SHARDA
MOTOR INDUSTRIES LIMITED

38th
Annual Report 2022 - 2023

SMART INNOVATION FOR THE FUTURE.

CONTENTS

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL SECTION

OUR TECHNICAL EXPERTISE - CRAFTING WITH PRECISION

At Sharda Motor Industries Limited, we specialize in designing and supplying high-quality parts and components for various types of vehicles, including passenger cars, commercial vehicles, and off-highway vehicles. With over three decades of experience in the field, we have established ourselves as a leading player in the industry, renowned for our technical expertise in vehicle parts and components.

Our technical expertise lies in offering highly engineered products and services commencing from the manufacturing of Exhaust Systems, Suspension Systems and Roof Systems. In addition to the components manufacturing, we also offer a range of associated services such as Supply Chain Management (SCM) and Procurement. Our team of experienced engineers and technicians use the latest tools and technology to ensure that all parts and components meet the highest quality standards.

Our commitment to quality, innovation, and customer satisfaction has earned us a reputation as a trusted and reliable partner for businesses in the automotive sector. We are dedicated to providing our clients with the best possible solutions to meet their needs, and our technical expertise in vehicle parts and components makes us a leader in the industry.

The below table highlights our proficiency in technology with respect to the assigned responsibilities:

Responsibilities	Concert Design	Acoustic Simulation	Structural Analysis	Proto Build	Industriali-zation	Testing	SOP
Passenger Vehicle Engine	✓	✓	✓	✓	✓	✓	✓
Small Commercial Vehicle Engine	✓	✓	✓	✓	✓	✓	✓
Light Commercial Vehicle Engine	✓	✓	✓	✓	✓	✓	✓
Medium Commercial Vehicle Engine	✓	✓	✓	✓	✓	✓	✓
Heavy Commercial Vehicle	✓	✓	✓	✓	✓	*	✓
3 Wheeler Passenger/Load Carrier	✓	✓	✓	✓	✓	✓	✓
Tractors & Off-road Vehicles	✓	✓	✓	✓	✓	✓	✓

* Has ability for testing up to 8L engine for Heavy Commercial Vehicle

LEGISLATION TAILWINDS

Leading To Increase In Content Per Vehicle

This section talks about the types of legislations that exist regarding CEV Stage IV, CEV Stage V, TREM IV and TREM V.

CEV IV* (Apr '2021) TREM IV (Jan 2023) CEV V* & TREM V** (Apr"2024)**

Legislation

CEV IV & V and TREM IV & V emission standards are for non road diesel engines used in construction equipment and agricultural tractors

Impact

With applicability of new emission norms, the Off Highway Addressable Market will become equivalent or larger to the current commericial vehicle market. With the newnorms, our products will be required for majority of the off highway segment – We have already developed and validated export product equivalent to TREM V norms

On-Road BS-VI RDE Norms (Real Driving Emissions) (Apr 2023) BS-VI OBD-II (On Board diagnostics) (April 2023)

Legislation

Norms will require cars to achieve emission targets even in real world conditions, as opposed to just a laboratory environment On-board diagnostic systems for emission contract shall have the capability of identifying the likely area of malfunction by means of fault codes stored in computer memory as per the procedure laid down in AIS 137 when that failure results in an increase in emission above the limits.

Impact

With applicability of RDE norms from April 2023, the content per vehicle is expected to increase by 10-15% – BS-VI OBD-II norms will enable to capture additional organic growth

KEY HIGHLIGHTS

- CEV Stage IV & CEV Stage V are applicable for construction equipment vehicles and other off-highway equipments.
- TREM IV & TREM V are applicable for agricultural tractors. However TREM V is likely to be postponed by a year.
- CEV stands for construction equipment vehicles.
- The Bharat Stage (CEV/TREM) IV emission standards are aligned with EU stage IV standards. While the Bharat Stage (CEV / TREM) V standards are aligned with EU stage V

GROWTH DRIVERS - STRATEGIC PROPELLERS FOR ADVANCEMENT

Sharda Motors Industries Limited has identified five key growth drivers that are critical to its success. These growth drivers include investment capabilities, operational efficiencies, improvement in assets efficiency, technology as a key entry barrier, and revenue expansion and visibility. By focusing on these drivers, the company can optimize its operations, develop innovative products and services, expand its client base and achieve sustainable growth and profitability over the long term. A strong focus on these drivers helps to ensure that Sharda Motors Industries Limited remains competitive and is able to meet the evolving needs of its clients and the market.

GROWTH DRIVERS FOR OUR COMPANY

- Debt free with INR 567 crores surplus cash year ended 31st March 2023
- Monetizable properties in National Capital Region
- Capitalizing on Purem IV and implementation of BS VI emission norms
- Foray into Electric Vehicle Lithium battery manufacturing segment
- High margin in export markets for sub-component

- Sustainable grwoth in operating profits vs Cyclical auto industry
- Backward integration by producing in-house bought out parts
- Strategic technology partnership giving access to world class technology in emission control system act as a key entry barrier for most of domestic suppliers
- Projects in pipeline requiring only incremental CAPEX with high cash generation ability

UNVEILING THE ADVANTAGES AND EXPLORING THE OPPORTUNITIES OF BACKWARD INTEGRATIONS

In this section, we highlight the advantages of backward integration, which is a form of vertical integration where a company takes on the responsibility of tasks previously handled by suppliers further up the supply chain. By expanding its role in this way, a company gains greater control over its supply chain allowing for better quality control and increased efficiency. Backward integration also helps to reduce costs by eliminating intermediaries and increasing bargaining power. Overall, this strategic approach offers several benefits for companies looking to enhance their competitiveness and gain a stronger foothold in the market.

STRUCTURAL ADVANTAGE

Completely backward integrated with two tube mills and three stamping plants.

VALUE ACCRETION

With manufacturing infrastructure already in place and no incremental setup cost. Export market for subcomponents offers higher margins and larger market opportunity

COMPLETE CONTROL

Over process and supply chain efficiencies, leading to cost optimization and gaining strategic advantage over competitors

LEVERAGING OF EXISTING SETUP FOR NEW APPLICATIONS

Established expertise in manufacturing of subcomponents and exploring opportunities in export markets

PREPARED FOR TOMORROW:
Navigating the Electric Vehicle (EV) Landscape in India

The graphic below highlights the potential impact and growth opportunities of the electric vehicle (EV) market in India. With the Indian government implementing favorable policies and regulations for EVs in the country, it is projected that the EV market will grow by 36% by 2026. This growth potential positions the EV market in India to represent a Rs. 50,000 Crores opportunity by 2025. Furthermore, initiatives to adopt new regulations promoting automotive hybridization and electrification showcase India's potential to become a leader in the field of shared mobility by 2030. As the EV market continues to expand and evolve, India is well-positioned to take advantage of the opportunities presented by this dynamic sector.

ELECTRIC VEHICLE DRIVERS

- **EV market in India to increase at a CAGR of 36% until 2026**
- **EV market is estimated to be a Rs. 50,000 Cr. opportunity for India by 2025**
- **India shown leadership potential in shared mobility by 2030, providing opportunities for EVs**
- **Favourable Govt. policies and incentives boost EV sector**
- **Projection for EV battery market is forecast to expand at a CAGR of 30%**

GETTING FUTURE READY

We are well prepared to collaborate and partnering with original equipment manufacturers (OEMs) within the electric vehicle (EV) sector. Our joint venture with Kinetic Green to manufacture lithium batteries has given us a valuable early-mover advantage in the Indian market. We are excited about the potential opportunities that such partnerships can provide and we are dedicated to leveraging our expertise and resources to create innovative solutions that can help drive the growth of the EV market in India and beyond.

De-Risking

Partner with OEM that are already in production and sales of EVs, assuring ready market and technology

Investment in Emerging Technologies

Entered a JV with Kinetic Green for manufacturing of lithium batteries for EVs. Provided an early mover advantage.

DRIVING INNOVATION TOGETHER:

Shaping the Future through Strategic Technology Partnerships

Strategic technology partnerships are a key aspect of our approach at Sharda Motor Industries Limited, particularly in our pursuit of technical collaborations, joint ventures and new ventures in the automotive industry. Through our partnerships with technology companies, startups and other industry leaders, we aim to accelerate the development of innovative solutions for exhaust systems and lithium battery manufacturing as well as other areas of vehicle engineering and design. These strategic partnerships enable us to combine our strengths with those of our partners, helping us to achieve our goals more quickly and efficiently, and to bring new products and services to market with greater speed and agility. At Sharda Motor, we believe that strategic technology partnerships are crucial to driving the growth and success of the automotive industry in India and around the world.

Technical Collaboration

Entered a technical partnership with Bestop Inc. USA for manufacturing of roof systems

Joint Venture Exhaust systems

- Eberspacher and SMIL entered a JV to manufacture commercial vehicle exhaust systems in India.
- Eberspacher brings in Global know-how for the local market

Lithium Battery Manufacturing

Kinetic Green and SMIL entered a JV to manufacture Lithium batteries along with BMS for EVs – 2W, 3W and stationary application

CRAFTING EXCELLENCE, DRIVING INNOVATION, EMPOWERING MOBILITY: OUR DYNAMIC PRODUCT PORTFOLIO

At Sharda Motor Industries Limited, we take pride in our comprehensive involvement throughout the manufacturing process from design to production. As a result, we have established ourselves as a leader in the production of a wide range of automotive products including Passenger Vehicle BS VI Systems, Commercial Vehicle Mufflers, Passenger Vehicle Cold End Systems, Generator Mufflers, Passenger Vehicle Mufflers, Tractor Tier IV Systems and Passenger Vehicle Resonators. Our commitment to quality and attention to detail is reflected in the superior performance and reliability of our products and we are dedicated to delivering innovative solutions that meet the evolving needs of our customers in the automotive industry.

IDEATION TO CREATION

Exhaust System

Catering to most of the OEM's in PV segment

Technical partnership with Purem

2 tube mills producing stainless steel and aluminized steel tubes for exhaust systems

Catering to most of the OEM's in PV segment

Most of manufacturing units strategically located close to customer location

Annual Production of ~1 million units

Serving PV, CV and Off-road segment

Indian Market Share of ~30%

3 stamping plants managing all critical stamping in house

5 plants strategically located across India and present in all automotive hubs

Suspension System

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ARM LOWER CONTROL COMP RH 2WD

ASSY. LOWER LINK COMPLETE RH

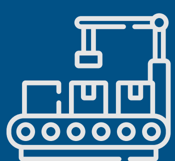
FRONT SUSPENSION

UPPER ARM ASSY

ASSY. LOWER LINK COMPLETE RH

REAR SUSPENSION

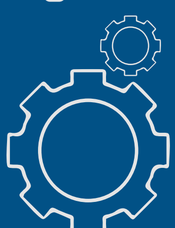
INDIAN MARKET SHARE OF ~10%



ANNUAL PRODUCTION OF ~1.8 lakh unit

MANUFACTURING UNIT 2

CONCEPT, DESIGN AND DIGITIZING



DEVELOPMENT, PROJECT PLANNING & TESTING AND VALIDATION

SHARDA MOTORS AT A GLANCE

Leading Auto-ancillary Company with Global Aspirations

Offers highly engineered products and services commencing from emission to suspension systems, roof systems & supply chain management solutions. Strong market share and healthy long-term relationships with OEMs Significant potential growth trajectory.

Emission Control (Exhaust System

Emission Control (Exhaust System

Roof System

Supply Chain Management

Lithium Batteries for Electric Vehicles

Foundation

Founded in 1986, Sharda Motor has scaled to numerous highs in the automotive industry.

