HIGHNESS™

One of a kind

ANNUAL REPORT

FY 2025-26

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Message From The Managing Director

Dear Shareholders,

It is both a privilege and a responsibility to address you at the close of what has been a defining year for Highness Microelectronics Limited. As I reflect on our journey — from the early days of building capabilities to our present position as a BSE SME-listed precision electronics manufacturer — I am deeply proud of what our team has achieved, and equally energised by the road ahead.

A Year of Growth and Resilience

The financial year under review demonstrated the strength of our diversified business model. We continued to deepen our presence across our four core segments — Defence, Railways & Transportation, Healthcare, and Industrial — delivering precision-engineered products that meet the stringent quality and reliability standards these sectors demand. Our revenue trajectory reflects sustained operational discipline, and I am pleased to report meaningful improvement in profitability, with Profit After Tax recording robust growth year-on-year.

Our core product lines — Ticket Vending Machines, Dynamic Route Map Displays, Passenger Information Systems, and ruggedised industrial and medical displays — continued to find strong traction with government agencies and institutional clients. We remain committed to maintaining the highest standards of product quality and after-sales service that our customers have come to rely upon.

Investing in the Future : The Goa Greenfield Facility

The most significant milestone of this financial year is the commencement of our greenfield manufacturing facility at the Electronics Manufacturing Cluster, Tuem, Pernem, Goa. This facility represents a transformative investment in HML's future — expanding our production capacity, strengthening our supply chain, and positioning us to pursue larger and more complex orders from marquee customers across our target segments. The Goa facility will serve as a platform for scaling our operations responsibly and sustainably, in alignment with the Government of India's Make in India and PLI scheme objectives.

Strategic Direction : Technology, Indigenisation, and Market Expansion

India's defence modernisation drive, the rapid expansion of metro and suburban rail networks, the digital transformation of public healthcare infrastructure, and the growth of smart industrial automation collectively represent a large and growing addressable market for HMPL's products and solutions. We are well-positioned to capitalise on these secular tailwinds through continued investment in R&D, deeper design-to-manufacture capabilities, and an expanded sales and distribution footprint.

We are actively enhancing our Railway & Transportation product portfolio with next-generation IoT-enabled systems capable of real-time passenger information management and fleet monitoring. In Defence, we remain focused on import substitution opportunities and Offset programme participation, aligning our capabilities with the indigenisation mandates of our armed forces. Our Healthcare segment is gaining traction as hospitals and diagnostic centres upgrade their display and information infrastructure to meet the demands of modern patient care.

Corporate Governance and Shareholder Value

We are committed to maintaining the highest standards of transparency, accountability, and governance. As a BSE SME-listed company, we take our obligations to all stakeholders — shareholders, customers, employees, suppliers, and the communities in which we operate — with the utmost seriousness. The Board remains focused on creating sustainable long-term value, and we are acutely aware that the trust you have placed in us must be earned through consistent performance and principled conduct.

Looking Ahead

The year ahead holds considerable promise. With the Goa facility becoming operational, our sales pipeline across Defence and Railways gaining momentum, and our product engineering capabilities deepening, I am confident that HML is on a compelling growth trajectory. We will continue to pursue order wins with discipline, manage our working capital prudently, and invest in the people and processes that underpin our long-term competitive position.

To our shareholders — your confidence and support have been integral to our progress. I assure you that we remain unwavering in our commitment to building Highness Microelectronics Limited into a leading indigenous precision electronics enterprise that delivers enduring value for all its stakeholders.

With warm regards and gratitude,

Mr. Gaurav Kejriwal
Managing Director
Highness Microelectronics Limited
Mumbai, India.

ABOUT HIGHNESS

Highness Microelectronics Limited is a vertically integrated electronics company specializing in advanced display and imaging solutions. With 19+ years of experience, it serves Railways, Medical, Industrial and Defence Sectors with in-house designs, manufacturing, testing capabilities. The company is recognized as India's only CDSCO approved manufacturer of medical-grade displays.

Highness Microelectronics Limited was originally incorporated on September 6, 2007 as a private limited company under the name 'Highness Micro Electronics Private Limited', under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai. The Company's name was subsequently changed to 'Highness Microelectronics Private Limited' pursuant to a shareholders' resolution dated February 8, 2008, with a fresh certificate of incorporation issued on March 5, 2008.

In line with its growth trajectory, the Company was converted into a public limited company pursuant to a shareholders' resolution passed at an Extraordinary General Meeting held on August 31, 2024, and was renamed 'Highness Microelectronics Limited' vide a fresh certificate of incorporation dated November 11, 2024, issued by the Registrar of Companies, Central Processing Centre.

Highness Microelectronics Limited is an ISO 9001:2015 and ISO 13485:2016 certified company engaged in the design, development, integration, assembly and manufacture of digital-imaging solutions. The Company's business is organised across two principal categories — 'Off the Shelf Products' and 'Market Specific Solutions / Projects'.

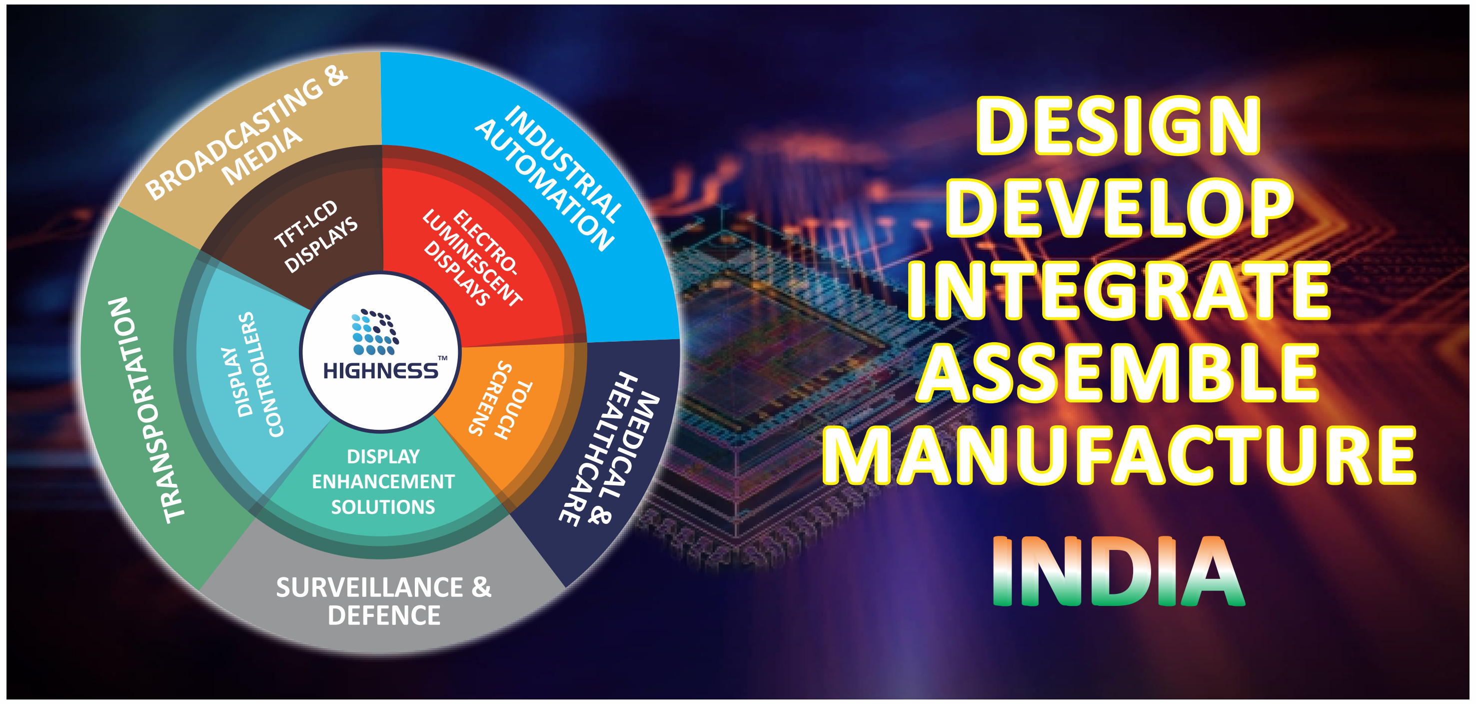
Off the Shelf Products

Under this category, the Company offers Flat Panel Displays, including Thin Film Transistor (TFT) and Liquid Crystal Display (LCD) modules, Display Controllers, Electroluminescent Displays, Vacuum Fluorescent Displays, Touch Screens, Cable Assembly & Harness, Backlight Drivers & Inverters, and Display-Enhancement Solutions.

Through its Display-Enhancement Solutions, the Company undertakes value-addition processes to ruggedize Commercial off the Shelf (COTS) displays. These processes include backlight enhancement for high-brightness, outdoor and direct-sunlight readability; wide-operating-temperature capability for extreme climatic conditions; Electro-Magnetic Interference (EMI) shielding for mission-critical applications; Night Vision Compatibility (NVIS); optical bonding; vandal-proofing and enhanced outdoor visibility; and the addition of cover glass to achieve anti-reflective, anti-glare and anti-fingerprint /smudge properties.

Market Specific Solutions / Projects

This category comprises display monitors in various form factors, including Open-Frame Displays, Panel-Mount Displays, Industrial Grade Displays and Medical Grade Display Monitors. These solutions serve key industry verticals such as Industrial Automation, Medical & Healthcare, Railways (Trains & Metros) and Automobiles, and Defence & Aerospace.



Vision

Enhancing the world around us with Simple, Smart, and Efficient Design and Engineering in Digital Imaging Solutions.

Mission

Minimizing dependencies to strengthen 'Make in India' for both India and the Global Market. Focus on investing in people and research & development for sustainable growth

Values

People driven organisation that encourages innovation and out of the box thinking.

PERFORMANCE HIGHLIGHTS

Particulars	FY24 (Rs in Lacs)	FY25 (Rs in Lacs)	FY26 (Rs in Lacs)
Revenue from Operations	1,070.46	1,407.38	1,611.92
Growth in Revenue (YoY)	-	31.47%	14.53%
EBITDA	596.58	451.88	661.76
EBITDA Margin (%)	55.73%	32.11%	41.05%
Profit before Tax (PBT)	316.22	326.6	534.57
PBT Margin (%)	29.54%	23.21%	33.16%
PAT	177.19	245.82	410.39
PAT Margin (%)	16.55%	17.47%	25.46%
Return on Capital Employed (%)	75.02%	32.89%	15.88%
Return on Equity (%)	82.30%	41.01%	15.11%
Current Ratio	1.84%	2.19%	2.53%
Earning per Share (EPS)	6.80%	7.19%	7.95%

BUSINESS MODEL & SEGMENT

Business Model

Products/Off The Shelf

- TFT-LCD Module
- Display Controllers Board
- Electrolumiscent Displays
- Vaccum Flourcent Displays
- Touch Screens
- Display Enhancement Solutions
- Cables Assembly & Harness
- Backlight Drivers & Inverters

Market Specific Solutions/Project

- Medical & Healthcare
- Railways
- Industrial Automation
- Defence & Aerospace

MILESTONES ACHIEVED OVER THE YEARS

11 — 2026
- TFT Display Manufacturing Expansion & New Production Plant Development
- Highness Microelectronics listed its shares on the SME Platform of BSE Limited.

10 — 2025
- Highness Microelectronics became a Limited company.

9 — 2023-2024
- Medical Device Manufacturing License (CDSCO/MDR), ISO 9001 & ISO 13485 Certification with Global OEM Partnerships.

8 — 2021
- Indian Railways Locomotive GPS Tracking Display Project.

7 — 2020
- Manufacture facility setup for medical grade surgical monitor assembly.

6 — 2019
- Design & Development of Ruggedized Display System for defence platforms.

5 — 2016-2018
- Design, Development & deployment of Passenger Information system display for Indian Railways (Product Approved)

4 — 2015
- Mitsubishi Tie-up as Channel Partner & system Integrator

3 — 2012
- Strategic Partnership with Noritake Itron Japan (VFD Technology)

2 — 2010
- Delhi Metro Project - outdoor display system

1 — 2007
- Foundation of Highness Microelectronics Limited
- Building automation Project with Schneider Electric india

AWARDS AND RECOGNITIONS

ISO 9001:2015 and ISO 13485:2016 **Certification**

Medical Device Manufacturing License **(CDSCO/MDR)**

Membership with Electronic Industries Association of India **(ELCINA)**

Membership certificate with Confederation of Indian Industry **(CII)**

Membership Certificate with IESA **(India Electronic & Semi-conductor Association)**

Membership Certificate with ASSOCHAM **(The Associated Chambers of Commerce and Industry of India)**

Membership Certificate with **FICCI-CMSME**

Membership Certificate with **SEMI**

IPO JOURNEY

01 DRHP FILED :
October 3, 2025, proposing a fresh issue of up to 16,53,600 equity shares plus an OFS of up to 1,52,400 shares by promoter shareholders, totaling 18,06,000 shares. Fintellectual Corporate Advisors Pvt Ltd was the Book Running Lead Manager, and Skyline Financial Services Pvt Ltd was the Registrar

02 PRICE BAND :
₹114 to ₹120 per share; lot size of 1,200 shares

03 SUBSCRIPTION WINDOW :
Opened March 24, 2026 and closed March 27, 2026

04 SUBSCRIPTION RESPONSE :
IPO was subscribed 193.9 times overall

05 ALLOTMENT/LISTING :
Allotment finalized March 30, 2026; shares listed on BSE SME on April 2, 2026

06 ISSUE SIZE :
₹21.67 crore book-built issue at a final price of ₹120/share

07 LISTING DEBUT :
Opened at ₹125 (a 4.17% premium), touched an upper circuit of ₹130 (up 8.33%), and settled around ₹126.80 (up 5.67%) on debut day

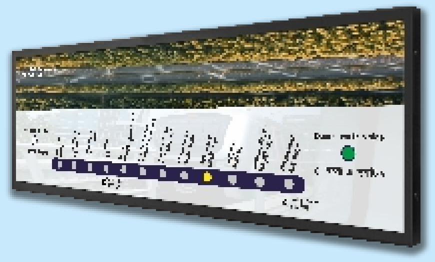
08 USE OF PROCEEDS :
Funding capital expenditure, working capital requirements, and repayment/prepayment of borrowings

09 FINANCIALS AT IPO :
FY25 revenue was 14.2 Cr. and EBITA was Rs. 4.52 Cr. and PAT was at 2.47 Cr.

PRODUCT PORTFOLIO

Medical Grade Surgical Monitors-2K&4K
(Medical & Healthcare)

Built-in Recorder (Medical & Healthcare)
Medical Grade Monitor with Built-in Recorder



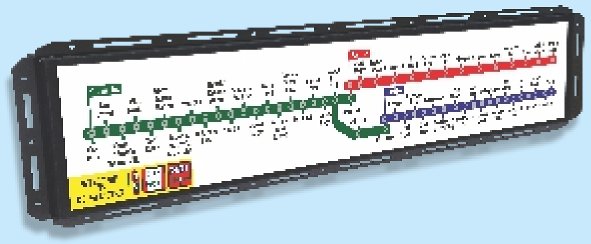
Display for passenger information System

