy pursuant to Section 178 of the Companies Act, 2013, and SEBI (LODR) Regulations, 2015. The Policy is provided in Annexed to this Report as **"Annexure I".**

AUDITORS:

i. Statutory Auditors:

The Board has re-appointed M/s B.B. Gusani & Associates (FRN: 140785W), Chartered Accountants as the statutory auditors of the Company for term of five consecutive years, for financial year 2023-24 to Financial Year 2027-28, from the conclusion of 32nd Annual General Meeting, held in 2023 till the conclusion of the 37th Annual General Meeting to be held in the year 2028, as approved by shareholders of the Company.

The Statutory Auditors' Report forms an integral part of the Annual Report. There are no audit qualification, reservation or adverse remark for the year under review.

The auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under. As required under Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

ii. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed JNG & CO., a firm of Company Secretaries in Practice (CP No. 8108), to undertake the Secretarial Audit of the Company for the F.Y. 2025-26 and F.Y. 2026-27. The Secretarial Audit Report for F.Y. 2025-26 is annexed herewith as ***"Annexure II".***

M/s JNG & CO, Practicing Company Secretaries, have confirmed they are not disqualified from being appointed as the Secretarial Auditors of the Company and satisfy the prescribed eligibility criteria.

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in its report.

iii. Cost Auditor:

The Company does not fall within the provisions of Section 148 of the Companies Act, 2013, as read with the Companies (Cost Records and Audit) Rules, 2014. Therefore, the maintenance of cost records and the applicability of cost audits, as specified by the Central Government under Section 148 of the Companies Act, 2013, are not applicable to the Company.

iv. Internal Auditor:

The Board of Directors based on the recommendation of the Audit Committee and pursuant to the provisions of section 138 of the Act read with the Companies (Accounts) Rules, 2014, has appointed M/s. DGMS & Co., (Firm Registration Number 0112187W) Chartered Accountants, Mumbai as the Internal Auditors of the Company for the financial year 2025-26 and 2026-27. The Internal Auditor conducts the internal audit of the functions and operations of the Company and reports to the Audit Committee and Board.

24. AUDITOR'S REPORT:

The Auditor's Report and Secretarial Auditor's Report does not contain any qualifications, reservations or adverse remarks. Report of the Auditors are given as an Annexure which forms part of this report.

25. VIGIL MECHANISM / WHISTLE – BLOWER POLICY:

Pursuant to the provisions of Section 177(9) of the Act, read with the Rules made thereunder, the Company has adopted a Whistle-Blower Policy for Directors and Employees to report genuine concerns and to provide adequate safeguards against victimization of persons who may use such mechanism. The functioning process of this mechanism has been more elaborately mentioned in the Corporate Governance Report which forms part of this Annual Report. The said Policy is available on Company's website at https://www.arrowhead-dryers.com/policies.php.

26. INTERNAL AUDIT & CONTROLS:

Pursuant to provisions of Section 138 read with rules made there under, the Board has appointed M/s. DGMS & Co., Chartered Accountants, as an Internal Auditors of the Company to check the internal controls and functioning of the activities and recommend ways of improvement. The Internal Audit is carried out on half yearly basis; the report is placed in the Audit Committee Meeting and the Board Meeting for their consideration and direction.

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2025-26.

27. RISK ASSESSMENT AND MANAGEMENT:

The Company has been on a continuous basis reviewing and streamlining its various operational and business risks involved in its business as part of its risk management policy. The Company also takes all efforts to train its employees from time to time to handle and minimize these risks. The policy is available on the company website: https://www.arrowhead-dryers.com/uploads/RISK%20MANAGEMENT%20POLICY.pdf

28. LISTING WITH STOCK EXCHANGES:

Arrowhead Seperation Engineering Limited is listed on the SME Platform of the BSE Limited (Scrip code: 544025). Further, trading in the Equity Shares was not suspended on the Stock Exchanges during the financial year under review. It has paid the Annual Listing Fees for the year 2025-26 to BSE Limited.

29. COMPLIANCE WITH SECRETARIAL STANDARDS:

In terms of Section 118(10) of the Act, the Company is complying with the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by Central Government with respect to Meetings of the Board of Directors and General Meetings.

30. PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under Section 197 & Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below.

h) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-26 is as under: Mr. Ajit Mundle, Chairman & Managing Director – 33.95 times; Mrs. Jyoti Mundle, Whole-time Director – 15.57 times; Mr. Nikhil Malpani, Independent Director – 0.92 times; Ms. Priyanka Moondra Rathi, Independent Director – 0.92 times; Mrs. Mayuri Rupareliya, Independent Director – 0.92 times.
i) The median remuneration of employees of the Company during the financial year is Rs. 65,280/-
j) Percentage increase/decrease in the median remuneration of employees in the financial year 2025-26: Not Applicable
k) Percentage increase in the remuneration of each Director in the financial year 2025-26: Mr. Ajit Mundle, Chairman & Managing Director – 37.12%; Mrs. Jyoti Mundle, Whole-time Director – Nil; Mr. Nikhil Malpani, Independent Director – Nil; Ms. Priyanka Moondra Rathi, Independent Director – Nil; Mrs. Mayuri Rupareliya, Independent Director – Nil.
l) Number of permanent employees on the rolls of the Company as on March 31, 2026: 49 (Forty Nine).
m) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy of the Company.
n) There is no employee covered under the provisions of section 197(14) of the Companies Act, 2013.

Disclosures pertaining to remuneration and other details are required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is forming part of the Directors' Report for the year ended March 31, 2026 and is annexed to this Report and marked as Annexure- V.

During the financial year 2025-26, no employee, whether employed for whole or part of the year, was drawing remuneration exceeding the limits mentioned under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014..

The names of the top ten employees in terms of remuneration drawn and the name of every employee, who

a. if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than [one crore and two lakh rupees]: NA

b. if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than [eight lakh and fifty thousand rupees per month]; NA c.

if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. NA

There was no employee in the Company who drew remuneration of Rs. 1,00,00,000/ - per annum during the period under review. Hence, the Company is not required to disclose any information as per Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014.

31. GENDER-WISE COMPOSITION OF EMPLOYEES:

In alignment with the principles of diversity, equity, and inclusion (DEI), the Company discloses below the gender composition of its workforce as on March 31, 2026.

Male Employees: 47 Female Employees: 02 Transgender Employees: 0

This disclosure reinforces the Company's efforts to promote an inclusive workplace culture and equal opportunity for all individuals, regardless of gender

32. POLICIES AND DISCLOSURE REQUIREMENTS:

In terms of provisions of the Companies Act, 2013 the Company has adopted following policies which are available on its website https://www.arrowhead-dryers.com/policies.php.

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

i. **Conservation of Energy**

a) **The steps taken or impact on conservation of energy** – The Operations of the Company are not energy intensive. However, adequate measures have been initiated for conservation of energy.
b) **The steps taken by the Company for utilizing alternate source of energy** – Company shall consider on adoption of alternate source of energy as and when necessities.
c) **The Capital Investment on energy conversation equipment** – No Capital Investment yet.

ii. **Technology Absorption**

a) **The efforts made towards technology absorption.** – Minimum technology required for Business is absorbed.
b) **The benefits derived like product improvement, cost reduction, product development or import substitution** – Not Applicable.
c) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)** – Not Applicable.
   1. the details of technology imported;

2. the year of import;
3. whether the technology been fully absorbed;
4. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

iii. **The expenditure incurred on Research and Development** – Not Applicable.

iv. **Foreign exchange earnings and Outgo -** Not Applicable.

34. PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES:

Particulars of loans given, investments made, guarantees given and securities provided are provided in the financial statements which forms an integral part of this report.

35. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

No contracts / arrangements / transactions entered by the Company during the financial year with related parties. Thus, Disclosure in form AOC-2 is not required. Further, during the year, the Company had not entered into any contract / arrangement /transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The details of the related party transactions as required under Indian Accounting Standard (IND-AS) – 24 are set out in Note to the financial statements forming part of this Annual Report.

36. DEPOSITS:

Your Company did not accept / hold any deposits from public / shareholders during the year under review.

37. PREVENTION OF INSIDER TRADING:

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated and adopted the revised "Code of Conduct for Prevention of Insider Trading" ("the Insider Trading Code"). The object of the Insider Trading Code is to set framework, rules and procedures which all concerned persons should follow, while trading in listed or proposed to be listed securities of the Company. During the year, the Company has also adopted the Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("the Code") in line with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018. The Code is available on the Company's website https://www.arrowhead-dryers.com/policies.php.

38. CODE OF CONDUCT:

Your Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2026. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company.

The Company has posted the Code of Conduct for Directors and Senior Management on the company's website https://www.arrowhead-dryers.com/policies.php. .

39. RELATED PARTY TRANSACTIONS:

All transactions entered into with related parties as defined under the Act during the FY were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the FY which were in conflict with the interest of the Company.

40. SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

41. FRAUD REPORTING:

There have been no frauds reported by the Auditors of the Company to the Audit Committee or the Board of Directors under sub-section (12) of section 143 of the Companies Act, 2013 during the financial year.

42. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT.

The Board of Directors confirm that all the systems, policies, procedures and frameworks which are currently operational within the Company are adequate for ensuring the orderly and efficient conduct of its business and adherence to the laws. They are in line with the best practices to the extent applicable to the company. The Audit Committee and the Board reviews internal control systems to ensure they remain effective and are achieving their intended purpose. Weaknesses, if any, are identified and new procedures are put in place to strengthen controls.

The Company has also appointed an Internal Auditor as per the provisions of the Companies Act, 2013. The Company's internal audit process covers all significant operational areas and reviews the Process and Control. The Internal Auditor has authority to verify whether the policies and procedures, including financial transactions, are carried out in accordance with defined processes and variations and exceptions (if any) are justified and reported properly

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2025-26.

43. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016, DURING THE FINANCIAL YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the Financial Year 2025-26, there was no application made and proceeding initiated/pending by any Financial and/or Operational Creditors against your Company under the Insolvency and Bankruptcy Code, 2016.

As on the date of this Report, there is no application or proceeding pending against your Company under the Insolvency and Bankruptcy Code, 2016.

44. DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF VALUATION AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE AT THE TIME OF TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the Financial Year 2025-26, the Company has not made any settlement with its bankers for any loan(s)/facility (ies) availed or/ and still in existence.

45. OBLIGATION OF COMPANY 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 the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and an Internal Complaints Committee has been set up to redress complaints received regarding Sexual Harassment at workplace, with a mechanism of lodging & redress the complaints. All employees (permanent, contractual, temporary, trainees, etc.) are covered under this policy.

Category	Number
Number of complaints received during FY26	0
Number of complaints resolved as on March 31, 2026	0
Number of complaints not resolved as on March 31, 2026	0
Number of pending complaints as at March 31, 2026	0

The Internal Committee of the Company has also filed an Annual Return for the calendar year 2025 at its jurisdictional office, as required under Section 21(1) of the POSH Act read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013.

All employees in the organization are being made to attend the POSH awareness sessions, which also cover gender sensitization. No pending complaints to be resolved for the financial year under review.

46. COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961:

The Company has complied with the provisions of the Maternity Benefit Act, 1961, including all applicable amendments and rules framed thereunder. The Company is committed to ensuring a safe, inclusive, and supportive workplace for women employees. All eligible women employees are provided with maternity benefits as prescribed under the Maternity Benefit Act, 1961, including paid maternity leave, nursing breaks, and protection from dismissal during maternity leave.

The Company also ensures that no discrimination is made in recruitment or service conditions on the grounds of maternity. Necessary internal systems and HR policies are in place to uphold the spirit and letter of the legislation.

47. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

Your Company considers people as its biggest assets and ‘Believing in People’ is at the heart of its human resource strategy. It has put concerted efforts in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong and credible leadership.

Your Company has established an organization structure that is agile and focused on delivering business results. With regular communication and sustained efforts, it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company strongly believes in fostering a culture of trust and mutual respect in all its employees seek to ensure that business world values and principles are understood by all and are the reference point in all people matters.

The current workforce breakdown structure has a good mix of employees at all levels. Your Board confirms that the remuneration is as per the remuneration policy of the Company.

48. CORPORATE GOVERNANCE:

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 exempts companies which have listed their specified securities on SME Exchange from compliance with corporate governance provisions.

Since the equity share capital of your Company is listed exclusively on the SME Platform of BSE, the Company is exempted from compliance with Corporate Governance requirements, and accordingly the reporting requirements like Corporate Governance Report, Business Responsibility Report etc. are not applicable to the Company.

49. OTHER DISCLOSURES:

The following disclosures are not applicable to the company:

1. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

2. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

3. The Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise, pursuant to the provisions of Section 43 of the Act and Rules made thereunder.

4. The Company has not issued any Sweat Equity Shares to its Directors or employees.

5. No Director of the Company is in receipt of any remuneration or commission from its subsidiaries.

6. There was no revision of financial statements

7. The Company has not made any provisions of money or has not provided any loan to the employees of the Company for purchase of shares of the Company, pursuant to the provisions of Section 67 of the Act and Rules made thereunder.

8. The Company's securities were not suspended.

50. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.

ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. They have prepared the annual accounts on a going concern basis.

v. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.

vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

51. FINANCE AND ACCOUNTS:

Financial Statement has been prepared in accordance with accounting standards as issued by the Institute of Chartered Accountants of India and as specified in Section 133 of the Companies Act, 2013 and the relevant rules thereof and in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2026.

The Company has neither revised the financial statements nor the report of Board of Directors.

52. CAPITAL EXPENDITURE:

During the year the company incurred the capital expenditure of Rs. 17.31Lakhs on fixed assets.

50. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

The Business Responsibility and Sustainability Report as required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), is not applicable to the Company.

53. DEPOSITORY SYSTEM:

Your Company's Equity Shares are available for dematerialization through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN Number of your Company for both NSDL and CDSL is INE0PP401015.

54. DISCLOSURE W.R.T. DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:

There are no demat suspense account/unclaimed suspense account during the year under review as per SEBI (LODR) Regulations, 2015.

55. SCHEME OF AMALGAMATION/ARRANGEMENT:

During the Financial Year 2025-26, your Company has not proposed or considered or approved any Scheme of Merger/Amalgamation /Takeover/Demerger or Arrangement with its Members and/or Creditors.

56. AUDIT TRAIL APPLICABILITY (AUDIT AND AUDITORS) RULES 2014 - RULE 11 OF THE COMPANIES ACT 2013.

The Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is applicable for the financial year ended March 31, 2026.

57. APPOINTMENT OF DESIGNATED PERSON (MANAGEMENT AND ADMINISTRATION) RULES 2014 - RULE 9 OF THE COMPANIES ACT 2013.

In accordance with Rule 9 of the Appointment of Designated Person (Management and Administration) Rules 2014, it is essential for the company to designate a responsible individual for ensuring compliance with statutory obligations.

The company has proposed and appointed a Designated person in a Board meeting, and the same has been reported in the Annual Return of the company.

58. CAUTIONARY STATEMENTS:

Statements in this Annual Report, particularly those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

59. ACKNOWLEDGEMENTS:

The Directors would like to express deep sense of appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders and for the devoted service by the Executives, staff and workers of the Company. The Directors express their gratitude towards each one of them.

Registered Office:
Survey No 39, Village Mundhegaon, Tal Igatpuri,
Nashik - 422403, Maharashtra.
Tel : 8422829060
CIN: L74210MH1991PLC062643
Website:https://www.arrowhead-dryers.com/
Email: compliance@arrowhead-dryers.co.in

By Order Of The Board Of Directors
For Arrowhead Seperation Engineering Limited
(*Formerly known as Arrowhead Separation Engineering Pvt Ltd.*)

Sd/-
Ms. Jyoti Mundle
(Whole Time Director)
DIN: 01744211

Sd/-
Mr. Ajit Mundle
(Chairman & Managing Director)
DIN: 01745577
Monday, August 24, 2026

Annexures to Board's Report (Contd). ***Annexure – I***

Remuneration Policy

This Remuneration Policy relating to remuneration for the directors, key managerial personnel and other employees, has been formulated by the Nomination and Remuneration Committee (hereinafter "Committee") and approved by the Board of Directors.

Objectives:

The objectives of this policy are to stipulate criteria for:

- Appointment, reappointment, removal of Directors, KMPs and Senior Management
- Determining qualifications, positive attributes and independence of a director and recommend to the Board
- Retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage to run the operations of the Company successfully
- Consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential, and for growth

Criteria for Appointment:

- Ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment
- Age, number of years of service, specialized expertise and period of employment or association with the Company
- Special achievements and operational efficiency which contributed to growth in business in the relevant functional area
- Constructive and active participation in the affairs of the Company
- Exercising the responsibilities in a bonafide manner in the interest of the Company
- Sufficient devotion of time to the assigned tasks
- Diversity of the Board
- Demonstrable leadership qualities and interpersonal communication skills, devote to the role, compliant with the rules, policies and values of the Company and does not have any conflicts of interest
- Transparent, unbiased and impartial and in accordance with appropriate levels of confidentiality.
- Appointment of Directors and KMPs in compliance with the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder or any other enactment for the time being in force

Criteria for Remuneration:

The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance, and emphasizing on line expertise and market competitiveness so as to attract the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results.

The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the directors, key managerial personnel and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration to directors, key managerial personnel and senior management personnel should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The remuneration of the Non-Executive Directors shall be based on their contributions and current trends, subject to regulatory limits. Sitting fees is paid for attending each meeting(s) of the Board and Committees thereof. Additionally equal amount of commission may be paid to Non-Executive Directors on a pro-rata basis, within limits approved by shareholders.