World class Manufacturing

Infrastructure 10 Manufacturing units (including JV), 3 sales offices & 1 R&D center

Full Backward Integration

Owns 2 Tube Mills & 3 Stamping Plants

Strategic Partnerships*

Purem (Formally known as Eberspaecher), Germany (CV exhaust systems)
Kinetic Green, India (EV Battery)
Bestop Inc. USA (Roof Systems)

Sound Financials

Debt Free Company
Dun & Bradstreet 5A1 rating

Certified

IATF 16949-2016

* Note
Purem International GmbH (Formally known as Eberspaecher Exhaust Technology International GmbH)
Kinetic Green Energy & Power Solutions Limited

KEY MILESTONES

1986
Inception of Sharda Motor Industries Limited

1987
IPO & Listing at Delhi Stock Exchange

1994
Launch of 1st Large Scale Production unit & entry into Trim business

1998
Foray into Exhaust Systems business with the Chennai unit & Agreement with Hyundai

2002
Ventured into Suspension assembly business & established R&D unit for exhaust system

2010
Established R&D for Emission Control

2013
Listing at BSE

2018
Entered into technical collaboration with Bestop Inc. USA

2019
Entered into a Joint Venture (JV) with Purem Germany

2020
Approval for Scheme of arrangements with NDR Auto Component Limited

2021
Entered into Joint Venture (JV) with Kinetic Green for Lithium Battery manufacturing

2023
Set up plant - II at Chakan and Factory License for the same is issued

MANUFACTURING INFRASTRUCTURE

PRESENCE IN PAN INDIA

Sanand
Exhaust System

Nashik
Exhaust System
Roof System
Suspension Assembly

Pune
Exhaust System – 2 plants
Suspension Assembly

Haridwar
Exhaust System
Stamping of Parts & Fuel Tank

Chennai
Exhaust System
Tube Mill / R&D

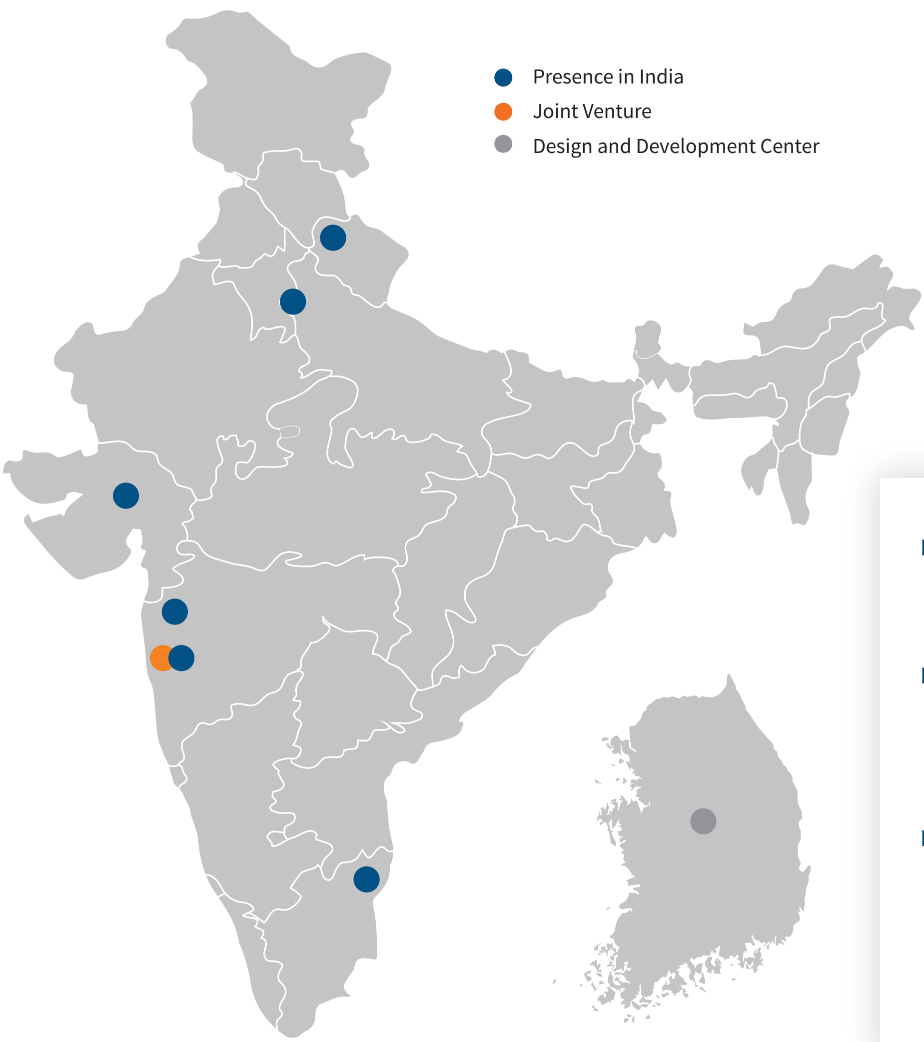
Delhi
Corporate Office

JOINT VENTURE

Pune
Exhaust System - 2 Plants
Kinetic - Lithium Battery
(under consideration)

ABROAD

South Korea
Design & Development
Center at Namyang, South Korea



- **'State of Art' manufacturing facilities across 7 locations in four states of India**
- **10 manufacturing units (including JV) and 1 R&D center covering major part of the auto component(s) market**
- **Supplies exceptional automotive components to leading vehicle and engine / genset manufacturers**

Note – Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness

RESEARCH & DEVELOPMENT

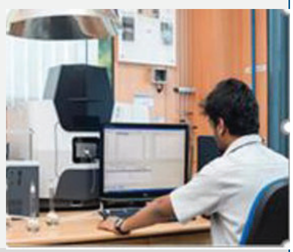
Established R&D unit for **exhaust system in 2002 and emission system 2010** at Mahindra World City, Chennai

A state of art facility **to Design, Simulate, Testing and Prototype of exhaust system for PVs & CVs as well as non-automotive applications**

R&D Centre has the full capabilities to cater to **various emission norms ranging from BS6, BS6.2, TREM5, STAGE5, TIER4 & TIER5**

100+ Trained and skilled engineers for Design, CFD, FEA & Acoustics

IATF 16949-2016 Certification



OUR EXPERIENCE MORE THAN 3 DECADES

- Passenger Vehicle ranging 0.6L – 3L
- Full Range of Stationery Engine
- Full Range of Off-Road Vehicle
- Medium & Heavy Commercial Vehicle ranging 2.5L – 8L
- Full Range of Tractors Engines

TIMING
Achievement of all milestones within the timelines

COST
Achievement of all cost targets

PROCESS STABILITY
Method of mass production realized in prototype tooling

PROCESS
Integration of new customer processes during the project

TESTING
All component level testing done in- house

PROTOTYPES
Prototypes building in line with final production part & customer requirements

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FROM THE MD'S DESK

Dear Valued Stakeholders,

The automobile industry has been a driving force behind India's economic growth and technological advancement in recent years. As the Managing Director of Sharda Motor Industries Limited, I am proud to say that we have been at the forefront of this progress, thanks to our commitment to innovation and customer satisfaction.

Despite the challenging post-pandemic global environment and geopolitical conflicts between nations, I am delighted to report that our company achieved impressive PAT and EBITDA growth of 27.21% and 25.72%, respectively, in the fiscal year 2022-23 compared to the previous year. We owe this success to our customers' unwavering trust in us and their constant challenges that motivate us to innovate through cutting-edge solutions. We were one of the 70 enterprises to receive the prestigious authorization under the "Auto Component Champion" in FY 2022 to join the Production Linked Incentive (PLI) Scheme for the Automotive Sector that has helped us leverage various advantages including receiving incentives on incremental sales for our compliant products.

Furthermore, we are publishing our first BRSR report for this fiscal year. Our overarching objective is to promote long-term growth through ethics and transparency in all of our activities while helping preserve natural resources and reducing our carbon footprint. Our approach to sustainability within and outside of our company is founded on nine principles, which serve as the foundation for the analysis in this report. The BRSR preparation will help develop our company's sustainability strategy and serve as a steppingstone for us to meet our efficiency goals in the coming years. We have focused on building an inclusive workspace, reducing our negative environmental effects, and establishing meaningful interactions with the community through our various projects, and we have been making phenomenal strides up the ladder of success.

Emerging technologies within the automobile industry

The automobile market accounts for a significant portion of India's manufacturing GDP and is expected to grow rapidly, due to government support in the form of new pollution legislation, automotive companies' efforts to build a more resilient supply chain, and increased R&D programs to set new standards. The electric car industry in India is predicted to expand at an exponential rate and more stringent emission regulations will be introduced in both on & off highway segments of the automotive industry. Given the growing budget imbalance created by crude oil purchases and the depletion of fossil fuel reserves, the government is emphasizing the development of renewable energy sources and alternative fuels. The use of alternative fuels will minimize the requirement for imports. During this time, bio-fuel has emerged as the ideal alternative to fossil fuel since it is not only an economical option, but it also channels waste and provides a long-term solution to the rising issue of garbage disposal. Disruptive technologies such as linked automobiles, self-driving cars, electrification, and hybridization are together altering the future of transportation

As part of one of the world's fastest expanding economies, our organization should be prepared to cater to the rising demand of this sector. We at SMIL are at the forefront of the technology driving these transformations, placing us in a good position to benefit from them. We are exploring various M&A opportunities to strengthen our product portfolio and cross-sell to our existing and prospective customer. We are focused on growth prospects in the commercial vehicle, tractor, and off-highway markets, leveraging our intellectual property and experience to expand the export market for our goods in Europe and the United States. Through our JV for Battery and BMS assembly, we are entering the 2-wheeler and 3-wheeler battery segment.

Way Forward

The future holds exciting prospects for us as we strive to lead the market in both conventional and alternative powertrain technologies. We are investing heavily in research and development to create cutting-edge solutions that meet not only current demands, but also the needs of tomorrow. Our unwavering commitment to research and development is key to realizing our vision. We aim to be proactive in anticipating shifts in the regulatory and legal landscape and adapting our technology accordingly. Our management team is committed to maximizing stakeholder value while also upholding our social responsibilities. We will continue to enhance product quality with a renewed focus on innovation and research, driving us towards a future of limitless possibilities.

I would like to express my heartfelt appreciation to our customers, employees, vendors, suppliers, government, investors, and other stakeholders who have contributed to Sharda Motor Industries Limited's success over the years. We strongly believe that our people are our greatest asset, and we are committed to investing in their well-being, promoting diversity and inclusion, supporting education, and engaging in various community-based initiatives. We highly appreciate the efforts of everyone who has dedicated their time and expertise towards our organization's progress. With your unwavering support, we are confident in our ability to achieve even greater heights of success in the future.

Sincerely,

Ajay Relan
Managing Director

SHARDA
MOTOR INDUSTRIES LIMITED

BOARD OF DIRECTORS

MR. KISHAN PARIKH
Chairman, Independent Director

Holds Bachelor's Degree in commerce and has 32+ years of experience in area of Business Management and managing Financial activities

MRS. SHARDA RELAN
Co-Chairperson

Holds Bachelor's degree and is being associated with the Company since its inception. She has 37+ years of experience in area of overall management of Business activities.

MR. AJAY RELAN
Managing Director

Dynamic entrepreneur contributing a vast experience in manufacturing automobile components, setting up of new projects and its successful implementation.

MR. NITIN VISHNOI
Executive Director & Company Secretary

Has 31+ years of experience and expertise in Corporate Restructuring, Compliance Management and Corporate Governance

MR. ASHOK KUMAR BHATTACHARYA
Independent Director

He holds Bachelor's degree from IIT, Kharagpur and PhD. from Cambridge. He has 42+ years of experience in Process Engineering.