Display for automatic fare collection at
Ticketing Gates (Railways)

Medical Grade Workstation
(Medical & Healthcare)

Medical Grade Tablet
(Medical & Healthcare)

Displays for Driver Display Unit inside
Driver Cabin of TrainD (Railways)



Bar Type Stretched Displays for
Passenger Information System (Railways)

Industrial Monitors with Touch
Screen (Industrial Automation)

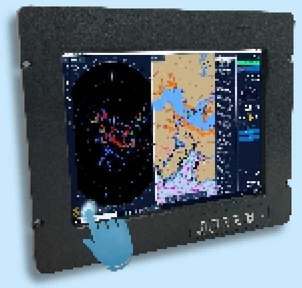
Industrial Panel PC
(Industrial Automation)

LED Matrix Displays Lateral or
Frontal (Railways)

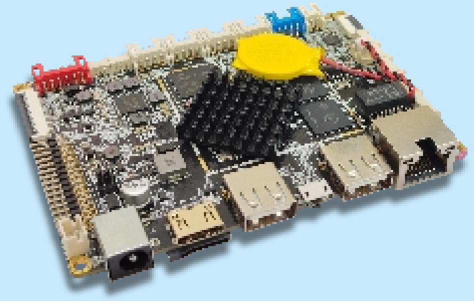
Station Displays
(Railways)

Displays with Remote Content Management
System (Industrial Automation)

TFT-LCD Modules



Ruggedized Displays
(Defence & Aerospace)



Embedded Control Board

BOARD OF DIRECTORS

Mr. Gaurav Manjul Kejriwal, Managing Director & Promoter

He holds bachelor's degree in commerce (B. Com) specialization in Business Management from Sydenham College of Commerce & Economics, University of Bombay, completed in the year 2001. Additionally, he holds Business English Certificate completed in the year 1998 from University of Cambridge, Local Examination Syndicate, London. He is a founding member of the Company and associate as Director since the incorporation with the Company. Thereafter his designation was changed to Managing Director, liable to retire by rotation. He possesses extensive knowledge of the Display Industry in India and abroad. He is an active member of Society for Information Display (SID) USA that is governing body of all display and related products manufacturers worldwide. He is also member SPIE, the international society for optics & photonics. Gaurav Kejriwal possesses an extensive knowledge base and understanding of displays used across various industry verticals such as Industrial Automation, Medical & Healthcare, Defence & Surveillance and Broadcasting & Media. He has more than 23 years of experience in Display Industry, and he handles company's strategic tie-ups with various technology partners within India and Overseas.

Mr. Manjul Kumar Kejriwal, Promoter & Non- Executive Director

He has overall 45 years of experience, out of which he has 23 years of experience in Display Industry. In the year 2007, he founded M/s. Highness Microelectronics Limited (Formerly known as Highness Microelectronics Private Limited) a company engaged in the manufacturing of Flat Panel Displays like Thin Film Transistor ('TFT') and Liquid Crystal Display ('LCD') module, Display Controllers, Electroluminescent Displays, Vacuum Fluorescent Displays, Touch Screens, Cable Assembly & Harness, Backlight Drivers & Inverters and 'Display-Enhancement solutions. He has been serving as a Director of the Company since its incorporation and is responsible in managing the administrative functions of our company. Subsequently, he resigned from directorship on November 11, 2024 and was re-appointed as Non-Executive Director w.e.f. March 28, 2025.

Mrs. Shruti Gaurav Kejriwal, Promoter & Whole Time Director

She holds a bachelor's degree in Commerce from D.A.V. (P.G.) College, Dehradun, Affiliated to Hemwati Nandan Bahuguna Garhwal University in the year 2001, With 11 years of overall industry experience she served in Administration, Accounts and operations departments in various organizations. She has been associated with the company as a director since August 05, 2024, and entrusted with the supervision of the Human resource and marketing department of our company.

Mrs. Jaya Ankur Singhania, Independent Director

She became a qualified Company Secretary in 2009 from ICSI (Institute of Company Secretaries of India) and she has completed many certificate courses from the ICSI (Institute of Company Secretaries of India) such as certified CSR Professional, POSH training, Certificate Course for Women Directors and Post membership Qualification Course on Arbitration. She was appointed on November 25, 2024.

She is the founder of M/s J Singhania & Company, a Corporate Legal Advisory Firm, and associated with Avabodha Bharat legal Advisory & Training LLP form July 05, 2024, as Designated Partner. She has completed Bachelor of Commerce (B.com) from Narsee Monjee College of Commerce and Economics, Vile Parle, Mumbai, and holds a Post Graduate diploma in Securities Law from Government Law College, Churchgate, Mumbai.

She has overall 16 years of experience in areas such as Corporate Law, Startup Advisory, Legal & Secretarial Due Diligence, CSR Advisory, Corporate Governance & Compliance Audits, Intellectual Property Rights (IPR) and Directors' Advisory. Additionally, she is a dedicated and experienced PoSH (Prevention of Sexual Harassment) trainer, with expertise in promoting safe and inclusive workplace environments.

Mr. Keval Mahendra Shah, Independent Director

He became a Chartered Accountant in 2016, from the ICAI (Institute of Chartered Accountant of India) and he has also passed B.com examination in the year 2010. He has more than 10 years of experience in the field of advising and executing assignments on mergers, demergers, internal restructuring, minority buy-out, due diligences, inbound & outbound investments, corporate laws & exchange control regulations advisory and in varied laws like income tax, corporate law, securities law, foreign exchange management law and stamp duty.

Mr. Sanjiv Swarup, Independent Director

He holds degree of Bachelor of Commerce with Honours from University of Calcutta in the year 1979 and he also has degree in Bachelor of Laws (Special) from Saurashtra University in the year 1985. With over 45 years of experience, he has worked extensively across multiple corporate domains like listed, public, private and LLP entities. He also holds various valuable position as Independent Director, Chairman of Committees in various Listed Companies. Initially, he was appointed as an Additional Independent Director of the company with effect from March 28, 2025. Thereafter, pursuant to the approval of members in the Extra Ordinary General Meeting held on March 28, 2025, he was regularized and appointed as an Independent Director of the Company.

Ms. Kavita Kailash Bohra, Independent Director

She qualified as a Chartered Accountant in 2018 from the Institute of Chartered Accountants of India (ICAI) and has completed several certification courses offered by ICAI, including the Post Qualification Course in Information System Audit (ISA), the Certificate of Primary Membership from the ICAI Registered Valuers Organization (ICAI RVO), and the Certificate Course on Corporate Social Responsibility and Impact Assessment. She possesses over 8 years of experience in audit, assurance, corporate governance, and regulatory compliance. She was initially appointed as an Additional Independent Director of the Company with effect from March 28, 2025. Subsequently, upon receiving approval from the members at the Extra Ordinary General Meeting held on the same date, she was regularized and appointed as an Independent Director of the Company.

KEY MANAGERIAL PERSONNEL

Mr. Mayurkumar Gori, Chief Financial Officer

Finance professional with 17+ years of experience across Financial Operation, Financial Planning, Project Finance, and Corporate Strategy. Proven track record in SME financing, fund raising, credit analysis, and financial modeling across sectors including Infrastructure, Realty, FMCG, Media, and Financial Services. Strong exposure to CFO-level financial operations, investor relations, due diligence, and compliance

Ms. Gouri Apoorva, Company Secretary & Compliance Officer

Ms. Gouri Apoorva is the Company Secretary and Compliance Officer of Highness Microelectronics Limited, having joined the Company in June 2026. She is an Associate Member of the Institute of Company Secretaries of India (ICSI) and holds a degree in Law, with 2.5 years of experience in corporate secretarial practice and regulatory compliance. She is responsible for ensuring the Company's compliance with the Companies Act, 2013, SEBI LODR Regulations, and other applicable laws.

CORPORATE INFORMATION

1. BOARD OF DIRECTORS
- Mr. Gaurav Manjul Kejriwal – Managing Director
- Mr. Manjul Kumar Kejriwal – Non-executive Non-independent Director
- Mrs. Shruti Gaurav Kejriwal – Whole-time Director
- Mr. Keval M. Shah – Independent Director
- Mr. Sanjiv Swarup – Independent Director
- Mrs. Jaya Ankur Singhania – Independent Director
- Ms. Kavita Kailash Bohra – Independent Director

2. BOARD COMMITTEE

i) Audit Committee
- Mr. Keval M. Shah (Chairperson)
- Ms. Kavita Kailash Bohra (Member)
- Mr. Gaurav Manjul Kejriwal (Member)

ii) Nomination and Remuneration Committee
- Mrs. Jaya Ankur Singhania (Chairperson)
- Mr. Keval M. Shah (Member)
- Mr. Manjul Kumar Kejriwal (Member)

iii) Stakeholder Relationship Committee
- Mr. Keval M. Shah (Chairperson)
- Mr. Gaurav Manjul Kejriwal (Member)
- Mrs. Shruti Gaurav Kejriwal (Member)

3. CHIEF FINANCIAL OFFICER
- Mr. Mayurkumar Gori

4. COMPANY SECRETARY AND COMPLIANCE OFFICER
- Ms. Gouri Apoorva

5. STATUTORY AUDITOR
- Jain Vinay & Associates
  Chartered Accountants

6. INTERNAL AUDITOR
- Satya Gandhi & Co.
  Chartered Accountants

7. SECRETARIAL AUDITOR
- Chetan Mandlia & Associates
  Company Secretaries

8. REGISTERED OFFICE
- 1C3, Gundecha Onclave, Sakinaka, Mumbai – 400072, India

9. WORKS
- R-364, TTC Industrial Area, Rabale, Mumbai - 400701, India
- Pap – R 486, TTC Industrial Area, Rabale, Mumbai - 400701, India

10. BANKER
- Saraswat Co-Operative Bank

11. Registrar and Share Transfer
- Skyline Financial Services Pvt. Ltd.
  D-153A, First Floor, Okhla Industrial Area,
  Phase-I, New Delhi, Delhi,110020
  Tel : 011-40450193-197
  Email : ipo@skylinerta.com;
  grievances@skylinerta.com
  Website : https://www.skylinerta.com

12. Listed on
- BSE Limited (SME Platform)

19TH ANNUAL GENERAL MEETING NOTICE

NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Nineteenth (19th) Annual General Meeting ('AGM') of the Members of Highness Microelectronics Limited will be held on Thursday, September 10 2026, at 12.00 noon. through Video conferencing / Other Audio – Visual Means ('VC/OAVM') to transact the following business. The venue for the 19th AGM shall be deemed to be the Registered Office of the Company at Office 1C3, 1st floor Gundecha Onclave, Sakinaka, Mumbai- 400 072.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the year ended March 31, 2026, together with the Report of the Board of Directors and the Auditor's thereon.

2. To appoint a director in place of Ms. Shruti Gaurav Kejriwal (DIN: 10593550), Whole-time Director, who retires by rotation and being eligible, offer herself for re-appointment.

By order of the Board
Highness Microelectronics Limited

Ms. Gouri Apoorva
Company Secretary and Compliance Officer
Membership No. – A80025

ANNEXURE TO ITEM NO. 2

Details of Directors seeking appointment/Re-appointment

Information as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations and Clause 1.2.5 of the Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is given below:

Name of the Director	Mrs. Shruti Gaurav Kejriwal
Director Identification Number (DIN)	10593550
Date of Birth (Age)	02-01-1980, 46 years
Nationality	Indian
Date of Appointment/ Re-Appointment on Board	24-11-2024
Qualification	Bachelor of Commerce (B.Com)
Expertise in specific functional areas	Mrs. Shruti Kejriwal has an experience of 11 years in Administration, Accounts & operations departments in various organizations.
Shareholding in Company	1,40,400 Equity Shares, 2.72%
Number of Board Meetings attended during the year	02
List of Directorship held in other Companies	Hi-max Electronics Private Limited
Relationship between Directors inter se	Mrs. Shruti Gaurav Kejriwal is the wife of Mr. Gaurav Manjul Kejriwal, Managing Director and daughter-in-law of Mr. Manjul Kumar Kejriwal, Non-executive non-independent Director.
Membership/ Chairmanship of Committee of other Boards	None
Details of remuneration (including sitting fees) last drawn	Rs. 24,00,000
Details of remuneration sought to be paid	Rs. 60,00,000

NOTES:

1. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 09/2024 dated 19th September 2024, MCA Circular No. 10/2022 dated 28th December 2022 and General Circular No. 02/ 2022 dated 5th May 2022 read with General Circular No. 20/2020 dated 5th May, 2020, General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020,vide General Circular No. 02/2021 dated 13th January, 2021, General Circular No. 21/2021 dated 14th December, 2021 has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) till 31st December, 2022. In the recent General Circular No 09/2023 and General Circular No. 10/2022 dated 28th December 2022, General Circular No 11/2022 dated 28th December 2022, and General Circular No 09/2024 dated 19th September 2024, MCA has extended Time period for holding of AGM / EGM or passing of Ordinary/ Special Resolution through Video Conferencing till 30th September 2025. Accordingly, the AGM is being conducted in compliance with the abovementioned circulars.

2. The Notice for this Meeting along with requisite documents and the Annual Report for the financial year ended 2025-2026 shall also be available on the Company's website https://highnessmicro.com/. The facility of attending the meeting shall be opened 15 mins prior to the scheduled time of the meeting and should be kept open by 15 minutes past the scheduled time of the meeting.

3. If members have any difficulty attending the meeting or face any difficulty in terms of audio / video aspect before or during the meeting or need assistance with using of the Video Conferencing technology, they can contact Ms. Gouri Apoorva on +91 9967244630.

4. Inspection of documents is available on all working days except Saturdays, Sundays and holidays in between 11.00 am to 1.00 pm India Standard Time.

5. As per the aforesaid circulars, provisions of appointment of proxy by the member(s) of the Company are not applicable to AGM convened through Video Conferencing. Accordingly, members cannot appoint a proxy and have to attend the meeting through Video Conferencing or personally.

6. Since this AGM is being held through Video Conferencing pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the Attendance Slip is not annexed hereto.

7. Since the AGM will be held through Video Conferencing, the route map of the venue of the meeting is not annexed hereto.

8. In compliance with the aforesaid MCA Circulars, the link of the AGM Meeting, Notice of the AGM along with the other Annexure(s) for the meeting is being sent only through electronic mode to the e- mail addresses of the members, registered with the Company.

9. The members who have not yet registered their e-mail ids with the Company may contact Ms. Gouri Apoorva, email ID: cs@highnessmicro.com for registering their e-mail ids.

10. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Company in respect of shares held in physical form.

11. In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and applicable provisions of the SEBI Listing Regulations, the Company has engaged the services of CDSL to provide the facility of voting through electronic means to the members to enable them to cast their votes electronically in respect of all the businesses to be transacted at the aforesaid Meeting.