Annexures to Board's Report (Contd). ***Annexure – II***

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 2026
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of,
ARROWHEAD SEPERATION ENGINEERING LIMITED
Survey No. 39, Village Mundhegaon,
Tal. Igatpuri, Nasik 422403

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ARROWHEAD SEPERATION ENGINEERING LIMITED** (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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, management representations provided by the Company, its officers, agents and authorized representatives and based on the draft independent auditors report during the conduct of the Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 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 the Company as per Annexure I for the financial year ended on **March 31, 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;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(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**; (The Company did not have any Foreign Direct Investment during the financial year);**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the Audit Period)**
iv. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2014; **(not applicable to the company during the Audit Period)**
v. 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)**

vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

vii. 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;

viii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**

ix. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

x. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (SEBI LODR) and

xi. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

We further report that,

Based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary / Chief Financial Officer taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws.

We further report that,

The compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other laws. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other laws and regulations applicable to the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director as on 31st March, 2026.
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or on shorter notice with necessary prior approval, whenever applicable, 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.

Majority decisions of the Board and committee meetings are carried out unanimously as recorded in the minutes of the meeting of the board of directors or committees thereof as the case may be. There were no dissenting views of any member of the Board or committees thereof during the period under review.

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

We further report that no specific event/action having a major bearing on the company's affairs in pursuance to the laws, rules, regulations, guidelines, etc. referred to above.

FOR JNG & Cos. LLP
Company Secretaries

Sd/-

Place: Mumbai
Date: 24th August, 2026
UDIN: A070970H001203563
Peer Review No.: 6167/2024
FRN: L2024MH017500

Darshana Mitul Narsana
Partner
ACS No.70970
COP No. 27604

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

ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors and various committees comprising of Audit Committee, Nomination & Remuneration Committee etc. held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Companies Act and rules made there under
5. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of 184 of the Companies Act, 2013.
7. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the period under report, with or without additional fees.
8. Intimations received from directors under the prohibition of Insider Trading and SEBI Takeover Code
9. Various policies framed by the company from time to time as required under the statutes applicable to the company.
10. Processes and procedure followed for Compliance Management System for applicable laws to the Company
11. Communications/Letters issued to and acknowledgements received from the Independent directors for their appointment
12. Various policies framed by the company from time to time as required under the Companies Act as well as listing agreement/SEBI LODR Regulations.

ANNEXURE - II

To,
The Members of,
Arrowhead Seperation Engineering Limited
Survey No. 39, Village Mundhegaon,
Tal. Iyatpuri, Nasik 422403

Sub : Secretarial Audit Report for the Financial Year ended on 31st March, 2026

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.

3. 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.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

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, and 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 efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR JNG & Cos. LLP
Company Secretaries

Sd/-
Darshana Mitul Narsana
Partner
ACS No.70970
COP No. 27604

Place: Mumbai
Date: 24th August, 2026
UDIN: A070970H001203563
Peer Review No.: 6167/2024
FRN: L2024MH017500

Annexures to Board's Report (Contd). ***Annexure III***

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The engineering sector is the largest of the industrial sectors in India. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. Demand for engineering sector services is being driven by capacity expansion in industries like infrastructure, electricity, mining, oil and gas, refinery, steel, automobiles, and consumer durables. India has a competitive advantage in terms of manufacturing costs, market knowledge, technology, and innovation in various engineering sub-sectors. India's engineering sector has witnessed a remarkable growth over the last few years, driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of huge strategic importance to India's economy.

Manufacturing is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors.

India is gradually progressing on the road to Industry 4.0 through the Government of India's initiatives such as the National Manufacturing Mission announced in Budget 2025-26, which targets raising manufacturing's share of GDP to 25% by 2035, and the Production Linked Incentive scheme, which had an outlay of ₹1.91 lakh crore across 14 sectors and had attracted actual investments exceeding ₹2.40 lakh crore and generated more than 14.15 lakh direct and indirect jobs as of March 31, 2026. Industrial activity remained robust through the year, with the Index of Industrial Production growing 7.80% in December 2025, its highest reading in over two years, and the manufacturing Purchasing Managers' Index remaining in expansion territory, standing at 55.4 in January 2026.

INDIAN MARKET:

Merchandise exports reached US$ 44.24 billion in July 2026, compared to US$ 36.98 billion in the corresponding month a year earlier, while manufacturing output growth stood at 7.8% in June 2026. Electronics production rose from ₹11.32 lakh crore in FY25 to ₹13.11 lakh crore in FY26, a year-on-year increase of 15.8%. By 2030, Indian middle class is expected to have the second-largest share in global consumption at 17%. The Economic Survey 2025-26 notes that medium- and high-technology industries now contribute 46.3% of India's manufacturing value added, reflecting a gradual shift toward more sophisticated production.

India's gross value added (GVA) at current prices was estimated at $770.08 billion in Q1 FY25, with manufacturing GVA at $110.48 billion

As per the economic survey reports, estimated employment in manufacturing sector in India was 5.7 Crores in 2017-18, 6.12 Crores in 2018-19 which was further increased to 6.24 Crores in 2019-20. India's display panel market is estimated to grow from US$ 7 billion in 2021 to US$ 15 billion in 2025.

The manufacturing GVA at current prices was estimated at US$ 110.48 billion in the first quarter of FY25.

GLOBAL MARKET:

The global engineering services market was valued at approximately USD 3.58 trillion in 2025 and is estimated to reach USD 3.76 trillion in 2026, at a CAGR of around 6.3% through 2033, with Asia Pacific accounting for over 37% of global revenue. Within India specifically, the engineering research and development services market is estimated at USD 147.27 billion in 2026, growing at a CAGR of about 10.1% through 2031, aided by semiconductor self-reliance initiatives and rising digital-engineering demand from electric-vehicle programmes.

The market size represents the revenue generated from various types of services, such as product engineering, process engineering, automation-related services, and asset management-related services, offered by market players.
Infrastructure demand is a significant driver of the engineering services industry since it creates a need for specialized skills and encourages innovation. Infrastructure projects are often vast and complicated, necessitating the need for engineering service providers to design, plan, and execute these projects, thereby delivering value-added services to their customers. Furthermore, the need for infrastructure is pushing innovation in the engineering services sector as suppliers create new, more efficient methods of designing and building infrastructure.

The value of new infrastructure construction reached USD 1,844.10 billion in February 2023, marking a significant increase from USD 1,808.34 billion in October 2022, according to the US Census Bureau. Growing infrastructure is increasing the need for engineering service providers to increase their skills and interact with other providers and stakeholders to satisfy the demands of clients.

The use of digital technologies such as AI, iot, and cloud computing also drives the market. These technologies are used to gather, process, and analyze massive volumes of data in real-time to make better decisions. Architectural design and engineering services are being transformed by new technology. Engineering businesses must examine and adopt these relevant technological innovations to remain competitive. According to Deltek's research, 25% of architectural and engineering businesses currently consider their firms to be digitally advanced, while 76% anticipate reaching that level of digital maturity within the next five years.

However, political insecurity, such as changes in government, laws, and regulations or geopolitical conflicts, can cause uncertainty for businesses and investors, lowering investment and demand for services related to engineering and stifling market growth.

The COVID-19 pandemic highlighted the need for sustainability, with service providers assisting customers in implementing energy-efficient buildings, circular economy projects, and renewable energy. Despite obstacles, including growing labor costs and supply chain interruptions, the industry is expected to develop steadily in the post-pandemic era. Source: https://www.mordorintelligence.com/industry-reports/engineering-services-market

OPPORTUNITIES

- The need for superior quality and process execution.
- Global Market Expansion: Exploring new markets, partnerships, and export opportunities.
- Need for leadership in sophisticated solutions to enable our clients to optimize the efficiency of their businesses. ·
- Constant upgradation of the technology enables us to emerge as a leader in this fast-paced environment.
- Consolidation/acquisitions/restructuring opens out opportunities for the business.
- Creating connected data-driven factories for real-time monitoring and optimization.
- Implementing advanced quality control methods, such as AI-powered inspection and predictive analytics.

THREATS:

- Enhanced competition from both local and global players and the rise of disruptive business models in manufacturing industry and the emergence of new technology, the company runs the risk of obsolescence.
- A dependence on technology and third-party platforms exposes us to threats posed on the internet such as virus attacks leading to execution failures and disclosure of client information.
- Adapting to evolving industry standards, laws, and regulations.
- Risks of theft, counterfeiting, and unauthorized use of proprietary technologies.
- Intensifying competition from low-cost countries and emerging markets.
- Rapid technological advancements can render existing equipment and processes outdated.

SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE.:

1) REVIEW OF OPERATIONS:

The Total Income of the Company stood at ₹ 2,335.81 Lakhs for the year ended March 31, 2026 as against ₹ 2,046.50 Lakhs in the previous year, an increase of 14.14%. Total expenditure, however, rose at a faster pace of 17.22% to ₹ 2,302.62 Lakhs, which compressed operating margins during the year. The Company made a net profit of ₹ 16.57 Lakhs for the year ended March 31, 2026 as compared to the net profit of ₹ 41.37 Lakhs in the previous year, and Basic and Diluted Earnings Per Share stood at ₹ 0.89 as against ₹ 2.21 in the previous year.

2) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has an Internal Control System commensurate with its requirement and size of business to ensure that the assets and interest of the company assets are safeguarded. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid down system and policies are comprehensively and frequently monitored by your company's management at all the levels of the organization. The company has established well defined policies and processes across the organization covering all major activities including authority for approvals. In all cases where monetary decisions are involved, various limits and authorities are in place.

The Company's internal controls are structured in a manner that ensure reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies, laws and accounting standards.

With a strong monitoring system in place, the Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Audit Committee of the Board of Directors review the existing audit procedures and internal systems of control on an ongoing basis keeping in mind the organization's requirements, growth prospects and ever evolving business environment. They also review the internal audit findings and recommendations and ensure that corrective measures are implemented. Suggestions for improvement are considered and the Audit Committee follows up on the implementation of corrective actions.

3) RISKS AND CONCERN:

Risk is an integral part of the business and we aim at delivering superior shareholder value by achieving an appropriate balance between risks and returns. The industry is subject to continuously evolving legislative and regulatory environment due to increasing globalization, integration of world markets, newer and more complex products & transactions and an increasingly stringent regulatory framework.

Our senior management identifies and monitors the risks on an ongoing basis and evolves processes/systems to monitor and control the same to contain the risks to minimum levels. Periodic monitoring by our officials helps in identifying risks in early stage. If required, a risk event update report is periodically placed before the Board of Directors of the Company.

Regulatory framework, focused on maintaining controls on domestic businesses but even inadvertently creating more favorable regulatory environment for global entities operating in India is a matter of concern. We actively participate in dialogue in industry bodies and with regulators to point these out and to recommend appropriate changes.

4) RISK MANGEMENT:

For Arrowhead Seperation Engineering Limited, an effective risk management policy lies at the core of our business philosophy. Arrowhead Seperation Engineering Limited is exposed to various risks and uncertainties in the normal course of our business.

Arrowhead Seperation Engineering Limited, risk management strategy has product modification, research and development, strategies to enhance exports, etc. Multiple products and diverse revenue streams enable the Company to ensure continued offering of customized solutions to suit client needs at all times – good and bad.

5) KEY RATIOS

Ratios	March 31, 2026	March 31, 2025	Change in ratios in %
Current ratio	2.74	2.63	4.00%
Debt- Equity Ratio	0.32	0.32	0.48%
Debt Service Coverage ratio	1.29	2.19	-40.93%
Return on Equity ratio	0.01	0.03	-60.65%
Inventory Turnover ratio	2.09	2.05	1.95%
Trade Receivable Turnover Ratio	2.31	2.11	9.83%
Trade Payable Turnover Ratio	8.75	7.21	21.31%
Net Capital Turnover Ratio	1.30	1.14	14.02%
Net Profit ratio	0.01	0.02	-65.05%
Return on Capital Employed	0.04	0.07	-37.96%
Return on Investment	0.05	0.12	-59.12%

REASONS FOR MORE THAN 25% VARIANCE

RATIOS WITH VARIANCE MORE THAN 25%	REASONS FOR VARIANCE
Current ratio	-
Debt- Equity Ratio	-
Debt Service Coverage ratio	Due to increase in equity for debt service as compared to interest and principal repayment of long term borrowing.

RATIOS WITH VARIANCE MORE THAN 25%	REASONS FOR VARIANCE
Return on Equity ratio	Due to decrease in net profits, while increase in Shareholder's Equity issued during the year.
Inventory Turnover ratio	-
Trade Receivable Turnover Ratio	-
Trade Payable Turnover Ratio	-
Net Capital Turnover Ratio	-
Net Profit ratio	Due to decreased in profit margins resulting negative effect of net profits over the years.
Return on Capital Employed	With the increase in profit before interest and tax , there is simultaneous increase in capital in business.
Return on Investment	Fall in return on investment is due to increase in deposit as an investment towards end of period.

6) HUMAN RESOURCES:

Arrowhead Seperation Engineering Limited is part of a dynamic and progressive group that actively fosters a challenging work environment and encourages Entrepreneurship. With trust being the critical part of our business belief, we lay a strong emphasis on integrity, teamwork, innovation, performance and partnership. Our professional staff with diverse backgrounds brings varied talent, knowledge and experience to the Group, helping our businesses to remain competitive, achieve greater success and newer milestones. Our management team and board of directors are resolved to do what, we believe, is best for our shareholders, clients and associates.

At Arrowhead Seperation Engineering Limited, we recruit for skill, experience, right attitude, commitment and diversity. However, the one common trait that runs through the DNA of every employee is entrepreneurship. We encourage our employees to act as owners, partners and managers of their individual functions while providing a conducive environment for them to be creative and productive.

7) OUTLOOK:

The Company's new initiatives remain at an early stage, and FY 2025-26 marks a continuing step in its transition toward higher value-add, technology-enabled process equipment solutions. Management intends to leverage its relationships with customers across the chemicals, pharmaceuticals and food-processing sectors to capture the growing domestic and export opportunity in continuous drying and cooling systems, supported by favourable policy tailwinds under the National Manufacturing Mission and continuing PLI-linked capital expenditure in user industries.

8) DETAILS OF CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR

Particulars	March 31, 2026	March 31, 2025	% Change
Return on Net Worth (Return on Equity)	0.01	0.03	(60.65)%

Detailed Explanation:

- Return on Net Worth (RoNW) declined from 0.03 (3%) in FY 2024-25 to 0.01 (1%) in FY 2025-26, registering a decrease of 60.65% over the previous financial year, which is in excess of the 25% variance threshold prescribed for explanation.
- The decline is primarily attributable to a decrease in Net Profit for the year, which fell to ₹16.57 Lakhs in FY 2025-26 from ₹41.37 Lakhs in FY 2024-25, on account of a sharper rise in total expenditure relative to total income.
- Simultaneously, the Shareholder's Equity (Net Worth) of the Company increased during the year under review, further diluting the return generated per unit of equity and contributing to the fall in the ratio.
- Accordingly, the reduction in RoNW reflects a combination of moderated profitability and an enlarged equity base during FY 2025-26, rather than any adverse change in the Company's underlying business operations.

9) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

- The Total Income of the Company stood at ₹2,335.81 Lakhs for the year ended March 31, 2026, as against ₹2,046.50 Lakhs in the previous year, reflecting an increase of 14.14%, driven by the Company's operational growth during the year.
- Total expenditure, however, rose at a faster pace of 17.22% to ₹2,302.62 Lakhs, outstripping the growth in income and compressing operating margins for the year.
- As a result, Profit before Depreciation and Tax declined to ₹33.19 Lakhs in FY 2025-26 from ₹82.08 Lakhs in FY 2024-25, indicating that cost pressures outpaced the growth in operational income.
- Depreciation charge increased to ₹6.21 Lakhs from ₹2.74 Lakhs, reflecting capital expenditure undertaken to support operations, which further impacted Profit before Tax, bringing it down to ₹26.98 Lakhs from ₹79.34 Lakhs in the previous year.
- Consequently, Net Profit after Tax stood at ₹16.57 Lakhs for FY 2025-26, as against ₹41.37 Lakhs in FY 2024-25, with Basic and Diluted Earnings Per Share moderating to ₹0.89 from ₹2.21 in the previous year.
- Despite the moderation in financial performance, the Company's operational fundamentals remained stable — Inventory Turnover improved to 2.09 from 2.05, Trade Receivable Turnover improved to 2.31 from 2.11, and Net Capital Turnover improved to 1.30 from 1.14, indicating better working capital efficiency during the year.
- The divergence between improving operational efficiency ratios and declining bottom-line financial results underscores that the profitability pressure during the year stemmed mainly from cost escalation and interest/finance-related outflows, rather than from a slowdown in core operating activity.

- Going forward, management continues to focus on cost optimisation and margin protection while leveraging the underlying operational momentum — reflected in higher revenue and improved turnover ratios — to restore profitability in line with the Company's growth trajectory.

10) SAFE HARBOUR:

This document contains statements about expected future events, financial and operating results of the businesses, which are forward-looking. By their nature, forward-looking statements require the businesses to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirely by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Arrowhead Seperation Engineering Limited's Annual Report, FY 2025-26

Annexure – IV

Annexures to Board's Report (Contd).