MS. SARITA DHUPER
Independent Director

She holds MBBS degree along with Masters in Medicine and she is a Practitioner Doctor in USA. She has 37+ years of experience in the Medicine and related fields.

MR. UDAYAN BANERJEE
Independent Director

Holds Masters Degree in Earth Science from IIT Kharagpur. He has 49+ years of experience with various Industries and reputed organizations.

LEADERSHIP TEAM

MR. AJAY RELAN
Managing Director

Responsible for overall manufacturing operations, Plant, Research & Development, Product Development and complete supervision of the Company

MR. AASHIM RELAN
Chief Executive Officer

Graduated in Finance & Economics from Emory University, Atlanta & has various other business certifications. Responsible for managing the Supply Chain, Operations, Strategy & Innovations. Recognized as one the youngest business leaders in the country.

MR. PURU AGGARWAL
President and Group CFO

Qualified CA, CS & Cost Accountant, has a rich experience of 30+ years, including approx. 20 years as Country/Group CFO and has been on board of several companies. He has worked with various leading multinational companies and listed Indian entities including Teva Pharmaceuticals, Coca Cola India, EY, Vaibhav Global Ltd and Sandhar Technologies Limited

MR. NITIN VISHNOI
Executive Director and Company Secretary

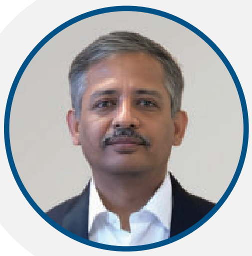
Has 31+ years of experience and expertise in Corporate Restructuring, Compliance Management and Corporate Governance

MR. DEEPAK BHASKAR
Chief People Officer

MBA in HR from SIMS, Pune & Executive MBA in Business Management from MDI, Gurgaon. Has proven leadership experience across HR verticals, supported by strong achievements track record. Has served 24+ years in IAF in different capacities

MR. DNYANESH DANDEKAR
Vice President Research and Development

B.E. Mechanical & M.E. Thermal Engineering from Govt. College of Engineering, Karad & Executive MBA from SPJIMR, Mumbai. Has 24+ years of experience in development of new products, new technologies as new features in existing products



MR. SRIRAM BALARAMAN
Vice President Research and Development

Master of Engineering with 27+ years of product development experience in Automotive sector. Last stint with Ashok Leyland Ltd., as Group Head – Exhaust & After Treatment Systems (EATS). Has successfully launched EATS products for Trucks & Buses for BS3, BS4 & BS6 emission norms

AWARDS & ACCOLADES

Hyundai 100 PPM Certificate for Outstanding Performance (2002)

Hyundai Appreciation Certificate (2004)

Hyundai Merit Award for BEST CO-OPERATION (2004)

Hyundai Merit Award for BEST CO-OPERATION (2005)

Mahindra Supplier Performance Award (2006-07)

Manufacturing Today Conference And Awards for Excellence in Technology (2013)

Cummins India ABO Supplier Conference Award for Best Continuous Improvement (2013)

Mahindra & Mahindra Annual Commodity Award (2014)

Mahindra SupplierExcellence Award for Business Partner of the Year (2015)

Silver award in Business Alignment Category by Ashok Leyland (2020-21)

Silver award in Business Alignment Category by Ashok Leyland (2021)

Special Appreciation BS6 by Mahindra & Mahindra (2021)

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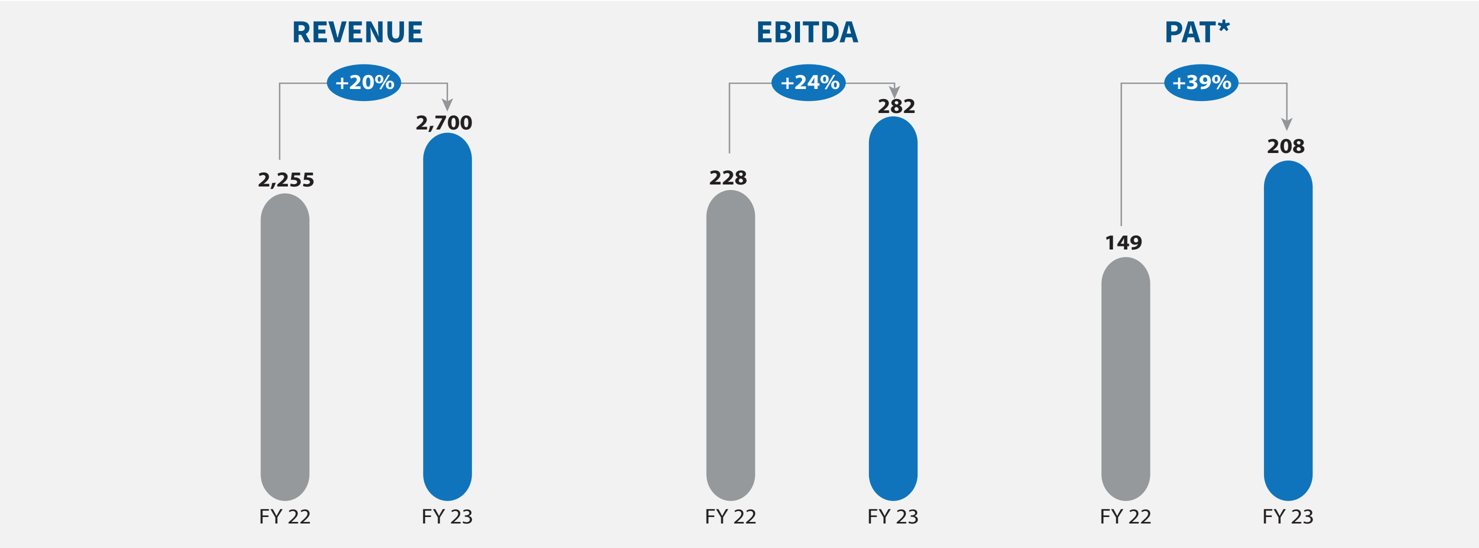
CONSOLIDATED FINANCIAL HIGHLIGHTS



* Including Profit/(loss) in JV and Associates

TOWARDS A RESPONSIBLE FUTURE

Ambulance for community outreach at Kanchipuram District under our health initiatives "Ambulance Services for masses"

Glimpse of Activities under our Health initiatives "Medical Clinic"

Supported for establishment of CT Scan Machine at Mata Gujri Medical Centre

Supported for Running of academic centre for Underprivileged Children in Delhi NCR under our Education initiatives "Sharda Educate"

Students performing for Independence Day Celebration

Donated Inverter system for power backup

Supported for Paediatric Dialysis of underprivileged children

SHARDA
MOTOR INDUSTRIES LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

SHRI KISHAN N PARIKH
Chairperson

SMT. SHARDA RELAN
Co-Chairperson

SHRI AJAY RELAN
Managing Director

SHRI NITIN VISHNOI
Executive Director & Company Secretary

SHRI ASHOK KUMAR BHATTACHARYA
Director

SHRI UDAYAN BANERJEE
Director

SMT. SARITA DHUPER
Director

CHIEF EXECUTIVE OFFICER
SHRI AASHIM RELAN

PRESIDENT AND GROUP CHIEF FINANCIAL OFFICER
SHRI PURU AGGARWAL

AUDITORS

STATUTORY AUDITOR
M/s. S.R. Dinodia & Co. LLP.
CHARTERED ACCOUNTANTS

SECRETARIAL AUDITOR
M/s. VKC & ASSOCIATES
COMPANY SECRETARIES

COST AUDITOR
M/s. GURDEEP SINGH & ASSOCIATES COST ACCOUNTANTS

BANKERS
KOTAK MAHINDRA BANK
HDFC BANK
YES BANK

REGISTERED OFFICE
D-188, OKHLA INDUSTRIAL AREA, PHASE - I,
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CIN: L74899DL1986PLC023202

NOTICE

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Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676
Email: investorrelations@shardamotor.com
Website: www.shardamotor.com

NOTICE is hereby given that the 38th Annual General Meeting (AGM) of the members of Sharda Motor Industries Limited ("the Company") will be held on Tuesday, 26th September, 2023 at 12.00 Noon (IST), through Video Conferencing (VC) / Other Audio-Visual Means (OVAM) to transact the following business(es):

ORDINARY BUSINESS:

1. **To consider and adopt:**

   a) **the audited standalone financial statement of the Company for the financial year ended 31st March, 2023 along with the reports of the Board of Directors and Auditors thereon; and**

   b) **the audited consolidated financial statement of the Company for the financial year ended 31st March, 2023 and the report of Auditors thereon**

   in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution **as an ordinary resolution:**

   a) **"RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended 31st March, 2023 along with the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended 31st March, 2023, along with the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.

2. **To re-appoint Shri Nitin Vishnoi (DIN: 08538925), who retires by rotation and being eligible offers himself for re-appointment as Director of the Company.**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as **an ordinary resolution:**

   "RESOLVED THAT pursuant to the provision of Section 152 of the Companies Act, 2013, Shri Nitin Vishnoi (DIN: 08538925), who retires by rotation at this Annual General Meeting and being eligible, offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

3. **To declare a final dividend for the financial year 2022-23.**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as **an ordinary resolution:**

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), a final dividend of Rs. 17.27 per Equity Share of the face value of Rs. 2 each i.e., 864 percent on the paid-up share capital be and is hereby declared for the Financial Year 2022-23."

SPECIAL BUSINESS:

4. Ratification of Cost Auditor Remuneration.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **an ordinary resolution:**

"RESOLVED THAT pursuant to the provision of Section 148 of the Companies Act, 2013, read with rules framed thereunder and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and such other permissions as may be necessary and on the recommendation of the Audit Committee of the Company, the members of the Company do hereby ratify the remuneration of Rs. 100,000/- (Rupees One Lakhs only) excluding applicable taxes and other out-of-pocket expenses payable to M/s. Gurdeep Singh & Associates**,** Cost Auditors, appointed by the Board of Directors of the Company to conduct the audit of cost records of the specified products for the Financial Year 2023-24.

RESOLVED FURTHER THAT the Board of Directors of the Company [which expression shall include any Committee thereof or any other person(s) as may be authorised by the Board in this regard], be and is hereby authorised to undertake, execute all such acts, deeds, matters and things as they may deem necessary, proper and/or expedient, to apply for requisite approval(s) of the statutory or regulatory authorities, as may be required, to carry out all requisite, incidental, consequential steps and to settle any question, difficulty or doubt that may arise in order to give full effect to this resolution."

By Order of the Board

For **Sharda Motor Industries Limited**

Nitin Vishnoi
Executive Director & Company Secretary
M. No.: F3632
DIN: 08538925

Date : 10th August, 2023
Place : New Delhi

NOTES:

1. In view of the continuing COVID-19 pandemic, and pursuant to General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020 and the General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated 31 December, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021, General Circular No. 2 & General Circular No. 3/2022 dated May 5, 2022 and General Circular No. 10/2022 28th December, 2022 issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as "MCA Circulars") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by Securities & Exchange Board of India ("SEBI") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and as amended from time to time and other applicable laws and regulations, if any) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 38th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 38th AGM will be the Registered Office of the Company at D-188, Okhla Industrial Area, Phase-I, New Delhi-110020.
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special Business set out in the Notice, is annexed hereto. Additional information as required under Secretarial Standard-2 and Regulation 36(3) of SEBI Listing Regulations pertaining to the Directors proposed to be appointed/ re-appointed/ continued as Director is also annexed.
3. SINCE THIS AGM IS BEING HELD THROUGH VC/OAVM PURSUANT TO THE MCA CIRCULARS & SEBI CIRCULARS, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS AT A COMMON VENUE HAS BEEN DISPENSED WITH, ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS

UNDER SECTION 105 OF THE COMPANIES ACT, 2013 AND SS II, WILL NOT BE AVAILABLE FOR THE 38th AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

4. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 38th AGM through VC/ OAVM facility. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC/OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at vkc.pcs@gmail.com with a copy marked to Company at investorrelations@shardamotor.com and Voting Agency (CDSL) at helpdesk.evoting@cdslindia.com or upload on the VC portal/e-voting portal at least Ten days before casting the vote through remote e-voting/e-voting at AGM.