12. The Company shall be providing the facility of voting through E-mail which shall be sent to the designated e-mail id of the Scrutinizer i.e. fcschetan@gmail.com, to those members who do not cast their vote through remote e- voting, Members who cast their votes by remote e-voting may attend the Meeting through VC, but will not be entitled to cast their votes at the Meeting once again.

Or

13. The facility of e-voting through the same portal will be available during the Meeting through VC also to those Members who do not cast their votes by remote e-voting prior to the Meeting. Members, who cast their votes by remote e-voting, may attend the Meeting through VC but will not be entitled to cast their votes once again.

14. Voting rights of the members (for voting through remote e-voting or e-voting system provide in the Meeting itself shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, September 03, 2026. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e voting or e- voting system provide in the Meeting.

15. The Board of Directors has appointed Mr. Chetan T. Mandlia as the Scrutinizer for the purpose of scrutinizing the remote e- voting and e- voting system provide in the Meeting in a fair and transparent manner.

16. The results of remote e-voting and e- voting system provided in the Meeting shall be aggregated and declared on or after the Meeting of the Company by the Chairman or by any other person duly authorised in this regard.

17. The results declared along with the report of the scrutinizer shall be placed on the Company's website https://highnessmicro.com/ and on the website of CDSL immediately after the result is declared by the Chairman and simultaneously communicated to the Stock Exchanges.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(I) The voting period begins on Monday, September 07, 2026 at 09:00 a.m. and ends on Wednesday, September 09, 2026 at 05:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, September 03, 2026 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below :

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	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 to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting 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 & My Easi New (Token) 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 e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL : https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	2) If the user is 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 3) 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4) 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website 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. CDSL and NSDL

Login type	Helpdesk details
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
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 and 022 - 2499 7000

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID
(I) For CDSL : 16 digits beneficiary ID,
(ii) For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
(iii) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below :
For Physical shareholders and other than individual shareholders holding shares in Demat.

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for Highness Microelectronics Limited on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

• Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

• A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

• After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

• The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

• It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

• Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz;

cs@highnessmicro.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER :

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

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

6. 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.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number and the question at cs@highnessmicro.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@highnessmicro.com. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the 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 available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like 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 Company/RTA email id.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to

helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, AVP, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or

send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

DIRECTOR'S REPORT

TO,
THE MEMBERS,
HIGHNESS MICROELECTRONICS LIMITED
MUMBAI

Your Directors have pleasure in presenting the 19th Annual Report of your Company along with the Audited Financial Statement for the year ended March 31, 2026.

FINANCIAL PERFORMANCE

In terms of the provisions of the Companies Act, 2013 ("Act"), and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has prepared its Standalone Financial Statements for the FY 2025-26. The financial highlights of the Company for FY 2025-26, are as follows :

(Amount in 000' Rupees)

Particulars	Financial Year Ended March 31, 2026	Financial Year Ended March 31, 2025
Total Income	1,69,174.98	1,41,738.10
Less : Total Expenses	(1,15,717.64)	(1,09,077.99)
Profit / (Loss) Before Tax	53,457.34	32,660.11
Less : Exceptional & Extraordinary Items	Nil	Nil
Profit / (Loss) Before Tax	53,457.34	32,660.11
Less : Provision for Tax		
Current Tax	13,611.90	8,436.36
Deferred Tax	(1,193.75)	(358,34)
Profit after Tax	41,039.19	24,582.08

BRIEF DESCRIPTION OF COMPANY

The Company operates through two principal business segments — "Off-the-Shelf Products" and "Market-Specific Solutions/Projects" — offering a diversified portfolio comprising flat panel displays (TFT and LCD modules), display controllers, touch screens, electroluminescent and vacuum fluorescent displays, cable assemblies, and display enhancement solutions.

The Company's customised display systems, including open-frame, panel-mount, industrial-grade, and medical-grade monitors, cater to mission-critical applications across diverse end-user industries such as industrial automation, healthcare, railways, automobile, and defence and aerospace. The Company has built a specialised niche in mobility and transportation displays for the railway sector and medical-grade surgical monitors for healthcare applications, supported by indigenous design and manufacturing capabilities aligned with the "Make in India" initiative.

As a vertically integrated player in the digital imaging space, the Company focuses on customised, ruggedised, and certified display solutions, enabling it to serve both standard product requirements and complex, project-specific specifications of its customers.

REVIEW OF BUSINESS OPERATIONS

During the financial year 2025–2026, your Company earned a total income of Rs. 16,91,38,103.81, compared to ₹ Rs. 16,91,38,103.81 in the corresponding previous year. The Company reported a net profit of Rs. 4,10,39,191.48 showing a significant increase from the net profit of Rs. 2,45,82,080.80 earned in the previous year.

These figures reflect the Company's continued efforts to strengthen its market position, improve operational efficiency, and deliver value to its stakeholders.

DIVIDEND

In order to conserve the Company's reserves and maintain financial flexibility to support ongoing and future business operations, the Board of Directors has decided not to recommend any dividend for the financial year 2025–2026. This decision has been taken in the long-term interest of the Company, with a focus on strengthening the financial position, supporting growth initiatives, and ensuring adequate liquidity to meet operational and strategic requirements.

TRANSFER TO RESERVE

The Company has not transferred any amount to its reserves for the Financial Year under review and the entire amount of profit/loss is maintained in the profit and loss of the Company.

CHANGE IN BUSINESS

There is no change in the nature of business of your Company during the Financial Year 2025-26.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report.

EVENT SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

INITIAL PUBLIC OFFERING AND LISTING

The shares of the Company were listed on the Small and Medium Enterprises (SME) Platform of the Bombay Stock Exchange of India Limited w.e.f. April 02, 2026.

Your Company completed its IPO successfully. The Offer was subscribed 193.9 times.

The Board is gratified and humbled by the faith shown in the Company by its members. The Board also places on record its appreciation for the support provided by various Authorities, Book Running Lead Managers, Stock Exchanges, Depositories, Counsels, Consultants, Auditors, other intermediaries and employees of the Company for making the IPO of the Company a grand success.

SUBSIDIARY COMPANY, JOINT VENTURES AND ASSOCIATE COMPANY

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

DEPOSITS

Your Company has not accepted any fixed deposits from the public under Chapter V (Acceptance of Deposits by Companies) of the Companies Act, 2013 and is therefore not required to furnish information in respect of outstanding deposits under Companies (Acceptance of Deposits) Rules, 2014.

However, the company has accepted loans from directors/relatives of directors during the financial year, as mentioned below:

(Amount in Rs.)

Name of Director	Opening Balance at the start of the year	Opening Balance at the start of the year	Advances during the year
Mr. Gaurav Kejriwal	3,452.44	1529.72	4,982.17
Mrs. Shruti Kejriwal	940.78	85.85	1,026.63

SHARE CAPITAL

A. Authorized Share Capital:

During the Financial Year under review, the Authorized Share Capital of the Company is Rs. 7,00,00,000/- (Seven Crores) divided into 70,00,000 Equity Shares of Rs. 10/- each.

B. Issued, Subscribed and Paid-Up Share Capital:

During the Financial Year under review, the Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 3,51,00,000/- (Three Crore Fifty-One Lakh only) divided into 35,10,000 Equity Shares of Rs. 10/-.

EVENT SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

The Issued, Subscribed and Paid-up Share Capital of the Company increased from Rs. 3,51,00,000/- (Three Crore Fifty-One Lakh only) divided into 35,10,000 Equity Shares of Rs. 10/- to Rs. 5,16,36,000/- (Five Crore Sixteen Lakh Thirty-six thousand only) divided into 51,63,600 Equity Shares of Rs. 10/ w.e.f. 01.04.2026

C. Issue of Equity Shares with Differential Rights:

The Company does not have Equity Shares with differential rights and has not issued any shares with differential rights during the Financial Year 2025-26.

D. Issue of Sweat Equity Shares and Employee Stock Options:

During the Financial Year under review, the Company has not issued sweat equity shares/ Employee Stock Option to its directors' and its permanent employees.

E. Provision of Money by Company for Purchase of its Own Shares by Employees or by Trustees for the Benefit of Employees:

During the Financial year under review, no such provision was made by the Company.

F. Transfer / Transmission Of Shares:

During the Financial Year under review, there is no transfer / transmission of shares/securities as per the provisions of the Act and rules made thereof as amended time to time.

BOARD OF DIRECTORS

COMPOSITION

The Board comprises of 7 (Seven) Directors, out of which 4 (Four) are Independent Directors. As on March 31, 2026, the composition of the Board of Directors of the Company are as follows:

Sr. No.	Name Of The Director	Designation
1.	Mr. Gaurav Kejriwal	Managing Director
2.	Mr. Manjul Kumar Kejriwal	Non-executive Non-independent Director
3.	Mrs. Shruti Guarav Kejriwal	Whole-time Director
4.	Mr. Keval Mahendra Shah	Independent Director
5.	Mr. Jaya Ankur Singhania	Independent Director
6.	Mr. Sanjiv Swarup	Independent Director
7.	Ms. Kavita Kailash Bohra	Independent Director
8.	Mr. Mayurkumar Laxmidas Gori	Chief Financial Officer
9.	Mrs. Preeti Paresh Rathi	Company Secretary

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Shruti Gaurav Kejriwal, Whole-time Director of the Company (DIN:10593550) is liable to retire by rotation at the ensuing 19th Annual General Meeting of the Company and being eligible, has offered herself for re-appointment. The said re-appointment is subject to the approval of members at the ensuing AGM.

Further details including date of appointment/ retirement/resignation, directorship/ committee membership etc. can be found in the Explanatory Statement forming a part of the Notice of the ensuing Annual General Meeting. In the opinion of the Board, all directors including the directors appointed/re-appointed during the year possess requisite qualifications, experience and expertise and hold high standards of integrity.

During the year, the following changes were made in the Board of Directors and Key Managerial Personnel of the Company:

a. Mr. Mopuri Krishniah Sateesh (DIN: 10098764) was remove from the position of Independent Director of the Company w.e.f. August 07, 2025.

b. Mr. Anil Kumar Venkata Gopala Santosh Mallavarapu resigned from the position of Chief Financial Officer of the Company w.e.f. August 06, 2025.

c. Mr. Mayurkumar Gori was appointed as the Chief Financial Officer of the Company w.e.f. August 11, 2025.

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTOR

The Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence as prescribed thereunder. The Independent Directors have complied with the Code for Independent Directors prescribed under Schedule IV to the Companies Act, 2013.

PERFORMANCE EVALUATION OF BOARD

The annual evaluation of the performance of the Board, its committees and of individual directors is conducted on the basis of the input received from all the Directors of the Company with respect to the effectiveness of Board processes, information flow, frequency of meetings and functioning etc. Further, a meeting of the Independent Directors was conducted to review the performance of the Board as a whole and that of Non-Independent Directors.

The Board also noted that the terms of reference and composition of the Committees were clearly defined. The Committee performed their duties diligently and contributed effectively to the decisions of the Board.

The evaluation results were discussed at the meeting of Board of Directors. The Directors were satisfied with the overall Board performance and effectiveness.

NUMBER OF MEETINGS OF BOARD :

The Board of Directors of the Company met at regular intervals during the year to discuss the past and prospective business of the Company. The Board met 11 (Eleven) times during the financial year on the following dates :

Sr. No.	Date of the Meeting	No. of Directors eligible to attend the meeting	No. of Directors attended
1	29.04.2025	8	6
2	06.08.2025	8	7
3	09.09.2025	7	5
4	20.09.2025	7	5
5	30.09.2025	7	5
6	30.10.2025	7	5
7	12.02.2026	7	5
8	17.02.2026	7	5
9	18.03.2026	7	7
10	23.03.2026	7	6
11	30.03.2026	7	5

DETAILS OF THE COMMITTEES AND THEIR MEETINGS

AUDIT COMMITTEE

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section and Regulation 18 of the Listing Regulations. The following Directors are members of the Audit Committee.

Sr. No.	Name of the Director	DIN	Category
1	Mr. Keval Mahendra Shah	07649694	Chairman
2	Ms. Kavita Kailash Bohra	11003259	Member
3	Mr. Gaurav Manjul Kejriwal	01506981	Member
4	Mr. M. K. Sateesh*	10098764	Member

Note

Mr. M. K. Sateesh was removed from the Board of the Company w.e.f. August 07, 2025

All the members of the Audit Committee are financially literate. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

The following Meetings of the Audit Committee were held during the Financial Year 2025-26 :

Sr. No.	Date of the Meeting	Committee Strength	No. of Member Present
1	29.04.2025	4	4
2	06.08.2025	4	4
3	09.09.2025	3	3
4	20.09.2025	3	3
5	30.10.2025	3	3
6	12.02.2026	3	3
7	17.02.2026	3	3

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy in accordance with the provisions of the Companies Act, 2013 and Rule 7 of the Companies (Meeting of the Board and its Power) Rules 2014.

Under the vigil mechanism, all directors, employees, business associates have direct access to the Chairman of the Audit Committee. The whistle blower policy can be accessed at https://highnessmicro.com/.

NOMINATION AND REMUNERATION COMMITTEE :

The Nomination and Remuneration Committee (NRC) of Directors was constituted by the Board of the Company in accordance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations..

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The Nomination and Remuneration Policy of the Company is available on the website of the Company https://highnessmicro.com/.

The following Directors are members of the Nomination and remuneration Committee :

Sr. No.	Name of the Director	DIN	Category
1	Ms. Jaya Ankur Singhania	01990322	Chairman
2	Mr. Keval Mahendra Shah	07649694	Member
3	Mr. Manjul Kumar Kejriwal	01507039	Member
4	Mr. M. K. Sateesh*	10098764	Member

Note

Mr. M. K. Sateesh was removed from the Board of the Company w.e.f. August 07, 2025

The following Meetings of the Nomination and Remuneration Committee were held during the Financial Year 2025-26 :

Sr. No.	Date of Meeting	Committee Strength	No. of Member Present
1	06.08.2025	4	4
2	19.03.2025	3	3

STAKEHOLDER RELATIONSHIP COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013 and the Regulation 20 of the Listing Regulations. the Board of Directors of the Company has re-constituted the Stakeholders Relationship Committee.

The following Directors are members of the Stakeholder Relationship Committee :

Sr. No.	Name of the Director	DIN	Category
1	Mr. Keval Mahendra Shah	07649694	Chairman
2	Mr. Gaurav Manjul Kejriwal	01506981	Member
3	Mrs. Shruti Gaurav Kejriwal	10593550	Member

IPO COMMITTEE

The Company had constituted an IPO Committee to undertake and oversee various activities relating to the Initial Public Offer of the Company. The Committee carried out its duties in accordance with the powers delegated by the Board of Directors and necessary approvals/actions in relation to the IPO were taken by the Committee from time to time.

The following Directors are members of the IPO Committee :

Sr. No.	Name of the Director	DIN	Category
1	Mr. Gaurav Manjul Kejriwal	01506981	Chairman
2	Mr. Keval Mahendra Shah	07649694	Member
3	Mrs. Shruti Gaurav Kejriwal	10593550	Member

GENERAL MEETINGS

The Annual General Meeting of the Company for adopting the Financial Statements for the period ended March 31, 2025, was held on September 09, 2025. Proper Notice was given, and the proceedings were duly recorded in the form of minutes. The minutes have been signed and maintained accordingly in compliances with the provisions of the Act 2013 and rules made thereof as amended time to time.