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of,
Arrowhead Seperation Engineering Limited
Survey No. 39, Village Mundhegaon,
Tal. Igatpuri, Nasik 422403.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Arrowhead Seperation Engineering Limited** having CIN: U74210MH1991PLC062643 hereinafter referred to as the "Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	Jyoti Vijay Mundle	01744211	25/07/1991
2.	Ajit Shankar Mundle	01745577	25/07/1991
3.	Mayuri Bipinbhai Rupareliya	09696908	18/11/2022
4.	Nikhil Malpani	09816032	29/05/2023
5.	Priyanka Moondra Rathi	09485101	29/05/2023

[*]Notes:

Dates of Appointment of Directors as stated above are based on information appearing on the MCA portal.

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

FOR JNG & CO. LLP
Company Secretaries

Sd/-

Darshana Mitul Narsana
Partner
ACS No.70970
COP No. 27604

Place: Mumbai
Date: 24th August, 2026
UDIN: A070970H001203673
Peer Review No.: 6167/2024
FRN: L2024MH017500

INDEPENDENT AUDITOR'S REPORT

To Members Of

Arrowhead Seperation Engineering Limited

Report on the Accounting Standards (AS) Financial Statements

Opinion

We have audited the accompanying financial statements of Arrowhead Seperation Engineering Limited, which comprise the Balance Sheet as at 31st March, 2026, and the Statement of Profit and Loss and Cash Flow Statement and the statement of Changes in Equity for the period ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view inconformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

There are no Key Audit Matters Reportable as per SA 701 issued by ICAI.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility

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 standalone financial statements.

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

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 section 143(11) of the Act, we give in "Annexure A", a statement on the matter specified in the paragraph 3 and 4 of the Order.

2. As required under provisions of section 143(3) of the Companies Act, 2013, we report that:

a. We have obtained all the information and explanations which to the best of our knowledge and belief where necessary for the purposes of our audit;

In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

The Balance Sheet and Statement of Profit and Loss including Statement of Cash Flow and Statement of Changes of Equity dealt with this report are in agreement with the books of account;

In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Ind AS specified in section 133 of the Act, read with relevant rule issued thereunder.

On the basis of written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of section 164(2) of the Act.

With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, referred to our separate report in "Annexure B".

With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

• The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - Refer Note (vii) of Annexure - A to the standalone financial statements

• The Company did not have any long-term and derivative contracts as at March 31,2026.

• There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31,2026,

• The management has;

represented that, to the best of its knowledge and belief as disclosed in Note to the Financial Statements, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

• directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

• Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(i) represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

• directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

• provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(ii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) (i) and (d) (ii) contain any material mis-statement.

(e) The company has not neither declared nor paid any dividend during the year under Section 123 of the Act.

(f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, The Company has used accounting software 'Tally Prime System' for maintaining its books of account which has a feature of recording audit trail facility and the same has not been operated throughout the period for all transactions recorded in the software and the hence we are unable to comment on audit trail feature of the said software .

For B.B Gusani & Associates
Chartered Accountant

Sd/-

Bhargav Gusani
Proprietor
Mem No: 120710
FRN : 140785W
DATE : 26/05/2026
Place: Jamnagar
UDIN : 26120710KSMEQV2604

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT OF ARROWHEAD SEPERATION ENGINEERING LIMITED, FOR THE YEAR ENDED 31st MARCH 2026

(i) Property, Plant & Equipment and Intangible Assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

• The Company has maintained proper records showing full particulars of intangible assets.

• Property, Plant and Equipment have been physically verified by the management at reasonable intervals; Any material discrepancies were noticed on such verification and if so, the same have been properly dealt with in the books of account.

• According to the information and explanation given to us the title deeds of all the immovable properties. (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company.

• The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

• No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

f) Inventory and working capital:

a) The stock of inventory has been physically verified during the year by the Management at reasonable intervals, except stock lying with third parties. Confirmations of such stocks with third parties have been obtained by the Company in most of the cases. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Hence, reporting under clause 3 (ii) (b) of the order is not applicable.

(iii) Investments, any guarantee or security or advances or loans given:

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 made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.

1. The Company has provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year.

a. Based on audit procedure carried on by us and as per the information and explanation given to us, the company has not granted any loans to subsidiaries.

b. Based on audit procedure carried on by us and as per the information and explanation given to us, the company has granted loans to a party other than subsidiaries.

2. In our opinion, the company has not made any investments, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

3. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per stipulation.

4. In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

5. No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

6. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(6) is not applicable.

(iv) Loan to directors:

a) According to the information and explanations given to us and on the basis of our examination of the records. the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

(v) Deposits:

a) The company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any relevant provisions of the 2013 act and the rules framed there under to the extent notified.

(vi) Maintenance of Cost Records:

a) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/ or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

(vii) Statutory Dues:

a) The company is regular in depositing with appropriate authorities. There is no undisputed statutory dues including Provident Fund, Employees' State Insurance, and Income Tax, Duty of Customs, GST, Cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.03.26 for a period of more than six months from the date they became payable except dues which are as follows:

b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, GST, excise duty and cess which have not been deposited on account of any dispute.

Name of the status	Nature of Dues	Amount (In Lacs)	Period to which the amount relates	Forum where dispute is pending
TDS	TDS	0.01	2025-26	TRACES
TDS	TDS	1.05	2020-21	TRACES
TDS	TDS	0.47	2015-16	TRACES
TDS	TDS	0.45	2014-15	TRACES
TDS	TDS	0.36	2013-14	TRACES

Name of the status	Nature of Dues	Amount (In Lacs)	Period to which the amount relates	Forum where dispute is pending
TDS	TDS	0.48	2011-12	TRACES
TDS	TDS	0.53	2010-11	TRACES
TDS	TDS	0.27	2009-10	TRACES
TDS	TDS	0.56	2008-09	TRACES
TDS	TDS	0.73	2007-08	TRACES
GST	GST	0.09	2019-20	GST Department
INCOME TAX ACT, 1961	INCOME TAX	8.95	AY 2008-09	Central Processing Center
INCOME TAX ACT, 1961	INCOME TAX	13.68	AY 2009-10	Central Processing Center
INCOME TAX ACT, 1961	INCOME TAX	0.85	AY 2018-19	Central Processing Center
INCOME TAX ACT, 1961	INCOME TAX	3.45	AY 2019-20	Central Processing Center
INCOME TAX ACT, 1961	INCOME TAX	2.12	AY 2009-10	Central Processing Center
INCOME TAX ACT, 1961	INCOME TAX	12.93	AY 2010-11	Central Processing Center
INCOME TAX ACT, 1961	INCOME TAX	5.62	AY 2013-14	Central Processing Center
INCOME TAX ACT, 1961	INCOME TAX	0.34	AY 2012-13	Central Processing Center

(viii) Disclosure of Undisclosed Transactions:

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

(ix) Loans or Other Borrowings:

a) Based on our audit procedures and according to the information and explanations given to us, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) Money Raised by IPOs, FPOs:

a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) Fraud:

a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company or no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit an and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

(xii) Nidhi Company:

a) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) Related Party Transactions:

a) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) Internal Audit System:

a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) Non-cash Transactions:

a) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) Registration under section 45-IA of RBI Act, 1934:

a) In our opinion, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) Cash losses:

a) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) Resignation of statutory auditors:

a) There has been NO resignation of the statutory auditors during the year due to casual vacancy of previous auditor and there were no issues objections or concerns raised by outgoing auditor.

(xix) Material uncertainty on meeting liabilities

a) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(XX) Compliance of CSR:

a) According to the information and explanations given to us and based on our examination of the records of the company, the company has not required to spent amount towards Corporate Social Responsibility (CSR) as per the section 135 of companies' act, 2013, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

For B.B Gusani & Associates
Chartered Accountant

Sd/-

Bhargav Gusani
Proprietor
Mem No: 120710
FRN : 140785W
DATE : 26/05/2026
Place: Jamnagar
UDIN : 26120710KSMEQV2604

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT OF ARROWHEAD SEPERATION ENGINEERING LIMITED, FOR THE YEAR ENDED 31st 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 Arrowhead Seperation Engineering Limited, ('the Company') as of 31t March, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Opinion

We have audited the internal financial control with reference to financial statement of Arrowhead Seperation Engineering Limited, ('The Company") as of 31st March 2026 in conjunction with our audit of the financial statement of the company at and for the year ended on that date.

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

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the 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 ICAI.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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.