5. The dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares that stood as on Tuesday, 19th September, 2023, as per the data provided by the Depositories to the Company for this purpose. In case of shares held in physical mode, the dividend will be paid to the shareholders, whose names shall appear in the Company's Register of Members as on Tuesday, 19th September, 2023. The final dividend shall be paid within the prescribed time from the date of its declaration.

6. The Record Date for payment of Dividend will be Tuesday, 19th September, 2023. Payment of dividend shall be made through electronic mode to those Shareholders who have updated their bank account details. Dividend Warrants / Demand Drafts will be dispatched to the registered address of those Shareholders who have not updated their bank account details. Shareholders are therefore requested to register/update their complete bank details:

   i) with their Depository Participant(s) with which they maintain their Demat accounts if shares are held in dematerialized mode, by submitting forms and documents as may be required by the Depository Participant(s); and with the RTA by sending an email at rta@alankit.com or lalitap@alankit.com

   ii) If shares are held in physical mode, by submitting:

      (a) scanned copy of the signed request letter containing Shareholder's name, Folio Number, Bank Details (Bank account number, Bank and Branch Name, and address, IFSC, MICR details)

      (b) self-attested copy of the PAN card, and

      (c) canceled cheque leaf.

7. Tax Deductible at Source: As per the Income-tax Act, 1961 (the Act), as amended by the Finance Act, 2020, dividends paid or distributed by companies after April 1, 2020, shall be taxable in the hands of the Shareholders. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or aft er April 1, 2020 shall be taxable in the hands of members. The Company is therefore required to deduct tax at source ("TDS") at the time of making the payment of final dividend.

To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below mentioned paragraphs, in accordance with the provisions of the IT Act.

I. For Resident Shareholders

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have **PAN / invalid PAN/ PAN not linked with Aadhar/** not registered their valid PAN details in their account or classified as specified person in the income-tax portal, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.

a. ***Resident Individuals***

No tax shall be deducted on the dividend payable to resident individuals if:

i. Total dividend amount to be received by them during the Financial Year (FY) 2023-24 does not exceed Rs. 5,000/-; or

ii. The shareholder provides **Form 15G (applicable to individual) / Form 15H (applicable to an Individual above the age of 60 years)**.

iii. The shareholder provides **Exemption certificate** issued by the Income-tax Department, if any.

b. ***Resident Non-Individuals***

No tax shall be deducted on the dividend payable to resident non-individuals where they provide details regarding their exemptions under income tax Act and relevant documents supporting their exemption and registration certificates u/s 10(23D), or u/s 10(44) or u/s 10 (23D) alongwith registration certificates of SEBI with self attested copy of PAN CARD.

c. In case, shareholders (both individuals or non-individuals) provide **certificate for lower/nil deduction under Section 197 of the Act**, rate specified in the said certificate shall be considered, on submission of self-attested copy to the company.

II. <u>For Non-resident Shareholders</u>

a. As per Domestic Tax Law

Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act as per the rates as applicable. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident shareholders provide a certificate issued under Section 197/195 of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

b. As per Double Tax Avoidance Agreement (DTAA)

As per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the DTAA between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e., to avail DTAA benefit, the non-resident shareholders are required to submit the following:

i. Self-attested copy of the **PAN card** allotted by the Indian Income Tax authorities.

ii. Self-attested copy of **Tax Residency Certificate (TRC)** (valid for Financial Year April 1, 2023 to March 31, 2024) obtained from the tax authorities of the country of which the shareholder is a resident.

iii. Shareholders **who have PAN** and propose to claim treaty benefit need to mandatorily provide **Form 10F online filed at Income Tax Portal** to avail the benefit of DTAA those not having PAN can provide the signed form 10F manually filled.

iv. **Self-declaration** by shareholder of meeting treaty eligibility requirement and satisfying **beneficial ownership requirement**. (for Financial year April 1, 2023 to March 31, 2024).

v. A NO PE Certificate/Declaration

vi. In case of Foreign Institutional Investors **(FII)/** Foreign Portfolio Investors **(FPI),** tax will be deducted under Section 196D of the IT Act at the rate of 20%** (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

In case of Foreign Institutional Investors **(FII)** and Foreign Portfolio Investors **(FPI)**, copy of SEBI registration certificate is also required to be submitted.

vii. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness of documents and satisfactory review by the Company of the same submitted by the non-resident shareholder.

To enable us to determine appropriate TDS rate the aforementioned documents are required to be send to the Company via. e-mail to at investorrelations@ shardamotor.com on or before Tuesday, September 20, 2022. No communication would be accepted from members after the date of AGM i.e. Tuesday, September 20, 2022 regarding tax-withholding matters. Shareholders may write to investorrelations@shardamotor.com for any clarifications on this subject.

TDS certificates in respect of tax deducted, if any, can be subsequently asked via e-mail at investorrelations@ shardamotor.com. Shareholders can also check their tax credit in Form 26AS from the e-filing account at https:// www.incometax.gov.in/iec/foportal or "View Your Tax Credit" on https://www.tdscpc.gov.in.

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

9. In line with the MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report for the FY 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members who intend to receive physical copy of Annual Report may send E-mail to investorrelations@shardamotor.com.

10. The Notice convening the 38th AGM along with the Annual Report for the FY 2022-23 has been uploaded on the website of the Company at www.shardamotor.com under the 'Investor Relations' section of Shareholders Information and may also be accessed on the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The Notice alongwith the Annual Report for the FY 2022-23 is also available on the website of CDSL at www.evotingindia.com. The Members are requested to register their e-mail ID's and other details with the Company and Depository Participant. The Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Alankit Assignments Limited ('Registrar' or 'Alankit').

11. The Members can join the AGM in the VC/OAVM mode 15 minutes before till 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a first come first served basis as per the MCA Circulars but this will not include large Shareholders (Shareholders holding 2 Percent or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first-come-first-served basis.

12. Members may note that pursuant to General Circular No. 20/2020 dated 5th May, 2020, No. 02/2021 dated 13th January, 2021 & 10/2022 dated 28th December, 2022 issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's annual report and notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily update their email address sending the request at e-mail Id of the Company at investorrelations@shardamotor.com. However, the Company shall send the annual report along with the notice for the Annual General Meeting at the request of the Shareholder holding shares as on the cut-off date.

13. The Members can post their questions/queries on financial statements or any agenda item proposed in the notice of AGM by giving due intimation to the Company at least 10 days prior to the meeting at investorrelations@shardamotor.com, or to the Registrar & Share Transfer Agent at rta@alankit.com.

14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. Tuesday, 26th September, 2023. Members seeking to inspect such documents can send an email to investorrelations@ shardamotor. com.
15. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Transfer Agent, Alankit Assignments Limited ('Registrar' or 'Alankit') at lalitap@alankit.com or rta@alankit.com for assistance in this regard.
16. SEBI vide Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021 & SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 had mandated for all holders of physical security holder to update KYC in their respective folios latest by 01st October, 2023.

    Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's RTA's at https://www.alankit.com/ It may be noted that any service request can be processed only after the folio is KYC Compliant.

    SEBI vide its notification dated 24th January, 2022 has amended Regulation 40 of the SEBI Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or the Company's RTA, for assistance in this regards.
17. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so shall be eligible to vote through the e-voting facility provided at the AGM.

    Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and to the Registrar at lalitap@alankit.com or rta@alankit.com in case the shares are held in physical form, quoting their folio number. Further, Members may note that the Securities and Exchange Board of India ('SEBI') has mandated the submission of PAN by every participant in the securities market.
18. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 20th September, 2023 to Tuesday, 26th September, 2023 (both days inclusive).
19. Members holding shares in the dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, Alankit Assignments Limited, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Alankit Assignments Limited.

20. Members holding shares in physical mode are requested to register their email IDs with the Registrar and Share Transfer Agent of the Company and Members holding shares in DEMAT mode are requested to register their email IDs with their respective DPs in case the same is still not registered.

21. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Alankit Assignments Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

22. Members of the Company are informed that pursuant to the provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof, the amount of dividend which remains unclaimed/ unpaid for a period of 7 years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education & Protection Fund ("IEPF") constituted by the Central Government and thereafter, no claims shall lie against the Company. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and its applicable rules, therefore, it is advised to claim the same from the Company. The due dates of transfer of the following dividends to IEPF are as under:

FY ended	Date of declaration of dividend	Proposed due date for transfer to IEPF
31.03.2016	07.09.2016	05.10.2023
31.03.2017	05.02.2017*	03.03.2024
31.03.2017	30.08.2017	28.09.2024
31.03.2018	12.02.2018*	10.03.2025
31.03.2018	27.09.2018	25.10.2025
31.03.2021	27.08.2021	25.09.2028
31.03.2022	20.09.2022	18.10.2029

* Interim Dividend

the Company has already transferred all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more along with the unpaid or unclaimed dividend for that period to the Investor Education & Protection Fund. Members who have so far not claimed their shares/dividends for the said period may claim their dividend and shares from the Investor Education & Protection Fund by submitting an application in the prescribed form.

Members can avail of the nomination facility by filing form SH-13, as prescribed under section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company/ RTA.

In compliance with the provisions of Section 108 of the Act and the rules framed thereunder, and Regulation 44 of the Listing Regulations as amended and the MCA Circulars, the Company is pleased to provide the facility of remote e-voting to all its members to enable them to cast their votes on all resolutions set forth in this notice electronically. Remote e-voting is optional and not mandatory. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing the facility to cast votes through remote e-voting as well as e-voting during the AGM to all its Members.

23. **VOTING PROCESS AND INSTRUCTION REGARDING REMOTE E-VOTING:**

    a) The remote e-voting period will commence on Friday 22nd September, 2023 (09:00 A.M. IST) and ends on Monday, 25th September, 2023 (05:00 P.M. IST). During this period, members of the Company holding shares either in physical form or in dematerialised form, as on Cut-Off date i.e. Tuesday, 19th September, 2023, (the "Cut-Off Date") may cast their vote electronically, and the e-voting module shall be disabled by CDSL for voting thereaft er. Once the vote on a resolution is casted by the Member, he/she shall not be allowed to change it subsequently.

b) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

c) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2021/242 dated 9th December, 2021, 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 members, in respect of all members' resolutions.

d) In order to increase the efficiency of the voting process, all the Demat account holders have been enabled for e-voting by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the Evoting Service Providers thereby, not only facilitating seamless authentication but also enhancing the ease and convenience of participating in the e-voting process.

e) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2021/242 dated 9th December, 2021, 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 the e-Voting facility.

PURSUANT TO AFORESAID SEBI CIRCULAR, THE LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE IS GIVEN BELOW:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	Users who have opted for the CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach the e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/ myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 1) 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 the e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining a virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers website directly. 2) If the user is not registered for Easi/Easiest, an option to register is available at https://web. cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access the e-voting page by providing Demat Account Number and PAN No. from an e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the 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.