During the Financial Year under review, there were 02 (Two) Extra-Ordinary General Meeting (EOGM) of the Company viz, 07.08.2025 and 23.03.2026. Proper notice was given, and the proceedings were duly recorded in the form of minutes. The minutes have been signed and maintained accordingly in compliance with the provisions of the Companies Act, 2013 and rules made thereof as amended from time to time

CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Act and hence it is not required to formulate policy on corporate social responsibility.

RISK MANAGEMENT

The Board of Directors is overall responsible for identifying, evaluating, mitigating and managing all significant kinds of risks faced by the Company. The Board itself monitors and reviews the risks which have potential bearing on the performance of the Company and in the opinion of the Board there is no risk faced by the Company which threatens its existence.

CONSERVATION OF ENERGY

In terms of Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the Directors furnish the information as below :

a. Conservation of energy

Sr. No.	Particulars	Explanations
1.	The step taken or impact on conservation of energy	The Company has adopted such technology to ensure maximum conservation of energy.
2.	The steps taken by the company for utilizing alternate source of energy	It makes timely maintenance of accessories used in providing services to make optimum utilisation of electricity.
3.	The capital investment on energy conservation equipment	No capital investment been made of conservation of equipment

b. Technology absorption

Sr. No.	Particulars	Explanations
1	The effort made towards absorption	The Company continues to use the absorption latest technologies for improving the productivity
2	The benefits derived like product improvement, cost reduction, product development or import substitution	Nil
3	In case of imported technology (important during the last three years reckoned from the beginning of	Nil
	(a)The details of technology imported	N.A.
	(b)The year of import	N.A.
	(c)Whether the technology has been fully absorbed	N.A.
	(d)If not fully absorbed areas where absorption has not taken place and the reasons thereof	N.A.
4	The expenditure incurred on Research and Development	Nil

c. Foreign Exchange earnings and outgo :

(Amount in 000' Rupees)

Particulars	Financial Year Ended March 31, 2026	Financial Year Ended March 31, 2025
Foreign Exchange Earnings		
Export Sale	70.579	43,132.639
Foreign Exchange Outgo		
Purchases	49.478	48,946.458
Tooling & Designing Charges	Nil	25,971.620

AUDITORS AND THEIR REPORTS

1. STATUTORY AUDITOR

M/s. Jain Vinay & Associates, Chartered Accountants, (Firm Registration No. 006649W) the Statutory Auditors of the Company, were appointed at 18th Annual General Meeting until the conclusion of 23rd Annual General Meeting of Company in terms of the provisions of Section 139 of the Companies Act, 2013. There is no audit qualification or observation on the financial statements of Company, by the statutory auditors for the year under review.

2. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, secretarial audit is applicable to the Company from financial year 2026-27. Accordingly, the Company is not required to obtain a Secretarial Audit Report for the financial year under review.

3. INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the rules made thereunder, Internal audit is applicable to the Company from financial year 2026-27. Accordingly, the Company is not required to obtain a Internal Audit Report for the financial year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors' state that:

i. In the preparation of the annual accounts for the Financial Year ended March 31, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

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 as at Financial Year and of the loss of the Company for the Financial Year ended March 31, 2026.

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. The annual financial statements have been prepared on a going concern basis; and

v. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.Company is in the process of filing extension for FEMA with AD Bank.

FRAUD REPORTING

There was no instance of fraud during the year under review, which is required by the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

PARTICULARS OF EMPLOYEE

During the Financial Year under review, there are no employees whose remuneration was in excess of the limits prescribed in the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended time to time.

PARTICULARS OF LOAN, GUARANTEE OR INVESTMENTS UNDER SECTION 186 OF ACT

During the financial year under review, the Company has not granted any loans or provided any guarantees falling under the provisions of Section 186 of the Companies Act, 2013. All investments made by the Company during the year were within the limits prescribed under the said Section.

PARTICULARS OF CONTRACT AND ARRANGEMENT WITH RELATED PARTIES

All related party transactions entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013.

The disclosure of related party transactions in Form AOC-2 is given in Annexure I, which provide the details transaction, contract or arrangement with related parties.

Details of the related party transactions as per the applicable accounting standards form a part of the Notes to the Standalone Financial Statements.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

During the Financial year under review, your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

CORPORATE GOVERNANCE REPORT

The Equity Shares of the Company are listed on the SME platform (BSE SME) of Bombay Stock Exchange. Pursuant to Regulation 15(2) SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the compliance with the Corporate Governance provision as specified in Regulation 17 to 27 and clause (b) to (i) of sub regulations (2) of regulation 46 and par as C, D and E of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 shall not apply.

Hence, Corporate Governance Report does not form a part of this Board Report, though we are committed for the best corporate governance practices

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

MATERIAL ORDERS OF JUDICIAL BODIES / REGULATORS

No significant or material order has been passed by any Regulator, Court or Tribunal during the financial year ended March 31, 2026 which could impact the going concern status and company's operations in future.

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:

There is no proceeding pending against the company under the Insolvency and Bankruptcy code, 2016 (IBC Code).

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

Company's commitment towards creating a respectful workplace that is free from any form of harassment and discrimination is exemplified by its 'zero-tolerance' approach towards any act of sexual harassment. The Company has a comprehensive policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which is available at the website of the Company https://highnessmicro.com/. A group level Internal Complaints Committee ("ICC") has been constituted as per procedure prescribed in the law. All such investigations are conducted as per the tenets of the law and the Company's policy. The list of ICC members has been prominently displayed in the office. Following are the details of sexual harassment cases for financial year 2025-26:

Number of complaints filed during the Financial Year	NIL
Number of complaints disposed off during the Financial Year	NIL
Number of complaints pending as at the end of the Financial Year	NIL

We also hereby confirm that during the year under review the Company has duly complied with the provisions of the Maternity Benefit Act, 1961.

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:

During the Financial Year under review, there has not been any instance of one-time settlement of the company with any bank or financial institution.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate as per the nature of the business and the size of its operation.

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.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has Compiled with the applicable requirements as prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with the relevant provisions of the Companies Act, 2013 and Circulars/Notifications issued by Ministry of Corporate Affairs in this regard.

MATERNITY BENEFIT

The Company affirms that it has duly complied with all provisions of the Maternity Benefit Act, 1961, and has extended all statutory benefits to eligible women employees during the year. The Company is committed to the health and well-being of employees and believes in providing essential support during this important life event.

PARTICULARS OF EMPLOYEES OF THE COMPANY

During the financial year under review the details of no of employees are as under:

1. MALE- 24
2. FEMALE - 22
3. Transgender - 0

ACKNOWLEDGEMENT

Your Directors take this opportunity to express and place on record their appreciation for the continued support, cooperation, trust and assistance extended by shareholders, employees, customers, principals, vendors, agents, bankers, financial institutions, suppliers, distributors and other stakeholders of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
HIGHNESS MICROELECTRONICS LIMITED

Mr. GAURAV KEJRIWAL	Mr. MANJUL KUMAR KEJRIWAL
DIRECTOR	DIRECTOR
(DIN: 01506981)	(DIN: 01507039)
PLACE: MUMBAI	
DATED: 30th MAY 2026	

MANAGEMENT DISCUSSION AND ANALYSIS

1. Economy and Industry Overview

1.1 Macroeconomic Backdrop

India continued to be among the fastest-growing major economies during FY 2025-26, supported by resilient domestic consumption, sustained public capital expenditure, and a policy environment favouring manufacturing localisation. The Government's continued emphasis on the 'Atmanirbhar Bharat' (self-reliant India) initiative, defence indigenisation, and 'Make in India' programmes provided strong tailwinds for domestic electronics manufacturing services (EMS) companies such as Highness Microelectronics Limited ("HML" or "the Company").

The Production Linked Incentive (PLI) scheme for electronics manufacturing, the Electronics Component Manufacturing Scheme (ECMS), and enhanced defence indigenisation mandates (including revised positive indigenisation lists issued by the Ministry of Defence) have collectively expanded the addressable opportunity for domestic precision electronics manufacturers catering to strategic sectors.

1.2 Electronics Manufacturing Services (EMS) Industry

The Indian EMS industry has continued its multi-year growth trajectory, driven by global supply-chain diversification away from single-country dependence, rising domestic demand for electronics across defence, railways, healthcare, and industrial automation, and increasing outsourcing of manufacturing by Original Equipment Manufacturers (OEMs) to specialised contract manufacturers. India's EMS sector benefits from a large pool of engineering talent, improving component ecosystem depth, and government incentives that reduce the cost disability historically faced relative to South-East Asian and Chinese manufacturing hubs.

- Defence electronics : Continued push for indigenisation, higher indigenous content mandates in defence procurement, and increased private-sector participation in previously PSU-dominated segments.
- Railways and transportation : Modernisation of rolling stock, signalling systems, and the Vande Bharat / Kavach programmes have expanded demand for ruggedised electronics and control systems.
- Healthcare electronics : Rising domestic medical device manufacturing, supported by PLI for medical devices, and growing demand for indigenous diagnostic and monitoring equipment.
- Industrial electronics : Steady demand from automation, power, and general industrial capital expenditure cycles.

1.3 Opportunities and Threats

Opportunities :

- Expanding defence indigenisation and higher domestic sourcing mandates for electronics sub-systems.
- Government incentives under ECMS/PLI for component and sub-assembly manufacturing, including the Company's proposed green field facility in Goa.
- Import substitution opportunities as OEMs seek to de-risk supply chains previously dependent on imports.
- Growing railways modernisation capex supporting demand for ruggedised and safety-critical electronics.

Threats :

- Elongated receivable cycles typical of government and quasi-government procurement, increasing working capital intensity.
- Volatility in prices and availability of critical electronic components and semiconductors sourced globally.
- Competitive intensity from larger, better-capitalised EMS players and potential new entrants attracted by policy incentives.
- Currency and geopolitical risks affecting import content of raw materials and components.

2. Company and Business Overview

Highness Microelectronics Limited is a precision electronics manufacturing company headquartered at Mumbai, with manufacturing operations spread across its Unit I and Unit II facilities. The Company designs and manufactures electronic sub-systems, assemblies, and components for four principal end-markets : Defence, Railways/Transportation, Healthcare, and Industrial. HML's shares are listed on the BSE SME platform.

The Company's business model combines build-to-print and build-to-specification manufacturing with in-house design and engineering support, enabling it to serve mission-critical and safety-critical applications that demand stringent quality, traceability, and reliability standards. HML's customer base includes established players in the defence and railways ecosystem, reflecting the Company's positioning as a trusted precision manufacturing partner rather than a purely transactional contract manufacturer.

2.1 Business Segments

• Defence & Aerospace : Precision electronic sub-assemblies and systems for defence platforms, benefiting from indigenisation-led demand.

• Railways & Transportation : Ruggedised electronics and control systems supporting rolling-stock modernisation and signalling upgrades.

• Healthcare : Electronic assemblies for diagnostic, monitoring, and medical device applications.

• Industrial : General-purpose industrial electronics and automation-related assemblies.

(Amount in 000' Rupees)

Segment	FY26 Revenue Share	% of Sales	FY25 Revenue Share	% of Sales
Defense & Aerospace	63,795.09	39.58%	42,202.50	29.99%
Railways & Transportation	43,649.09	27.08%	4,178.26	2.99%
Healthcare	42,985.96	26.67%	24,431.67	17.57%
Industrial	10,761.74	6.68%	69,471.24	49.45%

3. Financial Performance Review

3.1 Standalone Financial Highlights

HML delivered a strong financial performance in FY 2025-26, with revenue from operations rising 14.5% year-on-year to ₹1,611.92 lakh from an estimated ₹1,407.79 lakh in FY 2024-25, and profit after tax growing 67.0% year-on-year to ₹410.40 lakh, reflecting operating leverage, a favourable product/segment mix, and disciplined cost management. The disproportionate growth in PAT relative to revenue indicates margin expansion during the year, aided by improved capacity utilisation at the Rabale units and a richer mix of higher-value defence and railways orders.

(Amount in 000' Rupees)

Segment	FY26 Revenue Share	% of Sales	FY25 Revenue Share	% of Sales
Defense & Aerospace	63,795.09	39.58%	42,202.50	29.99%
Railways & Transportation	43,649.09	27.08%	4,178.26	2.99%
Healthcare	42,985.96	26.67%	24,431.67	17.57%
Industrial	10,761.74	6.68%	69,471.24	49.45%

3.2 Working Capital and Cash Conversion Cycle

The Company's Days Sales Outstanding (DSO) stood at approximately 235 days during FY 2025-26, and the net cash conversion cycle stood at approximately 323 days. These metrics reflect the elongated payment cycles characteristic of the Company's defence, railways, and government-linked customer base, where procurement processes, inspection protocols, and payment approvals typically extend the collection period well beyond that seen in commercial/industrial electronics manufacturing.

Management recognises the receivables position as the primary operational focus area going into FY 2026-27. Elongated receivables tie up working capital and increase reliance on external financing to fund the operating cycle, which in turn has a bearing on finance costs and net margins. The Company is undertaking the following measures to address this :

• Structured follow-up and escalation mechanisms with key defence and railways customers, supported by bi-weekly sales review frameworks introduced during the year.

• Evaluation of supply-chain financing / bill discounting facilities to bridge the gap between execution and collection.

• Closer coordination with customers' inspection and billing cycles to reduce documentation-related delays.

• Selective evaluation of customer concentration and credit terms in new order acceptance.

3.3 Capital Structure and Funding

During the year, the Company continued to evaluate its capital structure to support its growth and capacity expansion plans, including consideration of preference share issuance and structured debt instruments (including non-convertible debentures) as potential funding avenues alongside internal accruals. The objective is to maintain an optimal mix of equity and debt that supports the Company's working-capital-intensive operating model while preserving return on equity for shareholders.

4. Operational Highlights

4.1 Manufacturing Infrastructure

The Company's manufacturing operations are based at Rabale, Navi Mumbai, comprising Unit I and Unit II. During the year, the Company expanded insurance coverage for machinery and equipment across both units, reflecting the growing asset base and management's continued focus on risk mitigation for critical manufacturing infrastructure.

4.2 Goa Greenfield Facility and ECMS Application

The Company has initiated steps toward establishing a greenfield electronics manufacturing facility in Goa under the Electronics Component Manufacturing Scheme (ECMS) of the Government of India. HML engaged Edgrise Consultants (Delhi) to represent the Company before the Ministry in connection with Section D eligibility under the scheme. This facility, if approved and commissioned, is expected to expand the Company's manufacturing capacity and strengthen its positioning in the component and sub-assembly manufacturing value chain, consistent with the broader policy push toward electronics component indigenisation.

In parallel, the Company assessed its eligibility under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme to evaluate collateral-free credit support for its expansion plans.