For B.B Gusani & Associates
Chartered Accountant

Sd/-

Bhargav B. Gusani
Proprietor
Mem No: 120710
FRN : 140785W
DATE : 26/05/2026
Place: Jamnagar
UDIN : 26120710KSMEQV2604

ARROWHEAD SEPERATION ENGINEERING LIMITED

CIN: U74210MH1991PLC062643

Balance Sheet as at March 31, 2026

(Rs. In Lakhs)

		Particulars	Refer Note No.	As at March 31, 2026	As at March 31, 2025
I.		**EQUITY AND LIABILITIES**			
1		**Shareholders' funds**			
	(a)	Share Capital	3	187.13	187.13
	(b)	Reserves and surplus	4	1,487.57	1,471.00
	(c)	Money received against share warrants			
2		**Share application money pending allotment**		-	-
3		**Non-current liabilities**			
	(a)	Non-current borrowings	5	93.62	91.64
	(b)	Long-term provisions	6	81.03	88.78
4		**Current liabilities**			
	(a)	Short-term borrowings	7	446.23	440.34
	(b)	Trade payables			
		total outstanding dues of micro enterprises and small enterprises	8	180.94	174.80
		total outstanding dues of creditors other than micro enterprises and small enterprises		114.88	217.81
	(c)	Other current liabilities	9	213.92	178.34
	(d)	Short-term provisions	10	72.21	77.85
		TOTAL		**2,877.53**	**2,927.69**
II.		**ASSETS**			
1		**Non-current assets**			
	(a)	Property Plant & equipment & Intangible assets	11	45.08	35.03
	(b)	Non-current investments		-	-
	(c)	Deferred tax assets (net)	12	3.43	3.01
	(d)	Long-term loans and advances	13	13.85	22.37
2		**Current assets**			
	(a)	Current Investments	19	8.00	84.45
	(b)	Inventories	14	1,189.52	1,007.05
	(c)	Trade receivables	15	856.12	1,156.25
	(d)	Cash and cash equivalents	16	168.07	159.26
	(e)	Short-term loans and advances	17	593.46	457.12
	(f)	Other current assets	18	-	3.15
		TOTAL		**2,877.53**	**2,927.69**

Accounting Policies & Notes to Accounts form an integral part of Financial Statements

As per our report of even date
For and on behalf of

B.B Gusani & Associates
Chartered Accountants
FRN:140785W

Bhargav Gusani
Proprietor
Membership No: 120710
FRN : 140785W
Date : 26/05/2026
Place : Jamnagar
UDIN : 26120710KSMEQV2604

For and on behalf of Board of Directors
ARROWHEAD SEPERATION ENGINEERING LTD
CIN: U74210MH1991PLC062643

Sd/-	Sd/-
Ajit Mundle	Jyoti Mundle
Managing Director	**Whole Time Director**
DIN: 01745577	DIN: 01744211
Date: 23/05/2025	Date: 23/05/2025
Place: Nashik	Place: Nashik
Sd/-	Sd/-
Sitaram S Kavar	Radhika Bhootra
Chief Financial Officer	**Company Secretary**
PAN:ADQPK1825Q	PAN: DAXPB9451C
Date: 23/05/2025	Date: 23/05/2025
Place: Nashik	Place: Nashik

ARROWHEAD SEPERATION ENGINEERING LIMITED

CIN: U74210MH1991PLC062643

Statement of Profit and Loss Account for the period 01-04-2025 to 31-03-2026

(Rs. In Lakhs)

	Particulars	Refer Note No.	For the period ended March 31, 2026	For the period ended March 31, 2025
	Revenue:			
I.	Revenue from operations	20	2,328.34	2,031.92
II.	Other income	21	7.47	14.58
III.	**Total Income (I + II)**		**2,335.81**	**2,046.50**
IV.	**Expenses:**			
	Cost of materials consumed	22	1,941.09	1,404.02
	Changes in inventories	23	(212.23)	8.03
	Employee benefits expense	24	350.38	303.28
	Finance costs	25	48.79	42.12
	Depreciation and amortization expense	26	6.21	2.74
	Other expenses	27	170.97	166.09
	Prior period Expenses	28	3.62	40.88
	Total expenses		**2,308.83**	**1,967.16**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		26.99	79.34
VI.	Exceptional Items		-	-
VII.	**Profit before extraordinary items and tax (V - VI)**		26.99	79.34
VIII.	Extraordinary Items			
IX.	**Profit before tax (VII- VIII)**		**26.99**	**79.34**
X.	Tax expense:			
	(1) Current tax		10.84	23.53
	(2) Deferred tax		(0.42)	(0.14)
	(3) Short Provision of Last Year		-	14.57
XI.	**Profit (Loss) for the period (XI + XIV)**		**16.57**	**41.38**
XII	Earnings per equity share:			
	(1) Basic	29	**0.89**	**2.21**
	(2) Diluted	29	**0.89**	**2.21**

Accounting Policies & Notes to Accounts form an integral part of Financial Statements

As per our report of even date
For and on behalf of
B.B Gusani & Associates
Chartered Accountants

Bhargav Gusani
Proprietor
Membership No: 120710
FRN : 140785W
Date : 26/05/2026
Place : Jamnagar
UDIN : 26120710KSMEQV2604

For and on behalf of Board of Directors
ARROWHEAD SEPERATION ENGINEERING LTD
CIN: U74210MH1991PLC062643

Sd/-	Sd/-
Ajit Mundle	Jyoti Mundle
Managing Director	**Whole Time Director**
DIN: 01745577	DIN: 01744211
Date: 23/05/2025	Date: 23/05/2025
Place: Nashik	Place: Nashik
Sd/-	Sd/-
Sitaram S Kavar	Radhika Bhootra
Chief Financial Officer	**Company Secretary**
PAN:ADQPK1825Q	PAN: DAXPB9451C
Date: 23/05/2025	Date: 23/05/2025
Place: Nashik	Place: Nashik

ARROWHEAD SEPERATION ENGINEERING LIMITED

CIN: U74210MH1991PLC062643

Cash Flow Statement for the year ended March 31, 2026

(Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash flow from Operating Activities		
Profit Before Tax	26.99	79.34
Adjustments:		
Depreciation & Amortisations	6.21	2.74
Interest income	(7.47)	(14.58)
Finance cost	48.79	42.12
Change in gratuity provision	10.46	(6.92)
Adjustment for changes in working capital		
Trade Receivables	300.13	(383.68)
Inventories	(182.47)	(63.54)
Short term loans & Advances	(136.34)	(66.71)
Trade Payables	(96.79)	117.57
Other Liabilities	32.31	(76.25)
other current assets	3.15	(3.15)
Provisions	(5.64)	21.36
Adjustments for change in other assets & liabilities		
Long-term loans and advances	8.52	5.98
Less: Tax paid	(20.95)	(38.11)
Net Cash From Operating Activities (A)	**(13.11)**	**(383.81)**
Cash flow from Investing Activities		
Proceeds from sale/purchase of Fixed Assets	(17.31)	(9.10)
Movements in Investments	76.45	(84.45)
Net Cash From Investing Activities (B)	**59.13**	**(93.55)**

Cash flow from Financing Activities		
Payment of Long Term Borrowing	1.97	(13.99)
Repayment of Short Term Borrowing	5.90	366.74
Proceeds from issue of shares through IPO	-	-
Finance cost	(48.79)	(42.12)
Interest income	3.70	14.58
Net Cash From Financing Activities - (C)	**(37.22)**	**325.22**
Net Increase/ (Decrease) in Cash & Cash equivalents (A+B+C)	**8.80**	**(152.14)**
Cash & Cash equivalent at beginning of the year (D)	**159.26**	**311.40**
Cash & Cash equivalent at end of the year (A+B+C+D)	**168.07**	**159.26**

As per our report of even date
For and on behalf of
B.B Gusani & Associates
Chartered Accountants

Bhargav Gusani
Proprietor
Membership No: 120710
FRN : 140785W
Date : 26/05/2026
Place : Jamnagar
UDIN : 26120710KSMEQV2604

For and on behalf of Board of Directors
ARROWHEAD SEPERATION ENGINEERING LTD
CIN: U74210MH1991PLC062643

Sd/-	Sd/-
Ajit Mundle	Jyoti Mundle
Managing Director	**Whole Time Director**
DIN: 01745577	DIN: 01744211
Date: 23/05/2025	Date: 23/05/2025
Place: Nashik	Place: Nashik
Sd/-	Sd/-
Sitaram S Kavar	Radhika Bhootra
Chief Financial Officer	**Company Secretary**
PAN:ADQPK1825Q	PAN: DAXPB9451C
Date: 23/05/2025	Date: 23/05/2025
Place: Nashik	Place: Nashik

ARROWHEAD SEPERATION ENGINEERING LIMITED
CIN: U74210MH1991PLC062643

Note 3: Equity Share Capital

(Rs. In Lakhs)