Type of shareholders	Login Method
Individual Share-holders holding securities in demat mode with **NSDL**	1) If you are already registered for the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open a web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on 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 the e-voting page. Click on the Company name or e-voting service provider name and you will be re-directed to the e-voting service provider website for casting your vote during the remote e-voting period or joining a virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, an 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 Visit the e-voting website of NSDL. Open a web browser by typing the following URL: https:// www.evoting.nsdl.com/ either on a Personal Computer or on mobile. Once the home page of the e-voting system is launched, click on the icon "Login" which is available under the 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit
	Demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-voting page. Click on the Company name or e-voting service provider name and you will be redirected to the e-voting service provider website for casting your vote during the remote e-voting period or joining a virtual meeting & voting during the meeting.
Individual Share-holders (holding securities in Demat mode) login through their **Depository Participants**	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for the e-voting facility. After Successful login, you will be able to see the e-voting option. Once you click on the e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-voting feature. Click on the Company name or e-voting service provider name and you will be redirected to the e-voting service provider website for casting your vote during the remote e-voting period or joining a 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 the above-mentioned 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 the CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact the NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll-free no.: 1800 1020 990 and 1800 22 44 30

LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR MEMBERS OTHER THAN INDIVIDUAL MEMBERS HOLDING SHARES IN DEMAT FORM & MEMBERS HOLDING IN PHYSICAL MODE:

(A) In case of members receiving e-mail:

(i) The shareholders should log on to the e-voting.

(ii) Click on Shareholders.

(iii) Now Entry our User ID (For CDSL:16 digits beneficiary ID, For NSDL:8 Character DPID followed by 8 Digits Client ID, Members holding shares in physical form should enter Folio Number registered with the Company.

(iv) Enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on earlier voting of any Company, then your existing password is to be used.

(vi) If you are a first-time user follow the steps given below:

(vii) For Members holding shares in Demat Form other than Individual & Physical Form

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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.

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

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach the '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 the Company opts for e-voting through the CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

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

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

(xv) 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.

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

(xvii) You can also take a print of the voting done by you by clicking on the "Click here to print" option on the Voting page.

(xviii) If a Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

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

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.

- 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 to send the relevant Board Resolution/ Authority letter etc. together with the attested specimen signature of the duly authorized signatory who is authorized to vote, to the Scrutinizer and the Company at the email address viz; investorrelations@shardamotor.com (designated email address by Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under the help section or write an email to helpdesk.evoting@cdslindia.com or call 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Manager, (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 022-23058542/43.

24. Only those shareholders of the Company who are holding shares either in physical form or in dematerialised form, as on the cut-off date (i.e. Tuesday, 19th September, 2023), shall be entitled to cast their vote either through remote e-voting or through venue voting through VC/OAVM at the AGM, as the case may be. Any person who is not a Member as of the cut-off date should treat this Notice for information purposes only.

25. The Members who have cast their vote by remote-e-voting prior to the AGM may also attend/participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again. Members participating at the AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote during such proceedings of the AGM.

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

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. at investorrelations@shardamotor.com or rta@alankit.com / lalitap@alankit.com

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

ii. 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.

27. **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

a) The procedure for attending meetings & e-voting on the day of the AGM is the same as the instructions mentioned above for e-voting.

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

c) Shareholders are encouraged to join the Meeting through Laptops / I-Pads for a better experience.

d) 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.

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

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

   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 **Ten days prior to the meeting** mentioning their name, Demat account number/folio number, email id, mobile number at investorrelations@shardamotor.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **Ten days prior to the meeting** mentioning their name, Demat account number/folio number, email id, and mobile number at investorrelations@shardamotor.com. These queries will be replied to by the Company suitably by email.

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

28. **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:**

i. The procedure for e-voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.

ii. 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 the e-voting system available during the AGM.

iii. 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 shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

29. Shri Vineet K Chaudhary, Managing Partner (Membership No. FCS 5327) and failing of him Shri Mohit K Dixit, Partner, (Membership No. 49021), of M/s. VKC & Associates, New Delhi, Practicing Company Secretaries, having consented to act as a scrutinizer, have been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

    The results of the voting on resolutions shall be declared by the Chairman / Co-Chairperson or any other person authorised by him/her in writing after the AGM within the prescribed time limits. The results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. www. shardamotor.com and will also be available on the website of CDSL i.e. www. cdslindia.com and will be communicated to the stock exchanges, where the shares of the Company are listed.

30. The Securities and Exchange Board of India (SEBI) has mandated the submission of a Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

INFORMATION REQUIRED TO BE FURNISHED UNDER LISTING REGULATIONS AND SECRETARIAL STANDARD - 2 AND REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Particulars	Description
Date of Birth (as on date)	18th January, 1970 (53 Years)
Nationality	Indian
DIN	08538925
Date of First Appointment on the Board of the Company	3rd September, 2019
Qualification	B. Com (Hons.) & Fellow Member of Institute of Company Secretaries of India
Experience, Expertise & Brief Profile	He has an overall experience of more than 31 years in the field of Corporate Governance, Compliance Management & Corporate Restructuring and other details are provided in the brief profile as enclosed below the table as **"Annexure 1"**
Shareholding in the Company including shareholding as beneficial owner	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
Remuneration received from the Company in the FY 2022-23	Rs. 51.68 Lakhs
Number of meetings of the Board held and attended during the FY 2022-23	Board Meeting held: 4 attended: 4
Directorships held in Companies in India (including this listed entity)	Directorship : Sharda Motor Industries Limited
Chairman/ Member of Committee of the Board of listed entities in which they are director	None

SHARDA
MOTOR INDUSTRIES LIMITED

Annexure-1

Brief profile of Shri Nitin Vishnoi is as under:

Shri Nitin Vishnoi (aged about 53 years) is a fellow member of Institute of Company Secretaries of India and also holds a Bachelor's degree in Commerce with Honours. Shri Nitin Vishnoi has an overall work experience of more than 31 years. In year 2002, he was appointed as Company Secretary of the Sharda Motor Industries Limited ("the Company"), before joining the Company he worked as Manager (Finance & Accounts) in Korin India Limited which has been amalgamated with the Company. Prior to joining Korin India Limited, Shri Nitin Vishnoi has worked with Financial Eyes India Limited for more than 3 years. In the year 1994-95 also, he served the Company as a Company Secretary and contributed a lot during this small tenure.

Shri Nitin Vishnoi has a very long association with the Company and he has headed the Corporate Secretarial Department and throughout his association with the company he has substantially contributed in various other areas like finance, accounts, corporate strategic planning including the successful implementation of the ERP in The Company. He has expertise in the field of Corporate Restructuring, Compliance Management and Corporate Governance. Presently he is leading Corporate Governance Philosophies of Company / Group Companies & is continuously streamlining the processes and systems by introducing best benchmarks of the industry.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

On the recommendation of the Audit Committee, the Board of Directors of the Company at its Meeting held on 10th August, 2023 has considered and approved the Appointment and Remuneration of M/s Gurdeep Singh & Associates, as Cost Auditors of the Company to conduct the Audit of Cost Records of the specified products at a remuneration of Rs. 1,00,000/- (Rupees One Lakhs) plus applicable Tax as applicable and other out-of-pocket expenses for the financial year 2023-24. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the financial year 2023-24 by way of an ordinary resolution is being sought from the members as set out at item no.4 of the Notice.

None of the Directors/ Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out in item no 4.

The Board recommends the Resolutions as set forth in the Notice as Item No. 4 (being Special Business), be passed an ordinary resolution for the consideration and approval of the shareholders.

By Order of the Board
For **Sharda Motor Industries Limited**

Nitin Vishnoi
Executive Director & Company Secretary
DIN: 08538925
M. No.: F3632

Date : 10th August, 2023
Place : New Delhi

DIRECTORS' REPORT

Dear Members

Your's directors have pleasure in presenting the Thirty-Eighth 38th Board Report on the business and operations of the Company together with the financial statements for the financial year ended on 31st March, 2023.

Financial Summary

Rs. In Lakhs

Particular	Standalone		Consolidated	
	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from operations	2,69,993.58	2,25,531.32	2,69,993.58	2,25,531.32
Other Income	4,173.65	2,953.61	4,173.65	2,953.61
Total Revenue	**2,74,167.23**	**2,28,484.93**	**2,74,167.23**	**2,28,484.93**
Profit before Financial Charges, Depreciation	**32,349.66**	**25,732.38**	**32,349.66**	**25,732.38**
Less: Financial Costs	191.22	147.50	191.22	147.50
Profit before Depreciation, Exceptional Items & Taxes	32,158.44	25,584.88	32,158.44	25,584.88
A. Depreciation	4,627.19	4,065.09	4,627.19	4,065.09
B. Exceptional items	-	-	-	-
Taxation				
– Current Tax	7,173.61	5,539.88	7,173.61	5,539.88
– Deferred Tax Charged/ (Released)	(184.89)	(169.58)	(184.89)	(169.58))
Profit for the year before share of profit/ (loss) of associates and joint venture	**20,542.53**	**16,149.49**	**20,542.53**	**16,149.49**
Share of profit/(loss) of associate (net of tax)	-	-	11.46	(17.85)
Share of profit/(loss) of Joint venture (net of tax)	-	-	279.41	(1,210.13)
Profit for the year	**20,542.53**	**16,149.49**	**20,833.40**	**14,921.51**
Other comprehensive income (net of tax)	**85.88**	**64.78**	85.88	64.78
Add: Profit brought forward from previous year	38,356.41	22,924.08	35,668.86	21,464.51
Profit available for appropriation	**58,984.82**	**39,138.35**	**56,588.14**	**36,450.80**
Appropriations				
Dividend	2,423.13	781.94	2,423.13	781.94
Transferred to General Reserves	-	-	-	-
Balance carried forward to Balance Sheet	56,561.69	38,356.41	54,165.01	35,668.86
Paid-up equity share capital (Face value of Rs. 2/- each)	**594.63**	**594.63**	**594.63**	**594.63**

Operational Performance

Consolidated performance

During the year under review, the total revenue from operations and other income was Rs. 2,74,167.23 Lakhs as against Rs. 2,28,484.93 Lakhs of previous year. Profit before taxation was Rs. 27,822.12 Lakhs as against Rs. 20,291.81 Lakhs of previous year (i.e., Increased by approx. 37.10%) during the year whereas the finance cost has been increased to Rs. 191.22 Lakhs from Rs. 147.50 Lakhs. Net Profit after taxes of the Company has Increased by approx. 39.60% year on year basis.

Reserves

During the year under review, the Company has not transferred any amount to the reserves.

Change in the Nature of Business

During the year under review; the Company has not changed the nature of its Business.

Share Capital

There was no change in the share capital during the year under review.

Further, in pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and SEBI Notification no. SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022) and related circulars thereafter, the were no securities during the year under review, required to be transferred into demat suspense account or unclaimed suspense account and disclosure is not applicable for the period ended 31st March, 2023

Subsidiary, Joint Arrangements and Associate Companies

During the year under review, no Company has become or ceased to be Subsidiary, JV or Associate the Company. The details of Subsidiary, Joint Venture and Associate Companies is as under :

Subsidiary Company

Uddipt Mobility Private Limited

Associate Company

Relan Industries Finance Limited

Joint Venture Company

Exhaust Technology Private Limited

Financial Performance, percentage of Holding and other financial parameters for the FY 2022-23 of the Subsidiary, Associates and Joint Venture Companies are disclosed in the financial statements which form part of this annual report. A statement in form AOC-1, containing the salient features of the financial statements of the joint venture and associate company is provided as **Annexure I.**

Dividend and Dividend Distribution Policy

Based on the financial performance of the Company, the Board of Directors of the Company at its Meeting held on 18th May, 2023, has recommended a final dividend of Rs. 17.27/- per equity of face value of Rs. 2 each i.e. 864 percent on the paid-up share capital, for the FY 2022-23.