4.3 Commercial Contracts and Governance

During the year, the Company undertook a structured review of its commercial purchase and sales terms and conditions, benchmarking these against applicable Indian contract law and GST provisions, with a gap analysis to strengthen contractual risk management, particularly around liability caps, indemnities, and tax pass-through clauses in customer and vendor agreements.

5. Human Resources

HML continues to invest in building a skilled workforce capable of meeting the stringent quality, traceability, and reliability requirements of defence, railways, and healthcare customers. The Company's employee relations remained cordial during the year, and management continued to focus on strengthening internal sales and operational review cadences, including the introduction of bi-weekly sales review frameworks to improve accountability and forecasting discipline.

6. Internal Control Systems and Their Adequacy

The Company has in place internal control systems commensurate with the size, scale, and nature of its operations, covering financial reporting, procurement, inventory management, and statutory compliance. These controls are periodically reviewed to ensure they remain adequate for the Company's growing scale of operations, including the increasing complexity introduced by defence and government contracting requirements. The Audit Committee of the Board periodically reviews the internal control framework, along with the internal audit function's findings and management's remedial actions.

7. Risks and Concerns

• Working capital days stood at 90 during the year. the elongated DSO of 235 days is a function of the payment cycles inherent to the company's government, defence and railways customer base, and is offset through active management of inventory and payables, keeping overall working capital efficiency within a manageable range.

• Customer concentration : Reliance on a limited set of large defence and railways customers/OEMs exposes the Company to order timing and concentration risk.

• Component supply and pricing risk : Dependence on globally sourced electronic components exposes the Company to price volatility, allocation constraints, and lead-time risk.

• Execution risk on capacity expansion : Timely receipt of ECMS approval and execution of the proposed Goa greenfield facility carries regulatory and project-execution risk.

• Regulatory and compliance risk : Operating in defence and railways segments subjects the Company to stringent quality certifications, security clearances, and regulatory compliance requirements.

• Interest rate and funding risk : Working-capital-intensive operations make the Company sensitive to interest rate movements and availability of bank/NBFC credit lines.

• Competition risk : Increasing policy-driven interest in EMS/defence electronics manufacturing may attract larger and better-capitalised competitors.

8. Outlook

Management remains cautiously optimistic about the Company's growth prospects, underpinned by continuing defence indigenisation, railways modernisation, and healthcare electronics demand, alongside the potential capacity expansion through the proposed Goa facility under the ECMS scheme. The immediate priority for FY 2026-27 is to improve working capital efficiency and reduce the cash conversion cycle, while continuing to grow the order book across all four business segments. The Company will continue to evaluate its capital structure to ensure it has adequate, cost-effective funding to support both working capital needs and capacity expansion plans.

9. Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material and component availability and prices, changes in Government regulations, tax laws, economic developments, and other incidental factors. The Company assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

MATERIAL ORDERS OF JUDICIAL BODIES / REGULATORS

No significant or material order has been passed by any Regulator, Court or Tribunal during the financial year ended 31st March 2026 which could impact the going concern status and company's operations in future.

IBC CODE & ONE-TIME SETTLEMENT

There is no proceeding pending against the company under the Insolvency and Bankruptcy code, 2016 (IBC Code). There has not been any instance of one-time settlement of the company with any bank or financial institution.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

Company's commitment towards creating a respectful workplace that is free from any form of harassment and discrimination is exemplified by its 'zero-tolerance' approach towards any act of sexual harassment. The Company has a comprehensive policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which is available at the website of the Company https://highnessmicro.com/. A group level Internal Complaints Committee ("ICC") has been constituted as per procedure prescribed in the law. All such investigations are conducted as per the tenets of the law and the Company's policy. The list of ICC members has been prominently displayed in the office. Following are the details of sexual harassment cases for financial year 2025-26:

Number of complaints filed during the Financial Year	NIL
Number of complaints disposed off during the Financial Year	NIL
Number of complaints pending as at the end of the Financial Year	NIL

We also hereby confirm that during the year under review the Company has duly complied with the provisions of the Maternity Benefit Act 1961.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate as per the nature of the business and the size of its operation.

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.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has Compiled with the applicable requirements as prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with the relevant provisions of the Companies Act, 2013 and Circulars/Notifications issued by Ministry of Corporate Affairs in this regard.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express and place on record their appreciation for the continued support, cooperation, trust and assistance extended by shareholders, employees, customers, principals, vendors, agents, bankers, financial institutions, suppliers, distributors and other stakeholders of the Company.

Mr. GAURAV KEJRIWAL **DIRECTOR** **(DIN: 01506981)** **PLACE: MUMBAI** **DATED: 30th MAY 2026**	**Mr.MANJUL KUMAR KEJRIWAL** **DIRECTOR** **(DIN: 01507039)**

AUDITORS REPORT

To The Members of
HIGHNESS MICROELECTRONICS LIMITED
Report on the Audit of the Standalone Financial Statements:

Opinion

1. We have audited the accompanying financial statements of Highness Microelectronics Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss, the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

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

Information other than the Financial Statements and Auditors reports Thereon

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

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

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

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

Management Responsibilities for the Standalone Financial Statements

6. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance, changes in equity and the cash flow of the Company in accordance with the Accounting Principles generally accepted in India, including the Indian accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company 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.

8. That Board of Directors are responsible for overseeing the company financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

d) 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 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.

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

11. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (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.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central government in terms of Section 143(11) of the Act is mentioned in "Annexure A" of the Act.

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

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

b) On the basis of our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts.

d) In our opinion, the aforesaid financial statements comply with AS specified under section 133 of the Act.

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

f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 14(b) above on reporting under section 143(3)(b) of the Act and reporting paragraph 15(v) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

16. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, in our opinion the same is not applicable to the company for the year under review.

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

i. The Company has pending litigation as at March 31, 2026 as follows:-

SSN	Entity and GSTIN	Name of Authority	Notice/Demand Order Id & Period	Notice/Order Description	Amount in Dispute (Rs.)	Current Status
1	**Highness Microelectronics Ltd. GST no. 27AABCH9142E1ZP**	Office of the joint Commissioner of State Tax (Appeal 5.)	ZD270225130438H Period APR 2020 - MAR 2021	Order U/S 73	Tax – 14,75,718 Interest- 12,83,875 Penalty- 1,63,297 **Total - 29,22,890**	In appeal Reference Number ZD2706250098553 dated 22.05.2025

ii. The Company did not have any long-term contracts, including derivative contracts; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (i) The management has represented that, to the best of its knowledge and belief, 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.

(ii) The management has 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

(iii) 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 sub clause (iv)(I) and (iv)(ii) contain any material mis-statement.

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 not applicable for the financial year ended December 31, 2025.

v. In our opinion and according to the information and 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 Companies Act, 2013. The remuneration paid is in excess of the limits laid down under Section 197 read with Schedule V of the Act; however, the same has been approved by the members of the Company by way of special resolution passed in the general meeting. Accordingly, the remuneration is in compliance with the provisions of Section 197.

vi. The company has neither declared nor paid any dividend during the year, hence reporting in respect of compliance under section 123 of the Act is not applicable.

vii. Based on our audit procedures, the Company has used accounting software for maintaining its books of accounts for the financial year ended 31st March, 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. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company for record retention.

For Jain Vinay & Associates
Firm Regn No 006649W

Mr. Vishnu Sodhani
M. no: 403919
UDIN : 26403919YABIWM5964
Date : 26/05/2026
Place : Mumbai

Annexure - A to Independent Auditor's Report

The 'Annexure A' referred to in Independent Auditor's Report to the Members of the Company on the Standalone Financial Statements for the year ended 31st March 2026, we report that:

(I) (a) (1) According to the information and explanation given to us and based on the records produced before us, we are of the opinion that the Company is maintaining proper records showing full particulars including quantitative details and the situation of fixed assets.

(2) The company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanation given to us, fixed assets are physically verified by the management according to a phased programme designed to cover all the locations which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, the management during the year physically verified the fixed assets at certain locations and no material discrepancies were noticed on such verification.

(c) As per the standalone financial statements of the company, the company doesn't hold any immovable properties other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee. Hence reporting on whether the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company is not applicable.

(d) According to the information and explanation given to us and based on the records produced before us, the company has not revalued its Property, Plant and Equipment during the year. Hence, the provisions of this sub-clause are not applicable to the company.

(e) According to the information and explanation given to us and based upon the records produced before us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Hence, the provisions of this sub- clause are not applicable to the company.

(ii) (a) The inventories except for goods in transit were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and the procedure of such verification by the Management is appropriate having regard to size of the Company and the nature of its operations. In respect of goods in transit, majority of the goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification when compared with books of account.

(b) According to the information and explanation given to us and based upon the records produced before us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The lender has not stipulated submission of quarterly returns/statements of current assets; accordingly, the requirement of reconciliation of such statements with books of account is not applicable.

(iii) (a) According to the information and explanation given to us and based upon the records produced before us, the company has not granted loan to a company during the year.

i. No such loans were granted to the subsidiaries, joint ventures and associates of the Company.

(b) According to the information and explanation given to us, and based upon the records produced before us we are of the opinion that the loans granted and investments made are not prejudicial to the company's interest;

(c) According to the information and explanation given to us, and based upon the records produced before us the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.

(d) According to the information and explanation given to us, and based upon the records produced before us no amount of principle or interest as stipulated is overdue for more than 90 days. Hence this clause is not applicable.

(e) According to the information and explanation given to us, and based upon the records produced before us the loans granted has not fallen due during the year and hence has not been extended or renewed, Hence this clause is not applicable.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has granted an advances in the nature of loan to its directors are as follows:

(Amount In '000)

Name of Party to whom loan granted	Opening balance of Advance	Advances during the year	Closing balance
Mr. Gaurav Kejriwal	3,452.44	1529.72	4,982.17
Mrs. Shruti Kejriwal	940.78	85.85	1,026.63

(iv) According to the information and explanation given to us, and based upon the records produced before us we are of the opinion that in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) According to the information and explanation given to us, the company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the rules framed there under. Hence, the provisions of this clause are not applicable to the Company.

(vi) The company's turnover of the immediately preceding financial year is well within the limits laid down in section 148 of the Companies Act, 2013 and hence, the maintenance of cost records is not applicable to the company.

(vii) (a) According to the information and explanations given to us and records examined, the company has generally been regular in depositing undisputed statutory dues with the appropriate authorities except for :-

1) Delays in respect of provident fund and employees' state insurance - The company was liable to register under the said statutes in earlier years but obtained registration only in October 2024, and consequently, contributions relating to the prior period remain unpaid as at March 31, 2025. Such dues have been outstanding for a period of more than six months from the date they became payable.

2) Undisputed Statutory dues related to Income tax are as follows year wise :

Particulars	Outstanding Tax	Interest	Total
AY 2025-26	98,82,870	2,96,484	1,01,79,354

3) (i) Other undisputed statutory dues related to TDS are as follows year wise :

Financial Year	Short Payment	Short Deduction	Interest on Payments default u/s 201	Interest on Deduction Default u/s 201	Late Filing fee u/s 234E	Interest u/s 220(2)	Total Default
2025-26	0	210,080/-	24,030/-	4,200/-	5,600/-	120/-	244,030/-
2024-25	0	1,534/-	2,017/-	108/-	3,000/-	163/-	6822/-
2022-23	0	0	3,155/-	0	0	144/-	3,299/-
Prior Years	35,524/-	166,699/-	33,822/-	10,133/-	769,760/-	601/-	10,16,539/-
Total	**35,524/-**	**378,314/-**	**63,023/-**	**14,441/-**	**778,360/-**	**1,028/-**	**12,70,690/-**

*The company is in process to file revised returns in respect to short deduction reflected at TDS portal.

(ii) Other undisputed statutory dues related to GST are as follows year wise :

Entity and GSTIN	Amount in (Rs.)	Interest Amount (Rs.)
Highness Microelectronics Ltd. **GST no.27AABCH9142E1ZP**	**26,42,492**	**995,651**

According to the information and explanations given to us, the Company has recognised GST liability along with applicable interest in respect of export sales made in September 2024, the proceeds of which remained unrealised beyond the prescribed period of nine months from the date of export as per FEMA rules and are outstanding as at the balance sheet date. The said GST liability and interest have been duly provided for in the books of account and are undisputed.

(iii) Outstanding liability towards custom duty

Aper details available on the Customs an aggregate outstanding amount of Rs 50,18,931/- is determined to be paid as on report date. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable. Goods in respect for the same is lying in customs warehouse (Sahar Air cargo shipment).

(b) According to the information and explanation given to us and the record produced before us, disputed amounts in respect to statutory dues related to Goods and Services tax are as follows :-

The Company has pending litigation as at March 31, 2026 as follows : -

Sr. No.	Entity and GSTIN	Name of Authority	Notice/Demand Order Id & Period	Notice/Order Description	Amount in Dispute (Rs.)	Current Status
1	**Highness Microelectronics Ltd.** **GST no.** **27AABCH9142E1ZP**	Office of the joint Commissioner of State Tax (Appeal 5.)	ZD270225130438H Period APR 2020 - MAR 2021	Order U/S 73	Tax – 14,75,718 Interest - 12,83,875 Penalty - 1,63,297 **Total - 29,22,890**	In appeal Reference Number Zd2706250 098553 Dated 22.05.2025

(iii) According to the information and explanations given to us, the Company has not deposited interest payable under the Micro, Small and Medium Enterprises Development Act, 2006. The amount of interest accrued and unpaid as at 31 March 2026 is ₹24.09 thousand.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanation given to us and based on the records provided to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year..

(b) According to the information and explanation given to us and based on the records produced before us, the company has not been declared a wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanation given to us and based on the records produced before us, we are of the opinion that term loans taken by the company have been applied for the purpose for which loans have been obtained.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, funds raised on short-term basis have not been utilised for long-term purposes.

(e) According to the information and explanation given to us and based on the records produced before us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanation given to us and based on the records produced before us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x) (a) The Company has raised monies by way of Initial Public Offer (IPO) during the year. Based on the examination of records of the Company and according to the information and explanations given to us, the monies so raised have been applied for the purposes for which they were raised as disclosed in the offer document. Disclosures in respect of utilisation proceeds as on 31st March 2026 are as follows :-

Sr. No.	Object of Issue as per Prospectus	Amount Proposed	Utilised upto Previous Period	Utilised During Current Period Upto 31.03.26	Unutilised Amount	Remarks
1	**Funding the capital expenditure requirements of our Company**	52,675,180.00	NA	-	52,675,180.00	NA
2	**Funding the Working Capital Requirement of our Company**	67,090,550.00	NA	-	67,090,550.00	NA
3	**Repayment and/or pre-payment, in full or part, of borrowing availed by our Company**	18,909,450.00	NA	-	18,909,450.00	NA
4	**General Corporate Purposes**	29,432,260.00	NA	-	29,432,260.00	NA
5	**Public Issue Expenses**	30,324,560.00	NA	30,324,560.00	-	NA
6	**Offer for Sale**	18,288,000.00	NA	-	18,288,000.00	NA
	Total	**216,720,000.00**	**NA**	**30,324,560.00**	**186,395,440.00**	**NA**

(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) (a) During the course of our examination of the books of account carried in accordance with the generally accepted auditing standards in India, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the Management.