Share Capital	As on 31.03.26		As on 31.03.25	
	No. of Shares held	Amount	No. of Shares held	Amount
Authorised share capital 1,00,000 equity shares of Rs 100 each Add: 1,00,000 equity shares of Rs 100 each Sub division of share nominal value to 10	2,000,000	200.00	2,000,000	200.00
20,00,000 equity shares of 10 each	**2,000,000**	**200**	**2,000,000**	**200**
Issued , Subscribed & Paid up 18,71,32 5equity shares of Rs 100each Sub division of share nominal value to 10 (8,08,200 shares of Rs. 10 each) Bonus Shares Issued Share issued through Initial Public Offer (IPO)	1,871,325	187.13	1,871,325	187.13
18,71,325 shares of Rs 10each	**1,871,325**	**187.13**	**1,871,325**	**187.13**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period (Rs. In Lakhs)

Particulars	As on 31.03.26		As on 31.03.25	
	No. of Shares held	Amount	No. of Shares held	Amount
Shares outstanding at the beginning of the year	1,871,325	187.13	1,871,325	187.13
Shares sub divided from 100 to 10	-	-	-	-
Bonus Shares issued during the year (*)	-	-	-	-
Share issued through Initial Public Offer (IPO)				
Shares Outstanding at the end of the period	**1,871,325**	**187.13**	**1,871,325**	**187.13**

Shares in the company held by each shareholder holding more than 5 percent shares (Rs. In Lakhs)

Name of Shareholder	As on 31.03.26		As on 31.03.25	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr Ajit Mundle	188,175	10.06%	188,175	10.06%
Mrs Anjani Ajit Mundle	232,375	12.42%	232,375	12.42%
Mrs Jyoti Mundle	219,863	11.75%	219,863	11.75%
Mr Shreenath Chaturvedi	124,670	6.66%	124,670	6.66%
Bhavna Vassa	124,670	6.66%	124,670	6.66%
Amoolya Harshad Vassa	113,750	6.08%	113,750	6.08%
Anupam Harshad Vassa	108,322	5.79%	108,322	5.79%
Total	**1,111,825**	**59.41%**	**1,111,825**	**59.41%**

Details of Shareholding of Promoters:

Name of Promoters	As on 31.03.26		As on 31.03.25	
	No of Shares	% of total Shares	No of Shares	% of total Shares
Mr Ajit Mundle	188,175	10.06%	188,175	10.06%
Mrs Anjani Ajit Mundle	232,375	12.42%	232,375	12.42%
Mrs Jyoti Mundle	219,863	11.75%	219,863	11.75%
	640,413	**34.22%**	**640,413**	**34.22%**

ARROWHEAD SEPERATION ENGINEERING LIMITED

Note 4: Reserves and Surplus

Particulars	As on 31.03.26	As on 31.03.25
Retained Earnings		
Opening balance	340.51	299.14
Profit during the year	16.57	41.38
Less: Bonus Shares Issued	-	-
Closing balance (A)	**357.08**	**340.51**
General reserves		
Opening balance	19.19	19.19
Closing balance (B)	**19.19**	**19.19**
Securities Premium Account		
Opening balance	1,111.30	1,111.30
During the year on issue of shares	-	-
Closing balance (C)	**1,111.30**	**1,111.30**
Total(A+B+C)	**1,487.57**	**1,471.00**

Note 5

Non-Current Borrowings

Particulars	As on 31.03.26	As on 31.03.25
(Secured Loans)		
IDBI Car Loan	16.77	-
Term Loan against property	81.08	95.88
Less: Current Maturities	14.64	14.64
	83.22	**81.24**
(Unsecured Loans)		
Loan from Directors	10.40	10.40
[These loans are interest free and repayable on demand]	**10.40**	**10.40**
Total	**93.62**	**91.64**

Term loans : Exclusive first charge by way of equitable or registered mortgage of the property situated at W-164 , Ttc Industrial Area, Village Pawne, Thane Belapur Road, Navi Mumbai, Thane-400705, Maharashtra.

Note 6

Long-term Provisions

Particulars	As on 31.03.26	As on 31.03.25
Gratuity (Unfunded)	81.03	88.78
Total	**81.03**	**88.78**

Note 7

Short Term Borrowings

Particulars	As on 31.03.26	As on 31.03.25
Secured		
Current Maturities of Long-term borrowings	14.64	14.64
Borrowings from Financial Institutons	395.59	386.30
Total	**410.23**	**400.94**
Unsecured		
Loan from Related Parties	36.00	36.00
Loan from NBFC's	-	3.39
	36.00	**39.39**
Total	**446.23**	**440.34**

Loan from related parties is payable on demand and is interest free.

Our Company has availed unsecured loan from NBFC's aggregating to Rs 339.27 lakhs with and interest charge odf 17% being repaid on EMI Basis month on month.

Note 8
Trade Payables

Particulars	As on 31.03.26	As on 31.03.25
Total outstanding dues of MSME creditors	180.94	174.80
Other creditors	114.88	217.81
Total	**295.82**	**392.61**

Ageing for Trade Payables

	As on 31.03.26	As on 31.03.25
MSME Creditors		
Less than 1 year	180.94	132.94
1-2 years	-	28.90
2-3 years	-	2.49
More than 3 years	-	10.48
Creditors other than MSME		
Less than 1 year	108.03	193.85
1-2 years	3.28	16.83
2-3 years	0.85	0.32
More than 3 years	2.72	6.80

Note 9
Other Current Liabilities

Particulars	As on 31.03.26	As on 31.03.25
Statutory Remittances	63.68	84.66
Advance from customers	149.24	91.68
Other expenses payable	1.00	2.00
Total	**213.92**	**178.34**

Note 10
Short Term Provisions

Particulars	As on 31.03.26	As on 31.03.25
Provision for employee benefits	25.01	48.86
Gratuity - Current	47.20	28.99
Total	**72.21**	**77.85**

Note 12
Deffered Tax liabilities/ Assets

Particulars	As on 31.03.26	As on 31.03.25
Opening balance	3.01	2.87
Addition during the year	0.42	0.14
Total	**3.43**	**3.01**

Note 13
Long term Loans & Advances

Particulars	As on 31.03.26	As on 31.03.25
a) Security Deposits	4.16	16.97
b) Loans and Advances to employees	9.69	5.40
Total	**13.85**	**22.37**

Note 14
Inventories

Particulars	As on 31.03.26	As on 31.03.25
a. Raw Materials and components	205.21	234.97
b. Work-in-progress	984.31	772.07
Total	**1,189.52**	**1,007.05**

Note 15

Trade Receivables

Particulars	As on 31.03.25	As on 31.03.25
Unsecured, considered good	856.12	1,156.25
Total	**856.12**	**1,156.25**

Ageing for Trade Receivables

Unsecured Considered good	As on 31.03.25	As on 31.03.25
Less than 6 months	362.05	646.62
6 months to 1 year	182.90	102.16
1-2 years	89.84	141.79
2-3 years	14.08	67.06
More than 3 years	207.25	198.62

Note 16

Cash and cash equivalents

Particulars	As on 31.03.25	As on 31.03.25
Balances with banks :		
- Current accounts	92.54	107.96
-Deposit Account (More than 12m maturity)	69.13	39.82
Cash in hand	6.40	11.48
Total	**168.07**	**159.26**

Note 17

Short-term loans and advances

Particulars	As on 31.03.25	As on 31.03.25
(Unsecured , Considered Good)		
Balance with government Authorities	34.08	21.34
Advance to supplier for material	557.51	434.50
Advance to employees	0.40	0.21
Prepaid Insurance	1.47	1.07
Total	**593.46**	**457.12**

Note 18

Other Current Assets

Particulars	As on 31.03.25	As on 31.03.25
Accrued Interest	-	3.15
Total	**-**	**3.15**

Note 19

Current Investments

Particulars	As on 31.03.25	As on 31.03.25
Demat account- Bond	-	81.45
LIC	8.00	3.00
Total	**8.00**	**84.45**

ARROWHEAD SEPERATION ENGINEERING LIMITED

Note 20
Revenue from operations

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Sale of products		
Local Sales	2,300.28	1,984.44
Export Sales	-	19.18
Sale of services	28.06	28.30
Total	**2,328.34**	**2,031.92**

Note 21
Other income

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Interest Income	3.70	14.58
Profit on sale of Car	2.74	-
Misc. Income	1.03	-
Total	**7.47**	**14.58**

Note 22
Cost of materials consumed

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Opening Stock :-	234.97	163.41
Add :- Purchases	1,556.31	1,268.60
Less :- Closing Stock	205.21	234.97
Total	**1,586.07**	**1,197.04**
Other manufacturing expenses		
Power and Fuel	22.40	19.31
Sub contracting charges	267.14	152.55
Repair & Maintenanace-Machinery	5.65	-
Freight and forwarding	56.02	32.72
Testing Charges	3.81	2.41
Total Direct Expenses	**355.02**	**206.98**
Total	**1,941.09**	**1,404.02**

Note 23
Changes in inventories

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Opening Stock :		
Work-in-Process	772.07	780.10
Closing Stock :		
Work-in-Process	984.31	772.07
Total	**(212.23)**	**8.03**