The Dividend Distribution Policy of the Company is available on the Company's website at: https://www.shardamotor.com/wp-content/uploads/2021/07/DIVIDEND-DISTRIBUTION-POLICY.pdf

The said Policy shall provide the Shareholders understanding the Dividend aspect of the Company with the following parameters:

- the circumstances under which the shareholders of the listed entities should or should not expect dividends;
- the financial parameters that shall be considered while declaring dividend;
- internal and external factors that shall be considered for declaration of dividend;
- policy as to how the retained earnings shall be utilised; and
- parameters that shall be adopted with regard to various classes of shares.

Directors and Key Managerial Personnel

The existing composition of the Board is fully in conformity with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") including any statutory modification(s) /amendment(s) thereof for the time being in force. The detail composition of Board Committees thereof is given the Corporate Governance Report forming part of this Board Report.

Further, all the Directors of the Company have given the declaration that they are not debarred from being appointed / re-appointed or continuing as Director of the Company by the virtue of any Order passed by the SEBI, Ministry of Corporate Affairs or any such Statutory Authority. All the Independent Directors meet/fulfills the criteria/conditions of Independence as prescribed under the Companies Act and Listing Regulations and are Independent of the Management of the Company.

The Company has received the declaration from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 read with the schedules and rules made there under along with declaration for compliance with clause 16 of the Listing Regulations.

During the year under review, the shareholders of the Company at its 37th Annual General Meeting have approved the following:

- Smt. Sharda Relan, Director of the Company liable to retire by rotation was re-appointed as Non - Executive Director of the Company.

In pursuant to section 152 of the Companies Act, 2013, the Board of Directors of the Company at its Meeting held on 10th August, 2023 has considered and recommended the re-appointment of Shri Nitin Vishnoi, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting, considering that, being eligible he offered himself for re-appointment.

A brief profile of the above-mentioned director seeking re-appointment at the ensuing 38th Annual General Meeting (38th AGM) of the Company has been provided in the Explanatory Statement of the Notice of this AGM. In compliance with the provisions of the Companies Act, 2013, Listing Regulations and other applicable provisions, if any, the required consents/declarations showing the willingness and confirming that he is eligible and not disqualified from being appointed / re-appointed / continued as Director was duly received from him.

Further due to the sad demise of Shri Satinder Kumar Lambah, Non-Executive Independent Director on 30th June, 2022, he ceases to be associated as "Non-Executive Independent Director" of the company, and Chairperson of the Stakeholders' Relationship Committee, Nomination & Remuneration Committee, and member of the Audit Committee, the Corporate Social Responsibility Committee and the Risk Management Committee of the Company. He has been associated with the Company since 2016 and have given remarkable contribution vide suggestions and recommendations given by them. We can testify to his sincerity, abilities, knowledge and professionalism.

All the Non-Executive Directors have extensive business experience and are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment and had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

Shri Sriniwasan Narasimhan, Chief Financial Officer of the Company ceased to be associated with the Company w.e.f. 14th November, 2022 and Shri Puru Aggarwal has been appointed as the President and Group Chief Financial Officer w.e.f. 14th November, 2022.

During the year under review, except for the above-mentioned, there was no change in the Directorship & Key Managerial Personnel(s) of the Company.

Number of Meetings of the Board

The number of Board and committee meetings including the date of the meeting and attendance thereof by each director during the year is given in the Report on Corporate Governance that forms part of this Annual Report. The compliance of intervening gap between any two meetings was well within the purview of Companies Act, 2013 & SEBI Listing Regulations, read with Circulars/notifications/ amendments thereof as may be issued/notified by Ministry of Corporate Affairs & SEBI from time to time.

Board-Level Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations and other applicable provisions, if any. The Board of Directors ("Board") at its meeting held on 18th May, 2023 carried out the performance evaluation of its own performance and that of its committees and individual directors.

A suggestive evaluation format (structured questionnaire) for the performance evaluation, based on the approved criteria, was provided to all the Directors for their evaluation and was also placed/presented before the members of the Board to give their comments therein for facilitating the performance evaluation of individual directors, the Board as a whole and its committees.

Based on the above, the performance of the Board was evaluated through the ratings given by each Director based on the structured questionnaire that was prepared after considering the approved criteria such as the Board composition and structure, effectiveness of board processes, contribution toward the development of the strategy etc.

The performance of the committees was also evaluated by the Board after seeking inputs/

ratings from the committee members on the basis of the approved criteria such as the composition of committees, effectiveness of committee meetings etc.

The Board deliberated and found that the overall performance of individual directors and the Board as a whole and its committees were satisfactory.

The Board of Directors has reviewed the performance of the individual directors, including both independent and non-independent, on the basis of the evaluation criteria like qualification & experience, attendance of directors at Board and committee meetings, conflict of interest, effective participation, integrity, knowledge & competencies, domain knowledge, compliance with code of conduct, independent judgment, vision, and strategy etc.

In a separate meeting of independent directors, the performance of non-independent directors, the performance of the Board as a whole, and the performance of the Chairperson were evaluated taking into account the views of executive directors and non-executive directors. The same was discussed in the next board meeting held after the meeting of the independent directors held on 27th March, 2023 at which the performance of the Board, its committees and individual directors was also discussed.

The Directors expressed their satisfaction with the evaluation process. The Board also noted that the Independent Directors fulfill the independence criteria as specified in the Listing Regulations and are Independent of the Management of the Company.

Nomination, Remuneration & Evaluation Policy

Pursuant to Section 134(3) read with Section 178 of the Companies Act, 2013, the nomination and remuneration policy of the Company lays down the criteria for determining qualifications, competencies, positive attributes, and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, Key Managerial Personnel(s) ("KMP") and other employees is available on the Company's website at https://www.shardamotor.com/wp-content/uploads/2018/08/NRC-policy.pdf

Audit Committee

The audit committee comprises four members out of which three are independent directors including Shri Kishan N Parikh, an Independent Director, who is the Chairperson of the Committee. Smt. Sharda Relan, Non-Executive Director of the Company is also a Member of the Committee. All the members of the committee have adequate financial & accounting knowledge and background. Detailed information regarding the number of committee meetings, terms of reference, etc. is provided in the Corporate Governance Report forming part of this annual report. All recommendations of the Audit Committee, whenever made, were accepted by the Board during the FY 2022-23

Auditors

Statutory Auditors & Auditors Reports

Pursuant to the provisions of Section 139 and other applicable provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. S. R. Dinodia & Co., LLP, Chartered Accountants (Firm Registration No. 001478N/N500005) were appointed by the Members as Statutory Auditors of the Company, for a term of 5 (five) consecutive years, from the conclusion of the 37th Annual General Meeting of the Company held on 20th September, 2022, till the conclusion of 42nd Annual General Meeting of the Company to be held in the year 2027.

During the year under review, there was no incident related to fraud that was reported to the Audit Committee or Board of Directors under section 143(12) of the Companies Act, 2013 by the Statutory Auditors of the Company. Hence, no detail is required to be disclosed under Section 134(3)(ca) of the said Act. The Auditors' Reports (Standalone & Consolidated) to the Shareholders does not contain any qualification, reservation or adverse remarks. The notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not require any further comments.

Secretarial Auditors & Auditors Reports

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, is any, the Board of Directors has appointed M/s.VKC & Associates, Company Secretaries in practice, bearing CP. No. 4548 as Secretarial Auditor of the Company, to conduct Secretarial Auditor the Company for the FY 2022-23. The Secretarial Audit Report for the FY ended 31st March, 2023, is annexed herewith marked as **Annexure II** to this Report.

Further, the Board of Directors of the Company at its Meeting held on 10th August, 2023, has considered and approved the appointment of M/s. VKC & Associates, Company Secretaries in practice, bearing CP. No. 4548 as Secretarial Auditor of the Company for the FY 2023-24.

Cost Auditors & Cost Audit Report

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, and based on the recommendation of the audit committee, the Board of Directors of the Company has appointed M/s. Gurdeep Singh & Associates (holding M. No. 9967) as Cost Auditors of the Company for conducting the cost audit for the FY 2022-23, considering that the remuneration has also been approved by the members at the 37th Annual General Meeting. The Company has also received a letter from Cost Auditors of the Company to the effect that their, appointment is within the limits prescribed as per the Companies Act, 2013 and are not disqualified from being appointed as Cost Auditors of the Company.

Further, the Board of Directors of the Company at its Meeting held on 10th August, 2023, has considered and approved the appointment of M/s. Gurdeep Singh & Associates (holding M. No. 9967) as Cost Auditors of the Company for conducting the cost audit for the FY 2023-24 subject to the ratification of remuneration by the members that have been placed before the ensuing 38th Annual General Meeting.

Further, on the recommendation of the Audit Committee, the Company has made and maintained all such accounts and cost records, as specified in section 148 of the Companies Act, 2013 read with sub-rule (5) of rule 8 of the Companies (Accounts) Rules, 2014.

Employees Stock Option Scheme

In view of retaining the talented and motivating the employees to perform better and improve shareholders' value of the Company, the Shareholders of the Company vide. shareholders resolution passed through postal ballot on July 8, 2022 has considered and approved the "Sharda Motor Industries Limited Stock Option Scheme 2022" ("Scheme"), therefore based on the approvals / recommendations of Board of Director & Nomination & Remuneration Committee of the Company (at their Meeting held on May 27, 2022), the Company is looking forward with the filing of Application seeking the in-principal approval. The brief outlines of the Scheme are as:

1. **Persons eligible for Scheme:** Employees of the Company working in India / Outside India and shall be Tenure, Performance and the contribution of the Employee to the growth of the Company.
2. **Total number of shares reserved under the scheme and under grant:** The Nomination and Remuneration Committee may from time-to-time Grant Options to one or more Employee(s), which may include recurring Options to the same Employee. The aggregate number of Shares underlying an Option that may be granted under the Plan shall be decided by the Nomination and Remuneration Committee / shall not exceed 3,00,000 equity shares of face value of Rs. 2, each fully paid up, of the Company. The number of shared entitled the grant are 3,00,000 equity shares of face value of Rs. 2 each fully paid up, of the Company.
3. **Pricing:** The Exercise Price per Option shall be equal to the Market Price of the Shares on the Grant Date or at such discount to the Market Price as may be determined by the Nomination and Remuneration Committee subject to Applicable Laws.
4. **Vesting Period under Scheme:** Options granted under ESOP 2022 would vest after expiry of minimum of 1 (One) year but not later than maximum of 6 (Six) years from the Grant Date of such Options. The minimum Vesting Period of one year shall not apply to cases of separation from employment due to death or Permanent Disability.
5. **The Exercise Period:** Vested Options shall be maximum of 5 (Five) years from the date of Vesting of such Options.

From the date of approval of "Sharda Motor Industries Limited Stock Option Scheme 2022", till the end of FY 2022-23, "No option" was granted therefore disclosure required under 12(9) of the Companies (Share Capital and Debentures) Rule 2014, not applicable.

Application / Any Proceeding under the Insolvency and Bankruptcy Code, 2016

During the year under review, the Company has not made any Application and nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

Valuation

During the year under review, the Company has not performed any Valuation for one time settlement and for taking loan from the Banks or Financial Institutions. Therefore the details of Valuation and its difference between amount of valuation are not applicable.

Corporate Social Responsibility

The Board of Directors of the Company has majorly identified/approved and complied with the following:

- Identified the Ongoing Projects in which the Company shall undertake its CSR Activities / Obligation through "Sharda CSR Foundation Trust" for the FY 2022-23.
- Opening of "Sharda Motor Industries Limited - Unspent CSR Account FY 2022-23".
- Transferring Unspent CSR Amount that remains unspent for the FY 2022-23 for the utilization of funds over the identified Ongoing Project.
- Devising of Annual Action Plan for carrying out the CSR activities for the FY 2023-24.