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

(c) According to the information and explanation given to us and based on the records produced before us, no complaints of the whistle-blower have been received by the company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under section 406 of the Companies Act, 2013. Hence the provision of this clause is not applicable to the company.

(xiii) According to the information and explanation given to us and the record produced before us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) The Company is not required to appoint an internal auditor under the provisions of the Companies Act, 2013 as at 31st March 2026. The equity shares of the Company were listed subsequent to the year end on 2nd April 2026. Accordingly, reporting under clause 3(xiv)(b) of the Order is not applicable.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities and is not required to obtain Certificate of Registration (CoR) for such activities from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.;

(c) According to the information and explanations given to us, and based on the records produced before us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India,

(d) There is no group company /Core Investment Company. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) According to the information and explanation given to us and the record produced before us, the company has not incurred cash losses for F.Y. 2024-2025.

(xviii) According to the information and explanations given to us, the previous statutory auditors of the Company resigned during the year. We have considered the issues, objections, and concerns raised by the outgoing auditors, if any, in conducting our audit.

(xix) 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, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists regarding company's capability of meeting its liabilities payable within a period of one year from the balance sheet date, as and when they fall due.

(xx) (a) According to the information and explanation given to us and the record produced before us, the Company does not have any unspent amount in relation to other than ongoing projects. Hence the provisions of this sub-clause is not applicable to the Company.

(b) According to the information and explanation given to us and the record produced before us, the Company does not have any unspent amount in relation to ongoing projects. Hence the provisions of this sub-clause is not applicable to the Company.

According to the information and explanation given to us and based on the records produced before us, there have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

Highness Microelectronics Limited

Regd. Add.: Office No. 1C3, Gundecha Onclave, Wing C and D, Kherani Road, First Floor, Opp. Post Office, Mumbai - 400072

CIN : L72900MH2007PLC173854

Balance sheet as at March 31, 2026

Particulars	Notes	March 31, 2026 (In '000 Rupees)	March 31, 2025 (In '000 Rupees)
EQUITY AND LIABILITIES			
Shareholder's funds			
Share Capital	3	51,636.00	35,100.00
Reserves and Surplus	4	2,20,008.24	24,838.66
		2,71,644.24	**59,938.66**
Non-current liabilities			
Long Term Borrowings	5	18,770.05	21,532.86
Long Term Provisions	6	2,325.55	1,836.30
		21,095.60	**23,369.17**
Current liabilities			
Short-Term Borrowings	7	60,664.35	27,742.07
Trade Payables	8		
(a) Total outstanding due of MSME		1,691.95	911.92
(b) Total outstanding due of others		43,167.86	10,096.85
Other Current Liabilities	9	37,122.20	5,872.98
Short Term Provisions	10	23,383.58	9,359.15
		1,66,029.95	**53,982.97**
TOTAL		**4,58,769.78**	**1,37,290.80**
ASSETS			
Non-current assets			
Property, Plants & Equipments			
Tangible Assets	11	9,730.64	6,665.82
Intangible Assets	12	23,805.45	16,181.13
Long term Loans and Advances	13	3,934.02	2,332.69
Deferred Tax Asset (Net)	31	1,893.35	699.60
		39,363.47	**25,879.23**
Current assets			
Inventories	14	84,332.52	56,527.56
Trade Receivables	15	1,03,656.29	42,006.31
Cash and Cash Equivalents	16	2,18,063.84	1,126.15
Short term Loans and Advances	17	6,008.80	4,437.67
Other Current Assets	18	7,344.88	7,313.88
		4,19,406.32	**1,11,411.57**
TOTAL		**4,58,769.79**	**1,37,290.80**
Notes forming part of financial statements	1 to 37		

See accompanying notes forming part of the financial statements.
As per our report of even date

For Jain Vinay & Associates
Chartered Accountant
Firm Registration No. : 006649W

For and on behalf of the Board of Directors
Highness Microelectronics Limited
(CIN : L72900MH2007PLC173854)

Mr. Vishnu Sodhani
Partner
Membership No. : 403919
Place : Mumbai
Date : 30th May 2026
UDIN : 26403919YABIWM5964

Mr. Gaurav Kejriwal
Managing Director
DIN : 01506981
Place : Mumbai
Date : 30th May, 2026

Mrs. Shruti Gaurav Kejriwal
Whole Time Director
DIN : 10593550
Place : Mumbai
Date : 30th May, 2026

Mrs. Preeti Rathi
Company Secretary
PAN : EJZPM2046C
Place : Mumbai
Date : 30th May, 2026

Mr. Mayurkumar Gori
Chief Financial Officer
PAN : AIDPG9394A
Place : Mumbai
Date : 30th May, 2026

Highness Microelectronics Limited

Regd. Add.: Office No. 1C3, Gundecha Onclave, Wing C and D, Kherani Road, First Floor, Opp. Post Office, Mumbai - 400072

CIN : L72900MH2007PLC173854

Statement of Proft and Loss for the year ended March 31, 2026

Particulars	Notes	March 31, 2026 (In '000 Rupees)	March 31, 2025 (In '000 Rupees)
Income			
Revenue from Operations (Net)	19	1,61,191.87	1,40,737.82
Other income	20	7,983.10	1,000.29
Total Income (I)		**1,69,174.98**	**1,41,738.10**
Expenses			
Cost of Materials Consumed/Cost of Goods Purchased	21	60,210.52	61,979.46
Changes in Inventories	22	-27,804.96	-18,471.04
Employee Benefits	23	29,188.17	17,492.53
Other Expenses	24	33,421.74	34,548.94
Finance Costs	25	10,288.65	4,258.73
Depreciation and Amortization Expense	11	10,413.52	9,269.38
Total Expenses (II)		**1,15,717.64**	**1,09,077.99**
Profit before tax (I-II)		**53,457.34**	**32,660.11**
Tax expenses			
Current Tax		13,611.90	8,436.36
Deferred Tax		-1,193.75	-358.34
Total tax expense		**12,418.15**	**8,078.03**
Profit for the year		**41,039.19**	**24,582.08**
Earnings per share (51,63,600 Equity Shares of Rs. 10 each)			
Basic		7.95	4.76
Diluted		7.95	4.76
(Restated post bonus issue for past years)			

See accompanying notes forming part of the financial statements.

For Jain Vinay & Associates
Chartered Accountant
Firm Registration No. : 006649W

For and on behalf of the Board of Directors
Highness Microelectronics Limited
(CIN : L72900MH2007PLC173854)

Mr. Vishnu Sodhani
Partner
Membership No. : 403919
Place : Mumbai
Date : 30th May 2026
UDIN : 26403919YABIWM5964

Mr. Gaurav Kejriwal
Managing Director
DIN : 01506981
Place : Mumbai
Date : 30th May, 2026

Mrs. Shruti Gaurav Kejriwal
Whole Time Director
DIN : 10593550
Place : Mumbai
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Mr. Mayurkumar Gori
Chief Financial Officer
PAN : AIDPG9394A
Place : Mumbai
Date : 30th May, 2026

Highness Microelectronics Limited

Regd. Add.: Office No. 1C3, Gundecha Onclave, Wing C and D, Kherani Road, First Floor, Opp. Post Office, Mumbai - 400072

CIN : L72900MH2007PLC173854

Cash Flow Statement for the year ended March 31, 2026

Particulars	March 31, 2026 (In '000 Rupees)	March 31, 2025 (In '000 Rupees)
Cash Flow From Operating Activities		
Net Profit Before tax	**53,457.34**	**32,660.11**
Adjustments for :-	-	-
Depreciation	10,413.52	9,269.38
Finance Costs	10,288.65	4,258.73
Interest Income	-474.53	-44.22
Sundry balances W/off	-	498.50
Gratuity expenses	489.24	391.80
Unrealised Foreign Exchange gain	-7,161.76	-336.24
Other Non-Operating Income	-	-
Operating Profit before Working Capital Changes	**67,012.46**	**46,698.06**
Adjustments for Changes in Working Capital		
(Increase)/Decrease in Trade Receivables	-54,488.22	-40,679.38
(Increase)/Decrease in Short Term Loans & Advances	-1,571.13	-4,367.67
(Increase)/Decrease in Long Term Loans & Advances	-1,601.34	-354.33
(Increase)/Decrease in Other Current Assets	-31.00	10,940.03
Increase/(Decrease) in Trade Payables	33,851.04	5,492.18
Increase/(Decrease) in Short Term Provisions	1,485.10	4,742.42
Increase/(Decrease) in Other Current Liabilities	31,249.22	-6,262.35
(Increase)/Decrease in Inventories	-27,804.96	-18,471.04
Cash Generated from/(used in) Operations before	**48,101.18**	**-2,262.07**
Extraordinary Items		
Cash Flow from Extraordinary items	-	-
Cash Generated from Operations	**48,101.18**	**-2,262.07**
Taxes Paid (net of refunds)	-1,072.57	-11,991.96
Net Cash from/(used in) Operating Activities (A)	**47,028.61**	**-14,254.03**
Cash Flow from Investing Activities		
Purchase of fixed assets including capital advances	-21,102.66	-18,500.75
Interest Received	474.53	44.22
Net cash from/(used in) investing activities (B)	**-20,628.13**	**-18,456.53**
Cash flow from Financing Activities		
Proceeds from Issue of Share capital	16,536.00	
Share issue premium	1,54,130.39	
Repayment of Long Term Borrowings	-2,762.81	17,913.76
Proceeds from other Short-term Borrowings	32,922.28	17,566.26
Finance Cost	-10,288.65	-4,258.73
Net cash from/(used in) Financing Activities (C)	**1,90,537.21**	**31,221.29**

Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**2,16,937.69**	**-1,489.27**
Cash and cash equivalents- opening balance	1,126.15	2,615.42
Cash and cash equivalents- closing balance	**2,18,063.84**	**1,126.15**
Notes :		
(1) Cash and Cash Equivalents		
- Balances with banks :		
In Fixed Deposits		
In Current account	2,17,843.64	900.30
Cash on hand	220.19	225.86

As per our report of even date

For Jain Vinay & Associates
Chartered Accountant
Firm Registration No. : 006649W

For and on behalf of the Board of Directors
Highness Microelectronics Limited
(CIN : L72900MH2007PLC173854)

Mr. Vishnu Sodhani
Partner
Membership No. : 403919
Place : Mumbai
Date : 30th May 2026
UDIN : 26403919YABIWM5964

Mr. Gaurav Kejriwal
Managing Director
DIN : 01506981
Place : Mumbai
Date : 30th May, 2026

Mr. Manjul Kumar Kejriwal
Director
DIN : 01507039
Place : Mumbai
Date : 30th May, 2026

Mrs. Preeti Rathi
Company Secretary
PAN : EJZPM2046C
Place : Mumbai
Date : 30th May, 2026

Mr. Mayurkumar Gori
Chief Financial Officer
PAN : AIDPG9394A
Place : Mumbai
Date : 30th May, 2026

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

1. Corporate Information

Highness Microelectronics Private Limited was incorporated on September 06, 2007 vide Registration Number 173854. The Company is principally engaged in the Design, Development, Integration, Assembly and Manufacture of Digital-Imaging Solutions.

The Company is domiciled in India and its registered office is at Office No. 1C3, Gundecha Onclave, Wing C and D, Kherani Road, First Floor, Opp. Post Office, Mumbai - 400072 (Corporate Identification Number : U72900MH2007PTC173854).

2. Significant accounting policies

2.1 Basis for preparation of financial statements

a) The financial statements have been prepared to comply in all material aspects with the applicable accounting principles generally accepted in India, the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable and as per the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards (NACAS) and the relevant provisions of the Companies Act, 2013.

b) Accounting Policies not specifically referred to otherwise are in consonance with prudent accounting principles.

c) The financial statements are prepared in accordance with the historical cost convention.

2.2. Revenue recognition

a) Sales are accounted when significant risk and rewards are passed on to the customer. Sales are accounted net of excise duty.

b) Interest income is accounted on a time proportion basis taking into account the amounts invested and the rate of interest.

c) Dividend incomes on investments are accounted for when the right to receive the payment is established.

2.3 Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles ('GAAP') requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.4 Expenditure

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

2.5 Translation of Foreign Currency Items

Transactions in foreign currencies are translated into Indian Rupees (INR) at RBI reference rate of exchange ruling on the date of the transactions.

Gains or losses resulting from foreign currency transactions are taken to the income statement.

Intangible Assets -

The Company operates in the microelectronics industry and procures new enclosure designs, software files, layouts and technical specifications which form the basis for production of LED panels, backlights, controller boards and other electronic products for specific customers.

Costs incurred towards such activities are in the nature of development costs and meet the recognition criteria of an intangible asset as per applicable accounting standards. Accordingly, these costs are capitalised as **Intangible Assets – Research and Development Costs.**

2.7. Depreciation

Depreciation is provided on the written down value method over the useful life of assets in the manner specified under Part C of Schedule II of the Companies Act, 2013. Assets acquired prior to 1st April, 2015, the carrying amount as on 1st April, 2015 is depreciated over the remaining useful life based on evaluation. Depreciation on additions during the year is provided on pro-rate basis from the date of addition.

Nature Of Asset	Useful life as per company	Useful life as per companies Act
Computer	3	3
Furniture & Fixture	10	10
Office Equipment	10	10
Plant & Machinery	8	8
Intangible Assets	4	4

As per companies act such costs are amortised to Statement of Profit and Loss over a useful life period of four years or in proportion to the revenue is generated against the related contracts, as and when such revenue is recognised, in accordance with AS 9 – Revenue Recognition and matching principle.

2.8 Impairment of Assets

The management periodically accesses, using internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of assets and its eventual disposal. The impairment loss to be expensed is determined as the excess of carrying amount over the higher of the assets net sales price or present value as determined above.

2.9 Investments

Non-current investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of Non-current investments.

2.10 Inventories

Inventories, stores and spares are valued at cost or net realizable value, whichever is lower. Cost is arrived at on First-In-First-Out (FIFO) basis.

2.11 Retirement benefits to employees

a. Defined benefit plan

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the projected unit credit method. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, 'Employee Benefits.

b. Defined Contribution plan

Eligible employees of Highness Microelectronics Ltd receive benefits from provident funds which is a defined benefit plan. Both eligible employee & company make monthly contributions to provident fund.

2.12 Taxation

Income Tax expense comprises of current tax and deferred tax charge or credit. Deferred Tax resulting from timing differences between book profit and tax profit is accounted for under the liability method, at the current rate of tax, to the extent that the timing difference is expected to crystallize & accounted as per AS - 22

2.13 Contingent liabilities

The company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources & reliable estimate.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

Accordingly, the company discloses contingent liability for following -

The Company obtained registration under the Employees' State Insurance Act, the Employees' Provident Fund Act and the Professional Tax Act with effect from October 2024. Statutory contributions have been deposited from that date onwards. The Company has not recognised any liability in respect of periods prior to October 2024, as the same has not been quantified and reliable measurement is not presently possible however exposure for earlier periods cannot be ruled out. Accordingly, the same has been disclosed as a contingent liability, without quantification.