Note 24
Employee Benefits Expense

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Salaries and Wages	238.43	231.61
Director Remuneration	32.33	26.33
Gratuity Expenses	14.42	13.10
Contribution to Provident Fund	10.71	10.30
Contribution to ESIC	1.56	0.98
Bonus	27.80	14.59
Leave Encashment and OT to Workers	16.60	-
Staff and Labour welfare expense(incl insurance)	8.54	6.38
Total	**350.38**	**303.28**

Note 25
Finance costs

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Bank Interest on borrowings	28.45	18.90
Interest paid to others	11.48	15.80
Loan processing fees and commisions	8.86	7.41
Total	**48.79**	**42.12**

NOTE 26
DEPRECIATION

Particulars	31-Mar-25	31-Mar-25
DEPRECIATION AND AMORTIZATION	6.21	2.74
TOTAL	**6.21**	**2.74**

Note 27
Other Expenses

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Audit fees (Refer note below)	1.00	1.00
Advertising Expenses	1.61	2.32
Director Remuneration - (Independant Director's)	1.80	1.80
Bad Debts	-	10.62
Bank Charges	-	1.94
Communication expenses	-	1.02
Computer expense	0.02	0.03
Consultancy Expense	3.75	-
Conveyance Expense	3.84	-
Courier & postage	0.54	0.66
Donation Expense		0.50
GST RCM	-	0.81
Hire Charges & Maintenance - Vehicles	24.35	16.89
Insurance expense	5.59	1.75
Interest on TDS	7.86	-
Late fees on GST Filing	0.01	-
Legal and Professional	18.34	41.11
Miscelleneous expense	1.80	0.24
Printing & stationery expense	1.38	1.10
Petrol expense	-	2.72
Property Tax	1.37	-
Rent	24.00	24.00
Repairs and maintenance- Others	4.58	11.22
Research and Development expense	0.17	0.13
ROC, Legal Filing fees & charges	1.51	0.59
Sales Commission	9.67	8.86
Security Charges	34.00	19.85
Telephone Expense	1.01	-
Travelling and conveyance	20.92	15.48
Water	1.87	1.46
Total	**170.97**	**166.09**

Payment to auditors	For the period ended March 31, 2026	For the period ended March 31, 2025
Audit fees	1.00	1.00
Total	**1.00**	**1.00**

Note 28
Prior period Expenses

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
VAT/GST payment	3.62	-
Salaries & Wages	-	-
PF Dues and Penalties for previous years	-	40.88
Total	**3.62**	**40.88**

Note 29

Earnings per share

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Profits attributable to the equity holders of the Company	16.57	41.38
Weighted average number of equity shares (no's)	1,871,325	1,871,325
Earnings per share (basic)	0.89	2.21
Earnings per share (diluted)	0.89	2.21
Face value per equity share (Rs.)	10.00	10.00

NOTE : 30

a) **Related Parties**

Name of Parties	Relations
Mr Ajit S Mundle	Managing Director
Mrs Jyoti V Mundle	Whole-time Director
Mr Sitaram Sakharam Kavar	Chief Financial Officer
Ms Radhika Bhootra	Company secretary
Mayuri Rupareliya	Director
Nikhil Malpani	Director
Priyanka Moondra Rathi	Director
M/s Transfer System	Enterprises over which KMP is able to exercise significant influence.

b) **Particulars of transactions with related party**

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Mr Ajit S Mundle		
Director Remmuneration	2,216,400.00	1,616,400.00
Mrs Jyoti V Mundle		
Director Remmuneration	10.16	10.16
Nikhil Malpani		
Director Remmuneration	0.60	0.60
Priyanka Rathi		
Director Remmuneration	0.60	0.60
Mayuri Rupareliya		
Director Remmuneration	0.60	0.60
M/S Transfer Systems		
Outside Processing Charges	89.19	134.90
Profession & Consultancy Fees paid		
Rent paid	28.32	24.00
Sales	-	53.56
Loan Paid	-	9.00

c) **Related parties balances**

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Outstanding Balances		
Mr Ajit S Mundle	7.50	7.50
Mrs Jyoti V Mundle	2.90	2.90
M/S transfer Systems --sundry creditors	44.97	28.37
M/S transfer Systems --Loan A/c	36.00	36.00

Note 31

Commitments and Contingent liabilities

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Bank Guarantee outstanding as on	55.28	86.05

Note 32

Income & Expenditure in Foreign Currency

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
I) Export in F.O.B Basis	-	19.18

Note 33

Ratio Analysis

Ratios	March 31, 2026	March 31, 2025
Current ratio	2.74	2.63
Debt- Equity Ratio	0.32	0.32
Debt Service Coverage ratio	1.29	2.19
Return on Equity ratio	0.01	0.03
Inventory Turnover ratio	2.09	2.05
Trade Receivable Turnover Ratio	2.31	2.11
Trade Payable Turnover Ratio	8.75	7.21
Net Capital Turnover Ratio	1.30	1.14
Net Profit ratio	0.01	0.02
Return on Capital Employed	0.04	0.07
Return on Investment	0.05	0.12

Ratios	Percentage change from 2025 TO 2026	Percentage change from 2024 TO 2025
Current ratio	4.00%	-31.33%
Reason: Increase in current liability negative effect on ratio.		
Debt- Equity Ratio	0.48%	189.42%
Reason: Increased in equity during the year positive effect on ratio.		
Debt Service Coverage ratio	-40.93%	-43.30%
Reason: increase in equity for debt service as compared to interest and principal repayment of long term borrowing.		
Return on Equity ratio	-60.65%	-89.97%
Reason : Decrease in net profits , while increase in Shareholder's Equity issued during the year.		
Inventory Turnover ratio	1.95%	-60.37%
Trade Receivable Turnover Ratio	9.83%	-67.09%
Reason : Decrease in revenue from operation and increased average debtors.		
Trade Payable Turnover Ratio	21.31%	-99.90%
Net Capital Turnover Ratio	14.02%	-17.53%
Net Profit ratio	-65.05%	-75.23%
Reason : Decreased in profit margins resulting negative effect of net profits over the years.		
Return on Capital Employed	-37.96%	-65.57%
Reason: With the increase in profit before interest and tax , there is simultaneous increase in capital in business.		
Return on Investment	-59.12%	562.41%
Reason: Fall in return on investment is due to increase in deposit as an investment towards end of period.		

Note: The company shall provide a commentary explaining any change (whether positive or negative) in the ratio by more than 25% compared to the ratio of preceding year.

As per our report of even date
For and on behalf of
B.B Gusani & Associates
Chartered Accountants
FRN 140785W

Bhargav Gusani
Proprietor
Membership No: 120710
Date : 26/05/2026
Place : Jamnagar
UDIN : 26120710KSMEQV2604

For and on behalf of Board of Directors
ARROWHEAD SEPERATION ENGINEERING LTD
CIN: U74210MH1991PLC062643

Sd/-	Sd/-
Ajit Mundle	Jyoti Mundle
Managing Director	**Whole Time Director**
DIN: 01745577	DIN: 01744211
Date: 23/05/2025	Date: 23/05/2025
Place: Nashik	Place: Nashik
Sd/-	Sd/-
Sitaram S Kavar	Radhika Bhootra
Chief Financial Officer	**Company Secretary**
PAN:ADQPK1825Q	PAN: DAXPB9451C
Date: 23/05/2025	Date: 23/05/2025
Place: Nashik	Place: Nashik

Note 11

Property Plant & Equipments (Rs. In Lakhs)

Particulars	Gross Block				Accumulated Depreciation			Net Block	
	As on 01.04.2025	Additions	Deletion	As on 31.03.2026	As on 01.04.2025	Additions	As on 31.03.2026	As on 31.03.2026	As on 31.03.2025
A) Tangible Assets								-	
Land	6.65	-	-	6.65	-	-	-	6.65	6.65
Factory Building	79.86	-	-	79.86	64.04	0.77	64.81	15.05	15.82
Plant and machinery	80.68	-	-	80.68	79.16	0.27	79.43	1.24	1.52
Furniture and fixtures	9.25	-	-	9.25	9.13	0.03	9.16	0.09	0.12
Office equipments	23.01	0.40	-	23.41	23.01	0.10	23.11	0.30	-
Computer	16.10	2.51	-	18.61	15.53	1.68	17.21	1.41	0.58
Vehicles	13.03	-	1.06	11.97	11.78	0.20	11.97	0.00	1.25
Vehicles (New)	-	14.40	-	14.40	-	2.25	2.25	12.15	-
B) Intangible Assets									
Software	39.27	-	-	39.27	30.17	0.91	31.08	8.19	9.10
TOTAL	**267.84**	**17.31**	**1.06**	**284.09**	**232.80**	**6.21**	**239.01**	**45.08**	**35.03**