Further, the Company has transferred an amount of Rs. 214.06 Lakhs to "Sharda Motor Industries Limited – Unspent CSR Account FY 2022-23, indeed to the accomplishment of the CSR Obligations as identified by the CSR Committee & Board of Directors as Ongoing Project i.e. Support Poor, Sharda – Green India Campaign, Sharda – Medicare, Sharda – Clean India Campaign & Sharda – Educate. The said amount shall be utilized in a period of three years for such activities as identified under the aforesaid Ongoing Projects for the FY 2022-23 for the benefit of the Society.

Details of the composition of the Committee, number of meetings, and attendance at the meetings are provided in the Corporate Governance Report forming part of this annual report. The revised Corporate Social Responsibility Policy of the Company is available on the website of the Company at https://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy-1.pdf

In terms of Section 135 and rules made thereunder an annual report on CSR activities, expenditure, committee composition etc. is provided as **Annexure III** to the Director's report.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2023 is available on the Company's website under Section "Announcement" of the enclosed link: https://www.shardamotor.com/investor-relations/annual-report/

Particulars of Employees and Senior Management

The details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as **Annexure-IV.**

The statement containing details of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report as **Annexure V.**

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are annexed here with marked as **Annexure VI** to this Report.

Particulars of Loans, Guarantees or Investments

The particulars of Loans, guarantees, and investments under section 186 have been disclosed in the financial statements.

Particular of Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, in Form AOC - 2 are appended as **Annexure-VII** forming part of this report.

The policy on materiality of and dealing with related party transactions is available on the Company's website at https://www.shardamotor.com/investor-relations/.

Further, the transactions belonging to the promoter/promoter group holding 10 Percent or more shareholding in the Company are for Shri Ajay Relan, Promoter/ Managing Director of the Company is holding 58.42 Percent of Equity Shares in the Company. The above detail is also provided in the Related Party Disclosures in Note No. 38 of Notes to Financial Statements for the year ended 31st March, 2023, forms part of this Annual Report.

Corporate Governance

We strive to attain high standards of corporate governance while dealing with all our stakeholders and have complied with all the mandatory requirements relating to Corporate Governance as stipulated in Para C of Schedule V of Listing Regulation. The "Report on Corporate Governance" forms an integral part of this report and is set out as a separate section to this annual report. A certificate from S. R. Dinodia & Co., LLP, Chartered Accountants (Firm Registration No. 001478N/N500005), the Statutory Auditors of the Company, certifying compliance with the conditions of corporate governance stipulated in Para E of Schedule V of Listing Regulations is annexed with the report on corporate governance.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) read with Para B of Schedule V of the Listing Regulation, is presented in a separate section forming part of this Annual Report.

Vigil Mechanism

The Company has a vigil mechanism for directors and employees to report their genuine concerns. Vigil Mechanism / Whistle Blower Policy is available on the Company's website at http://www.shardamotor.com/wp-content/uploads/2021/08/Whistle-Blower- Policy.pdf

Public Deposits

During the year under review, the Company has not accepted any deposits from the public covered under chapter V of the Companies Act, 2013 and no amount was outstanding as on the date of Balance Sheet.

Material Changes and Commitments, if any, affecting the Financial Position of the Company

During the year under review, there were no material changes and commitments affecting the financial position of the Company.

The Details of Significant and Material orders passed by the Regulators or Courts or Tribunals

During the year under review, no material orders have been passed by the Regulators/Courts or Tribunals that can impact the going concern status and Company's operation in the future.

Risk Assessment, Risk Minimisation Procedure

In line with the new regulatory requirements, the Company has formally framed a Risk Assessment and Risk Minimisation Procedure to identify and assess the key risk areas and monitor the same. The Board periodically reviews the risks and suggests steps to be taken to control the risks. Details on the Company's risk management framework, risk evaluation, risk identification, etc. is provided in the Management Discussion and Analysis Report forming part of this report.

Risk Management Committee & Policy

The details regarding the constitution of the Risk Management Committee are provided in the Corporate Governance Report and the Risk Management Policy is available on the Company's website at https://www.shardamotor.com/wp-content/uploads/2021/07/Risk-Management-Policy-1.pdf. The said Policy shall provide the Shareholders with the understanding of Risk factors/parameters and its process of monitoring and mitigation.

Disclosure in terms of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases.

The Company has put in place a 'Policy on redressal of Sexual Harassment at Work Place' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, employees may report their complaint to the Redressal Committee / Internal Complaints Committee at all the units, constituted with duly compliance under the Sexual Harassment Act.

During the year review, no complaint was received / filed by any person and no complaint is pending to be resolved as at the end of the year.

Business Responsibility and Sustainability Report

In pursuant to the Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company has prepared its first Business Responsibility and Sustainability

Report detailing the various initiatives taken by the Company on the environment, social, governance and various other factors, which form an integral part of Annual Report as **Annexure VIII.**

Directors' Responsibility Statement

In terms of Section 134(3)(c) read with 134(5) of the Companies Act, 2013, it is hereby stated that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed;

b) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit and loss of the Company for the year ended on that date;

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts have been prepared on a going concern basis;

e) Internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Control Systems and their Adequacy

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis Report, which forms part of this annual report.

Secretarial Standards

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company during the year under review.

Impact of Covid-19 Pandemic

The World Health Organisation (WHO) on March 11, 2020, has declared the novel coronavirus (COVID-19) outbreak a global pandemic. The COVID-19 pandemic has adversely affected the business and industrial activity and caused extraordinary economic disruption worldwide. The Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government and local bodies, from time to time, to ensure safety of workforce across all its plants and offices.

The arrival of second wave of COVID-19 pandemic has led to the mass loss of lives creating havoc or panic considering which the Company extended the support to poor / several needful peoples by distributing food / edible at various locations.

The Company has always prioritised health, safety and well-being of its employees, their families, and other stakeholders. The Company has put in place a robust protocol for ensuring workplace safety including sanitisation and social distancing norms and shall continue to strengthen it further, based on the guidelines / directions of Government of India.

Acknowledgments

Your Company has been able to operate efficiently because of the professionalism, creativity, integrity and continuous improvement in all functional areas to ensure efficient utilisation of the Company's resources for sustainable and profitable growth. The Directors acknowledge their deep appreciation to employees at all levels for their dedication, hard work, commitment and collective team work, which has enabled the Company to remain at the forefront of the industry despite increased competition and challenges.

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from its Customers and also extend their appreciation to Bankers, various departments of Central and State Government(s) and other stakeholders.

On behalf of the Board of Directors
For **Sharda Motor Industries Limited**

Sharda Relan	**Ajay Relan**
Co-Chairperson	Managing Director
(DIN:00252181)	(DIN:00257584)

Date : 10th August, 2023
Place : New Delhi

Annexure I

FORM -AOC-1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Amount in Lakhs)

1.	S. No.	I
2.	Name of the subsidiary	Uddipt Mobility India Private Limited*
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period 01/04/2022 till 31/03/2023	Not Applicable
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not Applicable
5.	Share capital:	0.10
6.	Reserves & surplus:	(3.02)
7.	Total assets :	0.988
8.	Total Liabilities:	3.02
9.	Investments :	NIL
10.	Turnover:	NIL
11.	Profit before taxation:	(1.91)
12.	Provision for taxation:	NIL
13.	Profit after taxation:	(1.91)
14.	Proposed Dividend:	NIL
15.	% of shareholding	74%

* includes JV

Part "B": Associates/Joint Venture

Name of associates/Joint Ventures		Relan Industrial Finance Limited	Exhaust Technology Private Limited*
1.	Latest audited Balance Sheet Date	March 31, 2023	March 31, 2022
2.	Date on which the Associate and Joint Venture was associated or acquired	November 15,1993	April 16,2019
3.	Shares of Associate/Joint Venture held by the Company on the year end		
	No. (in Numbers)	4,90,000	4,75,00,000

SHARDA
MOTOR INDUSTRIES LIMITED

Name of associates/Joint Ventures	Relan Industrial Finance Limited	Exhaust Technology Private Limited*
Amount of Investment in Associate/ Joint Venture (in Lakhs)	49	4,750
Extend of Holding (in percentage)	47.12 Percent	50 Percent
4. Description of how there is significant influence	Shareholding	Shareholding
5. Reason why the associate /joint venture is not consolidated	N.A	N.A.
6. Net worth attributable to shareholding as per latest audited Balance Sheet	375.50	3,619.28*
7. Profit/Loss for the year		
i. Considered in Consolidation	11.46	280.00**
ii. Not Considered in Consolidation	12.86	280.00**

*Based on the audited financial statements as on 31st March, 2022
**Based on the unaudited Financial Statement as provided by Company

1. There are no associate or joint venture which are yet to commence operations.
2. None of the associate or joint venture have been liquidated or sold during the year.

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Puru Aggarwal)
President & Group Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

Date : 10th August, 2023
Place : New Delhi

(Aashim Relan)
Chief Executive Officer

Annexure II

FORM NO. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2023

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

To,

The Members,
Sharda Motor Industries Limited
CIN: L74899DL1986PLC023202
D-188, Okhla Industrial Area Phase-I, New Delhi 110020

We report that:

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sharda Motor Industries Limited** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Company's Responsibilities

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the Company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

Auditor's Responsibilities Statement

Our responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on our audit.

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

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

Limitations

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI).

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. received via electronic means. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the Company for certain areas which otherwise requires physical verification.

SHARDA
MOTOR INDUSTRIES LIMITED

Basis of opinion

We have followed the audit practices, secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Secretarial Records and Compliances made thereunder

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   (d) The Securities and Exchange Board of India ((Depositories and Participant) Regulations, 2018

   (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable**

   (f) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

   (g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - **Not Applicable**

   (h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the financial year under review.**

   (i) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021; - **Not Applicable**

(j) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; - **Not Applicable**

(vi) The Company has identified following laws applicable specifically to the Company and we have relied upon the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances made under following laws:

1. The Industrial (Development and Regulation) Act, 1951;
2. The Factories Act, 1948 & Central Rules or concerned State Rules, made thereunder;
3. The Environment (Protection) Act, 1986;
4. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/concerned state rules;
5. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/concerned state rules;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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

We further report that:

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

Adequate notice(s) have been given to all directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings have been carried out with requisite majority of the members of the Board or committees as the case may be. Further there is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board or Committee(s) thereof.

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

We further report that during the audit period the Company has the following specific event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, as may be referred to above:

i. During the period under review:

a) Pursuant to the application submitted vide our letter dated March 4, 2022, regarding reclassification of Promoter /Promoter group in terms of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as informed by the management, the Stock Exchange had advised the Company to seek Shareholders approval for the reclassification of following Shareholders/Promoters and accordingly the Company had decided to file the fresh application to the Stock Exchange, after obtaining the shareholders approval and withdraw this application.

S. No	Name of Persons under Promoter / Promoter Group	No. of Equity Shares held	% of Shareholding
1.	Rohit Relan	NIL	0.00
2.	Ritu Relan	NIL	0.00
3.	Rishabh Relan	NIL	0.00
4.	Pranav Relan	NIL	0.00
5.	Ayush Relan	NIL	0.00

i. Subsequently, the company has obtained Shareholders approval vide Postal Ballot Notice dated 14th November, 2022 and the Company has made a fresh application on 16th January, 2023 to BSE Limited and 17th January, 2023 to National Stock Exchange of India Limited. The application was final approved by BSE Limited and National Stock Exchange of India Limited vide their letters dt. 22nd June, 2023.

ii. Pursuant to Postal Ballot dated Notice 27th May, 2022, the shareholders have approved scheme of Employee Stock Options (ESOP), for the eligible employees of the Company with 300,000 (Three Lakh) stock options exercisable into equity shares of face value of INR 2 each of the Company (such stock options, the "Options"), in one or more tranches, at such price or prices and on such terms and conditions as may be fixed or determined by the Board.