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Claims against the Company not acknowledged as debt Custom Duty saved on import of Capital Goods under EPCG Scheme	-	-
Bank Guarantees Indirect Tax Liability	-	-
Amount of Capital Commitments	-	-
Corporate Guarantee Given by Company	-	-

2.3 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash in hand, cash at bank, deposits with banks and other short-term investments with an original maturity of three months or less.

2.4 Miscellaneous Expenditure

Preliminary expenses are charged to profit and loss account over a period of five years.

2.5 Cash Flow Statement

Based on AS-3 Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available Information.

2.6 Earnings Per Share

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

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

27. Closing Balance Confirmation

All the debtors, creditors, loans and advances, deposits are subject to confirmation.

In the opinion of the management, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of the business, except otherwise stated and there is no contingent liability other than stated above.

28. Micro, Small and Medium Enterprise Development Act, 2006 ('the Act')

The Company has initiated the process of identification of 'suppliers' registered under the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006, by obtaining confirmations from all suppliers. The Company has disclosed MSME sundry creditors based on such confirmations received from creditors about their status under MSMED Act, 2006.

Disclosure of dues to Micro and Small Enterprises as required under the MSMED Act, 2006

(Rs. in '000)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
(a) Principal amount remaining unpaid as at the end of the year	1,292.37	693.74
(b) Interest due on the above amount	23.87	12.24
(C) Interest paid during the year	0.22	0
(d) Interest payable for the year	23.87	12.24
(e) Interest accrued and remaining unpaid	24.09	0
(f) Further interest due and payable in succeeding years	24.09	12.24

29. Managerial Remuneration

(Rs. in '000)

Particulars	March 31, 2026 (Rupees)	March 31, 2025 (Rupees)
Director's Salary	8,400.00	4,382.51

27. Disclosure of Deferred Tax

Deferred tax asset of Rs. 1,147.41/- (Previous period Rs. Deferred Tax Asset of Rs. 358.37/-) is provided as per working, being timing difference as per books and as per Income Tax Act.

27. Disclosures of Related Party Transactions (as per AS-18) :

Sr. No.	Description of Relationship	Name of related person
1	Enterprises over which Key Management Personnel exercise significant influence	Global Business
2	Director	Gaurav Manjul Kejriwal
3	Director	Shruti Gaurav Kejriwal
4	Company Secretary	Preeti Paresh Rathi
5	CFO	Mayurkumar Laxmidas Gori
6	Non Executive Director	Manjulkumar Kejriwal
7	Relative of Director	Manjudevi Kejriwal

Details of related party transactions during the year beginning April 1, 2025 and balances outstanding as on March 31, 2026 :

(Rs. in '000)

Particulars	Global Business	Gaurav Kejriwal	Manjul Kumar Kejriwal	Shruti Gaurav Kejriwal	Preeti Rathi	Mayur Gori
Balance As on 01/04/2025	-	2,806.22	-	446.86	62.00	-
Expenses Paid	-	-	-	-	-	-
Sales of Goods	-	-	-	-	-	-
Purchase of Goods	-	-	-	-	-	-
Remuneration	-	6,000.00	-	2,400.00	558.00	463.82
Sitting fees	-	-	18.00	-	-	-
Receipts/Credits	-	252.01	-	-	-	-
Payments/Debits	-	12,346.02	-	3,720.96	558.00	367.11
Advance	-	1,529.72	1.80	85.85	-	-
Closing Balance as 31/03/2026	-	(4,817.51)	16.20	(959.95)	62.00	96.71

All related party transactions were carried out in the ordinary course of business and on an arm's length basis. Receipts/Credits & Payments/Debit contain payments & receipts which are reimbursable in nature.

32. Expenditure & Earnings in foreign Currency

(a) Foreign Exchange Earnings

(Rs. In '000)

Particulars	March 31, 2026	March 31, 2025
Export sales (FOB value)	70,578.58	43,132.64

(b) Foreign Exchange Expenditure

(Rs. in '000)

Particulars	March 31, 2026	March 31, 2025
Purchases (CIF basis)	49,957.63	48,946.46
Research & Development expenses	14,713.26	17,101.00
Advances to suppliers	2,705.00	3,310.59

33. Auditors Remuneration

(Rs. in '000)

Particulars	March 31, 2026	March 31, 2025
As an Statutory Auditor	440.00	250.00
For Tax Auditor	45.00	45.00

27. Ratio Analysis

As per annexure B

28.Segment Reporting

The Company is primarily engaged in a single business segment, namely the design, development, integration, assembly and manufacture of digital imaging solutions.

Based on the nature of business activities and the manner in which the management reviews the operating performance, the Company has identified only one reportable segment in accordance with the applicable accounting standards. Accordingly, no separate segment information has been disclosed.

36. Gratuity Details based on Actuarial valuation

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of Obligation	2325.55	1836.60
Funding Status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.
Current Liability	66.99	119.72
Non Current Liability	2258.56	1716.59

The actuarial assumptions used in accounting for the gratuity plan were as follows :

Particulars	As at March 31, 2026	As at March 31, 2025
Demographic Assumption :		
Morality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Retirement Age	58	58
Attrition Rate	10.00%	10.00%
Upto 30 years	3	3
From 31 to 44 years	2	2
More than 44 years	1	1
Financial Assumption :		
Salary Escalation Rate	5.00%	5.00%
Discount Rate	7.70%	6.80%

37. Additional Disclosures

i. Details of Benami Property held

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

ii. Relationship with Struck off Companies

The Company do not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

iii. Registration of charges or satisfaction with Registrar of Companies

The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

iv. Wilful defaulter

The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

v. Undisclosed Income

The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

vi. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

vii. Information relating to other matters :

a) Export Sales Proceeds - Trade receivables include export sales made to a single debtor party in aircraft industry - "Aerohaste LLC FZ" . Sales constituting ₹2,61,61,168/- were made in September 2024 & ₹1,54,36,080 in the month of March 25 out of which only ₹1,14,88,685 was realized & balance of ₹3,03,32,561/- remains outstanding as on balance sheet date. Overdue for sales executed in September 24 month are beyond the timeline prescribed under the Foreign Exchange Management Act, 1999. The management team was in discussion with debtor party to resolve technical hurdles in collection of receipt & expects to realize the same in current FY. Based on positive outcome , management discussions & internal assessment, the receivable is carried at its full value.

b) Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

viii. Previous year figures have been regrouped / rearranged wherever necessary to make them comparable with the current year's figures.

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Notes forming part of the Financial Statements for the year ended March 31, 2026

3. Share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares (In '000)	Amount (In '000 Rupees)	Number of shares (In '000)	Amount (In '000 Rupees)
Authorised Capital :				
Equity Shares of Rs. 10/- each	7,000.00	70,000.00	7,000.00	70,000.00
Issued, Subscribed and Paid up :				
Equity Shares fully Paid up of Rs.10/- each	5,163.60	51,636.00	3,510.00	35,100.00

3.a. Terms/Rights to Equity Shares

The Company has only one class of Equity shares of Rs. 10/- share, Eash share holder of equity share is entitled to One vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

3.b. Reconciliation of the number of shares

Particulars	As at March 31, 2026	As at March 31, 2025
	Number of shares (In '000)	Number of shares (In '000)
At the beginning of the year	3,510.00	10.00
Add: Bonus shares issued*	-	3,500.00
Add: No. of Shares issued During the year**	1,653.60	-
Less: No. of Shares bought back During the year	-	-
Outstanding at the end of the year	**5,163.60**	**3,510.10**

3.c. *Company has allotted bonus shares in the ratio of 350:1, i.e., 350 bonus shares for every 1 equity share held, by capitalizing reserves in Aug 2024 The total number of bonus shares issued during the year amounts to 35,00,000 equity shares of ₹10 each, aggregating to Rs. 35000 Thousands. **During FY 2025-26, pursuant to the Initial Public Offering (IPO), the Company allotted 16,53,600 equity shares of ₹10 each at an issue price of ₹120 per share, including securities premium of ₹110 per share. The Offer for Sale (OFS) portion of the IPO did not result in any change in the issued, subscribed and paid-up equity share capital of the Company, since the shares were offered by existing shareholders. None of the above shares are reserved for issue under options / contract / commitments for sale of shares or disinvestment.

3.d. Details of shares held by each shareholder holding more than 5% shares :

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. (In '000)	% Holding	No. (In '000)	% Holding
Mr. Gaurav Kejriwal	2,028.99	39%	2,067	59%
Mr. Manjul Kejriwal	833.70	16%	948	27%
Mrs. Manjudevi Kejriwal	245.70	5%	246	7%
Shine Star Build Cap Pvt Ltd	250.80	5%	-	0%
	5,163.60	**60%**	**3,261**	**93%**

3.e. Details of Promoter's shareholding & changes therein :

Particulars	As at March 31, 2026		As at March 31, 2025		% Change
	No. (In '000)	% Holding	No. (In '000)	% Holding	
Mr. Gaurav Kejriwal	2,029.00	39%	2,067.00	59%	1.86
Mr. Manjul Kejriwal	834.00	16%	948.00	27%	12.03
Mrs. Manjudevi Kejriwal	246.00	5%	246.00	7%	-
	5,164.00	**60%**	**3,261.00**	**93%**	**13.89**

3.f. Details of Holding company

The company does not have a holding company.

4. Reserves and surplus

Particulars	March 31, 2026 (In '000 Rupees)	March 31, 2025 (In '000 Rupees)
Surplus in Statement of Profit & Loss		
Balance as per last financial statements	24,838.66	35,256.58
Add : Profit During The Year	41,039.19	24,582.08
Less : Bonus Shares issued during the year	-	35,000.00
Balance as per current financial statements	**65,877.85**	**24,838.66**
Security Premium Account		
Balance as per last financial statements	-	-
Add : Premium earned on share issued (16,53,600 x 110/-)	1,81,896.00	-
Less : Share of Issue Expenses	27,765.61	-
Balance as per current financial statements	**1,54,130.39**	**-**
Balance as per current financial statements	**2,20,008.24**	**24,838.66**

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Notes forming part of the Financial Statements for the year ended March 31, 2026

Particulars	March 31, 2026 (In '000 Rupees)	March 31, 2025 (In '000 Rupees)
5. Long Term Borrowings		
Secured		
Term Loans		
- From Banks - Term Loans	3,309.41	-
Vehicle Loans		
- From Banks - Vehicle Loans	2,774.61	3,216.71
Unsecured		
Term Loans		
- From financial institution - Term Loans	12,686.03	18,316.15
Total	**18,770.05**	**21,532.86**
Refer "Note 5.1" below.		
6. Long Term Provisions		
(i) Employee Retirement Benefits	2,325.55	1,836.30
Provision for Gratuity		
Total	**2,325.55**	**1,836.30**
7. Short term Borrowings		
Secured		
Term Loans		
(a) From Banks - Repayable on demand	29,908.21	20,058.37
(b) Current Maturity of Term Loans	1,293.27	
Vehicle Loans		
- Current Maturity of Vehicle Loans - Banks	442.10	402.39
Unsecured		
Term Loans		
(a) Current Maturity of Term Loans - FI	28,789.44	7,021.45
(b) From Directors(Unsecured, payable on demand)	231.33	259.86
Total	**60,664.35**	**27,742.07**
Refer "Note 7.1" below.		
8. Trade Payables		
(I) MSME	1,691.95	911.92
(ii) Others	43,167.86	10,096.85
Total	**44,859.81**	**11,008.77**
Refer "Note 8.1" below.		
9. Other Current Liabilities		
Statutory Dues Payable	3,884.87	232.18
Advance from Customers	16,888.15	5,387.63
Other Payables	16,349.18	253.17
Total	**37,122.20**	**5,872.98**
10. Short Term Provisions		
Other provisions		
Provision for Income Tax (Net off TDS, TCS & Advance Tax)	20,670.33	8,131.00
Provision for Employee Benefits	2,713.25	1,228.15
Total	**23,383.58**	**9,359.15**

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Notes forming part of the Financial Statements for the year ended March 31, 2026

Note 5.1 : Details of Long Term Borrowings

Details	Amount (In '000 Rupees)	Nature of facilities	Rate of Interest	Tenure (Months)
March 31, 2026				
Secured				
Bajaj Finance Limited-Auto Loan	2,774.61	Secured against Car - Vehicle	9.45%	96 months
Urgo Capital Limited	3,309.41	Secured Against Plant & Machinery	10.50%	48 months
	6,084.03			
Unsecured				
Clix Capital Services Private Limited	3,351.00	Term Loan	16.50%	36 months
Deutsche Bank	2,761.23	Term Loan	15.25%	32 months
Godrej Finance Limited	1,759.65	Term Loan	17.50%	48 months
Hero FinCorp Limited	1,847.04	Term Loan	16.00%	26 months
MAS Financial Service Ltd	1,368.41	Term Loan	16.50%	24 months
Protium Finance Limited	1,598.69	Term Loan	16.50%	24 months
	12,686.03			
March 31, 2025				
Secured				
Bajaj Finance Limited-Auto Loan	3,216.71	Secured against Car - Vehicle	9.45%	96 months
	3,216.71			
Unsecured				
Aditya Birla Finance Ltd - 1801	2,763.34	Term Loan	15.50%	36 months
Bajaj Finance Limited - 2941	2,672.86	Term Loan	17.60%	60 months
Kisetsu Saison Finance	3,462.23	Term Loan	16.00%	36 months
Kotak Mahindra Bank	1,758.50	Term Loan	16.00%	36 months
L & T Finance Ltd	3,507.33	Term Loan	15.50%	36 months
SMFG India Credit Company	4,151.88	Term Loan	15.00%	37 months
	18,316.15			

Note 7.1 : Details of Short Term Borrowings

Details	Amount (In '000 Rupees)	Secured Against	Rate of Interest	Tenure (Months)
March 31, 2026				
Secured				
Bajaj Finance Limited-Auto Loan	442.10	Secured against Car - Vehicle	9.45%	96 months
Urgo Capital Limited	1,293.27	Secured Against Plant & Machinery	10.50%	48 months
Saraswat OD account	29,908.21	Secured Against Book Debt & Stock	11.70%	
		& collateralised by personal guarantee		
		of director with CGTMSE guarantee		
	31,643.58			
Unsecured				
Aditya Birla Finance Ltd - 1801	2,763.34	Term Loan	15.50%	36 months
Bajaj Finance Limited - 2941	2,672.86	Term Loan	17.60%	60 months
Clix Capital Services Private Limited	1,445.31	Term Loan	16.50%	36 months
Deutsche Bank	1,522.31	Term Loan	15.25%	32 months
Godrej Finance Limited	515.95	Term Loan	17.50%	48 months
Hero FinCorp Limited	894.90	Term Loan	16.00%	26 months
MAS Financial Service Ltd	1,415.05	Term Loan	16.50%	24 months
Protium Finance Limited	1,651.43	Term Loan	16.50%	24 months
Tata Capital Limited	3,067.30	Term Loan	15.50%	36 months
Kisetsu Saison Finance	3,462.23	Term Loan	16.00%	36 months
Kotak Mahindra Bank	1,758.51	Term Loan	16.09%	36 months
L & T Finance Ltd	3,468.37	Term Loan	15.50%	36 months
SMFG India Credit Company	4,151.88	Term Loan	15.00%	37 months
	28,789.44			
March 31, 2025				
Secured				
HDFC CC A/c	20,058.37	Secured Against Book Debt & Stock	9.85%	
Bajaj Finance Limited-Auto Loan	402.39	& collateralised by personal guarantee		
		of director with CGTMSE guarantee		
		Secured Against Car - Vehicle	9.45%	96 months
	20,460.76			
Unsecured				
Aditya Birla Finance Ltd - 1801	1,148.68	Term Loan	15.50%	36 months
Bajaj Finance Limited - 2941	379.99	Term Loan	17.60%	60 months
Kisetsu Saison Finance	1,428.65	Term Loan	16.00%	36 months
Kotak Mahindra Bank	902.10	Term Loan	16.00%	36 months
L & T Finance Ltd	1,423.38	Term Loan	15.50%	36 months
SMFG India Credit Company	1,738.65	Term Loan	15.00%	37 months
	7,021.45			

Note 8.1 : Ageing of Trade Payables

March 31, 2026	Outstanding for following periods from due date of payment or date of transaction				Total Amount (In '000 Rupees)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	1691.95	0.00	0.00	0.00	1,691.95
(ii) Others	43165.07	2.79	0.00	0.00	43,167.86
(iii) Disputed dues – MSME	0.00	0.00	0.00	0.00	-
(iv) Disputed dues - Others	0.00	0.00	0.00	0.00	-

March 31, 2025	Outstanding for following periods from due date of payment or date of transaction				Total Amount (In '000 Rupees)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	911.92	0.00	0.00	0.00	911.92
(ii) Others	9396.29	25.15	675.41	0.00	10,096.85
(iii) Disputed dues – MSME	0.00	0.00	0.00	0.00	-
(iv) Disputed dues - Others	0.00	0.00	0.00	0.00	-

Highness Microelectronics Limited

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Notes forming part of the Financial Statements for the year ended March 31, 2026

Amount (In '000 Rupees)

Asset	Rate	Gross Block				Depreciation				Net Block	
		Amount as on 01/04/2025	Additions During the year	Deletion During the year	Amount as on 31/03/2026	Upto 31/03/2025	Depreciation for the Year	Deletion	Amount as on 31/03/2026	WDV as on 31/03/2026	WDV as on 31/03/2025
Tangible Assets											
Computers	63.16%	927.35	765.71	-	1,693.06	793.45	392.53	-	1,185.97	507.09	133.91
Furniture & Fixtures	25.89%	3,286.19	335.77	-	3,621.96	2,022.60	364.32	-	2,386.93	1,235.03	1,263.58
Office Equipment	25.89%	949.49	94.67	-	1,044.15	554.64	115.12	-	669.76	374.40	394.85
Plant & Machinery	31.23%	9,907.94	5,193.26	-	15,101.19	5,034.46	2,452.61	-	7,487.07	7,614.12	4,873.47
Total		**15,070.97**	**6,389.40**	**-**	**21,460.37**	**8,405.15**	**3,324.58**	**-**	**11,729.73**	**9,730.64**	**6,665.82**
Previous Year		**13,671.22**	**1,399.75**	**-**	**15,070.97**	**5,902.60**	**2,502.55**	**-**	**8,405.15**	**6,665.82**	**7,768.61**

11. Intangible Assets

Amount (In '000 Rupees)

Asset	Rate	Gross Block				Amortisation				Net Block	
		Amount as on 01/04/2025	Additions During the year	Deletion During the year	Amount as on 31/03/2026	Amount as on 01/04/2025	Amortisation for the year	Deletion	Amount as on 31/03/2026	WDV as on 31/03/2026	WDV as on 31/03/2025
Intangible Assets											
Website	25.00%	148.65	-	-	148.65	85.94	15.68	-	101.62	47.03	62.71
Research & Development *	-	22,864.35	14,713.26	-	37,577.61	6,745.93	7,073.26	-	13,819.19	23,758.42	16,118.42
Total		**23,013.00**	**14,713.26**	**-**	**37,726.26**	**6,831.87**	**7,088.94**	**-**	**13,920.81**	**23,805.45**	**16,181.13**
Previous Year		**5,911.99**	**17,101.00**	**-**	**23,013.00**	**65.03**	**6,766.83**	**-**	**6,831.87**	**16,181.13**	**5,846.96**

*For R&D - Amortisation is based on useful life period of five years or in proportion to the revenue is generated against the related contracts, as and when such revenue is recognised whichever is earlier

Notes forming part of the Financial Statements for the year ended March 31, 2025

Amount (In '000 Rupees)

Asset	Rate	Gross Block				Depreciation				Net Block	
		Amount as on 01/04/2024	Additions During the year	Deletion During the year	Amount as on 31/03/2025	Upto 31/03/2024	Depreciation for the Year	Deletion	Amount as on 31/03/2025	WDV as on 31/03/2025	WDV as on 31/03/2024
Tangible Assets											
Computers	63.16%	751.50	175.85	-	927.35	733.15	60.29	-	793.45	133.91	18.35
Furniture & Fixtures	25.89%	3,260.69	25.50	-	3,286.19	1,579.83	442.77	-	2,022.60	1,263.58	1,680.85
Office Equipment	25.89%	736.43	213.06	-	949.49	479.08	75.56	-	554.64	394.85	257.35
Plant & Machinery	31.23%	8,922.60	985.34	-	9,907.94	3,110.53	1,923.93	-	5,034.46	4,873.47	5,812.06
Total		**13,671.22**	**1,399.75**	**-**	**15,070.97**	**5,902.60**	**2,502.55**	**-**	**8,405.15**	**6,665.82**	**7,768.61**
Previous Year		**10,506.60**	**5,765.04**	**2,600.43**	**13,671.22**	**6,463.63**	**1,629.14**	**2,190.16**	**5,902.60**	**7,768.61**	**4,042.97**

12. Intangible Assets

Amount (In '000 Rupees)

Asset	Rate	Gross Block				Amortisation				Net Block	
		Amount as on 01/04/2024	Additions During the year	Deletion During the year	Amount as on 31/03/2025	Upto 31/03/2024	Amortisation for the year	Deletion	Amount as on 31/03/2025	WDV as on 31/03/2025	WDV as on 31/03/2024
Intangible Assets											
Website	25.00%	148.65	-	-	148.65	65.03	20.90	-	85.94	62.71	83.62
Research & Development *	-	5,763.34	17,101.00	-	22,864.35	-	6,745.93	-	6,745.93	16,118.42	5,763.34
Total		**5,911.99**	**17,101.00**	**-**	**23,013.00**	**65.03**	**6,766.83**	**-**	**6,831.87**	**16,181.13**	**5,846.96**
Previous Year		**148.65**	**148.65**	**-**	**148.65**	**37.16**	**37.16**	**-**	**37.16**	**111.49**	**111.49**

*For R&D - Amortisation is based on useful life period of five years or in proportion to the revenue is generated against the related contracts, as and when such revenue is recognised whichever is earlier.

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Notes forming part of the Financial Statements for the year ended March 31, 2026

Particulars	March 31, 2026 (In '000 Rupees)	March 31, 2025 (In '000 Rupees)
13. Long term Loans and Advances		
Unsecured, Considered Good		
Security Deposits	3,934.02	2,332.69
Loans & Advances	-	-
Total	**3,934.02**	**2,332.69**
14. Inventories (As taken, verified & certified by the Management)		
Raw Material , WIP & Finished Goods	84,332.52	56,527.56
Total	**84,332.52**	**56,527.56**
15. Trade Receivables		
(i) Undisputed Trade Receivables - considered Good	1,03,656.29	42,006.31
(ii) Undisputed Trade Receivables - considered doubtful	-	-
Total	**1,03,656.29**	**42,006.31**
Refer "Note 15.1" below.		
16. Cash and Cash Equivalents		
Balance with banks		
In Fixed Deposit	-	-
In Currect Account	2,17,843.64	900.30
Cash in Hand	220.19	225.86
Total	**2,18,063.84**	**1,126.15**
17. Short Term Loans and Advances		
Unsecured, Considered Good		
Advance Paid to Staff	-	44.44
Loans & Advances to Related Parties	6,008.80	4,393.22
Total	**6,008.80**	**4,437.67**
18. Other Current Assets		
Advances to Suppliers	2,705.00	3,536.44
Advances for Expenses	1,106.93	-
Income Tax Refundable	-	-
Other Current Assets	3,328.52	3,689.51
Prepaid Expense	204.43	87.93
Total	**7,344.88**	**7,313.88**

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Notes forming part of the Financial Statements for the year ended March 31, 2026

Note 15.1 : Ageing of Trade Receivables

March 31, 2026	Outstanding for following periods from due date of payment or date of transaction				Amount (In '000 Rupees)
	Less than 6 months	6 to 12 months	1 to 2 year	More than 2 years	
(I) Undisputed Trade receivables – considered good	83.10	69,396.09	34,177.10	-	1,03,656.29
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-

March 31, 2025	Outstanding for following periods from due date of payment or date of transaction				Amount (In '000 Rupees)
	Less than 6 months	6 to 12 months	1 to 2 year	More than 2 years	
(I) Undisputed Trade receivables – considered good	19,991.63	22,011.17	3.52	-	42,006.31
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-

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Notes forming part of the Financial Statements for the year ended March 31, 2026

Particulars	March 31, 2026 (In '000 Rupees)	March 31, 2025 (In '000 Rupees)
19. Revenue from Operations		
Sale of Goods		
Domestic Sales	83,366.18	97,605.18
Export sales	70,578.58	43,132.64
MTT Sales	7,247.11	-
Revenue from operations (Net)	**1,61,191.87**	**1,40,737.82**
20. Other Income		
Foreign Exchange Gain & Losses	7,204.31	437.72
Interest Received	474.53	44.22
Duty Drawback received	304.26	-
Sundry Balances W/back	-	498.50
Discount Received	-	0.03
Insurance Claim Received	-	19.80
Total	**7,983.10**	**1,000.29**
21. Cost of Material Consumed/Cost of Goods Purchased		
Cost of Goods Purchased		
Import Purchases	49,477.54	48,946.46
Domestic Purchases	5,715.37	6,394.71
Custom Duty on Import	5,017.61	6,638.29
Total	**60,210.52**	**61,979.46**
22. Changes in Inventories		
Opening Stock		
Raw Material	12,435.37	2,129.77
WIP	1,042.07	1,386.87
Finished Goods	43,050.13	34,539.89
	56,527.56	**38,056.52**
Closing Stock		
Raw Material	5,493.43	12,435.37
WIP	1,789.35	1,042.07
Finished Goods	77,049.75	43,050.13
	84,332.52	**56,527.56**
(Increase)/Decrease in inventories	**-27,804.96**	**-18,471.04**

23. Employee Benefit Expenses		
Salaries, wages, bonus etc.	19,056.20	11,405.82
Director remuneration	8,400.01	4,382.51
Gratuity	489.24	391.80
ESIC & PF Charges	367.69	304.55
Staff Welfare	875.03	1,007.86
Total	**29,188.17**	**17,492.53**
20. Other Expenses		
Freight, Forwarding & Transportation Charges	5,498.94	6,112.01
Advertisement Expenses	4,969.42	2,923.59
Travelling & Accomodation Expenses	4,197.23	8,212.97
Rent, Rate & Taxes	3,891.23	3,803.20
Legal & Professional Charges	2,773.83	2,768.50
General Expenses	2,287.53	3,121.34
Repairs & Maintenance	2,014.71	1,420.26
Service charges	1,225.05	1,560.08
Independent directors sitting fee	1,186.00	50.00
Brokerage & Commission	1,013.75	475.00
Interest, Penalty & Late Fees on GST	998.20	705.09
Security Charges	601.14	452.05
Printing, Packing & Stationery Expenses	490.26	386.76
Electricity Charges	463.63	405.08
Audit Fees	440.00	250.00
Insurance Charges	377.45	328.47
Interest on Custom Duty	233.97	332.44
Vehicle Expenses	213.68	812.13
Telephone Expenses	212.83	327.73
Conveyance Expenses	120.41	48.55
Interest on TDS	113.87	15.59
Courier Charges	72.25	23.35
Interest on delayed payment to MSME	23.87	12.24
Professional Tax	2.50	2.50
Total	**33,421.74**	**34,548.94**
21. Finance Cost		
Interest Expenses		
Other Borrowing Cost	8,547.36	3,375.05
Total	1,741.29	883.68
	10,288.65	**4,258.73**
22. Auditors Remuneration comprises		
For Statutory Audit	440.00	250.00
For Tax Audit	45.00	45.00
Total	**485.00**	**295.00**

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Notes forming part of the Financial Statements for the year ended March 31, 2026

Note 34 : Ratio Analysis

Sr. No.	Ratio	Numerator			Denominator			Ratio as on			Reason (If variation is more than 25%) *
		Particulars	31-Mar-26	31-Mar-25	Particulars	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25		
1	Current Ratio	Current Assets	4,19,406	1,11,412	Current Liabilities	1,66,030	53,983	2.53	2.06	22.40%	
2	Debt Equity Ratio	Total Liabilities	79,434	49,275	Shareholder's Equity	2,71,644	59,939	0.29	0.82	-64.43%	Increase in Equity share capital of company
3	Debt Service Coverage Ratio	Net Operating Income	51,453	33,851	Debt Service	10,289	4,259	5.00	7.95	-37.09%	Increase in Debt of the company
4	Return on Equity Ratio	Profit for the period	41,039	24,582	Avg. Shareholders Equity	1,65,791	47,648	0.25	0.52	-52.02%	Increase in Equity share capital of company
5	Inventory Turnover Ratio	Cost of Goods sold	32,406	43,508	Average Inventory	70,430	47,292	0.46	0.92	50.01%	Increase in closing stock
6	Trade Receivables Turnover Ratio	Net Credit Sales	1,61,192	1,40,738	Average Trade Receivables	72,831	21,748	2.21	6.47	-65.80%	Increase in outstanding debtors due to export sales
7	Trade Payables Turnover Ratio	Total Purchases	60,211	61,979	Average Trade Payables	27,934	8,263	2.16	7.50	-71.27%	Increase in credit period from creditors
8	Net Capital Turnover Ratio	Net Sales	1,61,192	1,40,738	Average Working Capital	1,55,402	40,957	1.04	3.44	-69.81%	Decrease in collection efficiency to credit sales
9	Net Profit Ratio	Net Profit	41,039	24,582	Net Sales	1,61,192	1,40,738	25.46%	17.47%	45.76%	Increase in sales & profit
10	Return on Capital employed	EBIT	63,746	36,919	Capital Employed	2,90,414	81,472	21.95%	45.32%	-51.56%	Increase in share capital of company
11	Return on Investment	Return/Profit/Earnings	-	-	Investment	-	-	NA	NA	NA	

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VOL 1.0, AUG 2026