For VKC & ASSOCIATES
(Company Secretaries)
Unique Code: P2018DE077000

CS Ishan Khanna
Partner
ACS No. 53517
C P No. 24258
UDIN: A053517E000751192
Peer Review No.:1955/2022

Date : 10th August, 2023
Place : New Delhi

Annexure III

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company

The CSR Policy lays out a broader action plan aimed for social and economic welfare of the society in deed to comply with the CSR goals of the Company as provided under Schedule VII of the Companies Act, 2013 or as may be provided by the Ministry of Corporate Affairs / other Authority, from time to time. The Policy identifies that CSR programs / activities shall be carried out directly through their contribution or through CSR Philanthropic arm of the Company i.e., Sharda CSR Foundation Trust. The Policy also details out the procedure for Communication, reporting and Monitoring of CSR activities which takes place through the ongoing projects / other than ongoing projects.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Smt. Sharda Relan	Member/ Chairperson Promoter-Non-Executive - Non Independent Directo	1	1
2	Shri Kishan N. Parikh	Member Non-Executive - Independent Director	1	1
3	Shri Ajay Relan	Member Executive Director	1	1
4	Shri Satinder Kumar Lambah*	Member Non-Executive - Independent Director	-	-
5	Prof. Ashok Kumar Bhattacharya #	Member Non-Executive - Independent Director	1	-

* Ceased to be a director of the Company due to his sad demise on 30th June, 2022
# Appointed Member in CSR Committee on 10th August, 2022

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

   CSR Committee - https://www.shardamotor.com/investor-relations/board-of-directors/

   CSR Policy - https://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy-1.pdf

   CSR Projects - https://www.shardamotor.com/about-us/csr-initiatives/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. Not Applicable.

5. a) Average net profit of the company as per sub-section (5) of section 135. - Rs. 1,34,57,74,443

   b) Two percent of average net profit of the company as per sub-section (5) of section 135.- Rs. 2,69,15,489

c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. Nil

d) Amount required to be set-off for the financial year, if any. Nil

e) Total CSR obligation for the financial year [(b)+(c)-(d)]. Rs. 2,69,15,489

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). Rs. 55,09,480

b) Amount spent in Administrative Overheads. Nil

c) Amount spent on Impact Assessment, if applicable. Not Applicable

d) Total amount spent for the Financial Year [(a)+(b)+(c)]. Rs. Rs. 55,09,480

e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub- section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
55,09,480	2,14,06,009	21.04.2023	-	-	-

f. Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section135	2,69,15,489
(ii)	Total amount spent for the Financial Year	55,09,480
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previousFinancial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred toUnspent CSRAccount under sub- section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135,if any		Amount remaining to be spent in succeeding Financial Years(in Rs)	Deficiency, ifany
					Amount(in Rs)	Date of Transfer		
1	2021-22	1,99,94,281	1,99,94,281	-	-	-	1,99,94,281	-
2	2020-21	1,37,57,713	1,37,57,713	-	-	-	1,37,57,713	-
3	2019-20	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amountspent in the Financial Year:

☐ Yes ☑ No

If Yes, enter the number of Capital assets created/ acquired Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amountof CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub section (5) of the Section 135

   The Company has spent the entire required amount of 2 Percent of the Average net profit for last three years i.e. an amount of Rs. 269.15 Lakhs which includes Rs. 55.09 Lakhs towards the CSR activities and an amount of Rs. 214.06 Lakhs that remains unspent for the FY 2022-23 has been transferred to Unspent CSR Account on account of the Ongoing Projects as mentioned in point 6 e. of the above, in view of the provision of section 135(6) of the Companies Act, 2013.

For Sharda Motor Industries Limited

Ajay Relan
Managing Director
(DIN:00257584)

Sharda Relan
Co-chairperson/Chairperson
CSR Committee
(DIN:00252181)

Date : 10th August, 2023
Place : New Delhi

Annexure IV

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES,2014:

A. Employed throughout the year ended March 31, 2023:

S. N	Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Date of commencement of employment	Age as on 31.03.2023	Last employment held
1	Ajay Relan	Managing Director	792.41	B. Com (Hons.) OPM from Harvard Business School USA 36 Years	29-01-1986	61 Years	N.A.
2	Aashim Relan	Chief Executive Officer	144.61	Graduate in Economics major from Emory University, Atlanta (U.S.A) 9 Years	28-06-2012	33 Years	N.A.
3	Deepak Bhasker	Chief People Officer	90.37	MBA – HR, National Defense Academy, 31 Yrs	09-07-2020	53 years	Omax Auto
4	Ashish Shashikant Kulkarni	Chief Purchasing Officer	138.36	BE (Prod), EMBA 30 Year	21-09-2020	53 years	Tenneco
5	Dnyaneshwar Pramod Dandekar	Vice President	87.59	BE (Mech), ME (Thermal Engg), EMBA 25 Years	27-11-2019	46 Years	Tenneco
6	K K Sharma	President	92.23	B. Com. 30 Years	14-06-1993	51 Years	N.A.
7	Suck Tae Ko	Senior Director	93.92	B. Tech	06-10-2020	56 years	DGENX Co. Ltd
8	Sriram Balaraman	Vice President	95.85	M.E. 27 Years	04-01-2021	51 Years	Ashok Leyland
9	Nitin Vishnoi	Executive Director & Company Secretary	51.68	B.Com (Hon.), FCS 31 years	01-07-1998	52 Years	Korin India Limited
10	Yong Hee Cho	Executive Director Sales & New Business	81.4	Bachelor of Arts in International Trade	14-02-2022	58 Years	OTO Industry

B. Employed for part of the year ended March 31, 2023:

S. N	Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Date of commencement of employment	Age as on 31.03.2023	Last employment held
1	Anand Sontakke	COO	175.00	BE (Mech.), Visvesvaraya NIT ICWAI Intermediate	01-04-2021	53 Years	Mahle Anand Filter Systems
2	Anupam Bhargava	Vice President	93.52	BE, PGDM - Marketing	04-03-2022	50Years	TATA Auto Comp System
3	Srinivasan Narasimhan	Chief Financial Officer	39.74	CA, CS & ICWA 17 Years	24-02-2021	40 years	Tenneco
4	Puru Aggarwal	Group Chief Finance Officer	145.42	CA, ICWA & CS 31 Years	01-09-2022	56 years	Sandhar

1. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
2. The nature of employment of Shri Ajay Relan, is contractual, for the rest of the employees, it is other than contractual.
3. Shri Aashim Relan is the son of Shri Ajay Relan.
4. Except Shri Ajay Relan and Shri Aashim Relan, who are holding 58.43 Percent and 5.12 Percent equity shares of the Company respectively, none of the above employees holds more than 2 Percent of the equity share capital of the Company as on 31st March, 2023 as per Rule 5(3)(viii) of the Companies (Appointment and Remuneration) Rules, 2014.

Annexure V

Particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Requirements of Rule 5(1)	Details
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	i) Shri Kishan N Parikh - NA ii) Shri Ajay Relan – 120.59% iii) Smt. Sharda Relan – NA iv) Shri Nitin Vishnoi – 9.75% v) Shri Ashok Kumar Bhattacharya – NA vi) Shri Udayan Banerjee – NA vii) Smt. Sarita Dhuper – NA
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	**Directors:** i) Shri Kishan N Parikh- NA ii) Shri Ajay Relan – 37.9 % iii) Smt. Sharda Relan – NA iv) Shri Nitin Vishnoi – 9.0% v) Shri Ashok Kumar Bhattacharya – NA (vi) Shri Udayan Banerjee – NA vii) Smt. Sarita Dhuper – NA **Key Managerial Personnel** i) Shri Puru Aggarwal – NA ii) Shri Nitin Vishnoi – 9.0%
(iii) the percentage increase in the median remuneration of employees in the FY;	10%
(iv) the number of permanent employees on the rolls of Company;	646 Nos. employees as on 31st March, 2023
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last FY and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average increase in remuneration of non-managerial personnel is against which the increase in average salary of managerial personnel is 7% Percent which is in the same range and does need any justification.
(vi) affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year ended 31st March, 2023 is as per the Remuneration Policy of the Company.

General Note:
For the purpose of above calculation, Company has taken the comparable employees who were in the employment during the current year under review and the previous year and have excluded the employees not eligible for increment.

Annexure VI

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosures to be made under sub-ection(3) (m) of Section 134 of the Companies Act 2013 read with Rule(8)(3) of the Companies (Accounts) Rules, 2014

A. Conservation of energy:

(i) The steps taken by the Company for conservation of energy or impact on conservation of energy

India comes in at the bottom of the global ranking, placing 180th out of 180 countries in the 2022 Environmental Performance Index (EPI) among the most polluting countries. The Country ranks 179th in the Air Quality issue categories. India is going through the most degraded phase in terms of pollution in all forms either it is air, water or soil pollution. Likewise, energy conservation offers a practical approach for reduction of greenhouse gasses. Asocially responsible organisation always keeps track of its operations being environmentally efficient. Your Company always strives to achieve the highest standards of energy conservation techniques by its continuous efforts in the area of alternate source of energy and efficient use of existing ones. Energy saving initiatives through the organisation in all the plants has helped the Company to reduce its cost of energy. Some of the key initiatives carried out during the year towards conservation of energy are mentioned hereunder**:**

- Installation of automatic sensors for cutting off the electricity of electrical equipments or heavy motors / machines when not in use / idle for few minutes at several Plants.
- Maintenance of" Power Factor" to reduce consumption of electricity.
- Installation of efficient "Harmonic Panel" for reducing consumption of electricity.-
- Replacement of bulbs with LED lights across the plants.
- Installation of VFD drivers to save more power in machines and motors
- Regular cleaning of Solar Panels to increase solar energy contribution.
- Installation/Implementation of Robotic Cell as Automation drive effective utilization of energy
- Replacement of electrical motor / other equipment's with latest energy efficient equipment's with higher standards.- Yes its with Press shop 315 ton Yangli & 250 ton Press
- Protoshop Timer shave been installed to cut the idle running of the machines.
- Air Conservation system for Air Compressor.
- Autostop timer for shop floor machines, exhaust fans, welding machines.
- Installation of Solar Norikool Advance Day Light System in Nasik Plant.-
- Installation of Solar Power Plant in SIPCOT Chennai (300KW) and 763KW in Chennai Mahindra World City.
- Portable compress or provided for WCC cleaning purpose in place of high capacity compressor in Chennai plant.
- 2 Hydraulic Pump(10KW) eliminated by combining the hydraulic pump &operation in Chakan plant. Not implemented
- Compressed Air Leakage reduced in plants
- Heavy duty roof top exhaust fan idle time run has eliminated by providing timer

(ii) The steps taken by the Company for utilizing alternate sources of energy:

Clean and renewable energy sources are the need of the time. Fossil fuels are non-renewable and causing a great damage to the environment. We have to find more efficient and feasible source of energy for our rapidly increasing demand of energy without arming the environment. Your Company has taken steps towards solar and wind energy in its plants.

- Solar Power plant have been initiated in the Nasik and Chakan plant.
- Company is using Wind Power as its major power source in Chennai Plant.

(iii) The capital investment on energy conservation equipment's:

Company has not made any substantial capital investment during the year 2022-23.

B. Technological Absorption:

(i) The efforts made towards technology absorption;

- Improved performance of exhaust system;
- BSVI Advanced technology orientation through work shop and internship programmes;
- Managing extended enterprises for quality supply for better warranty Management Emphasis on absorption of design and manufacturing technology such as controlled canning, micromig welding; Expansion and modernisation programme such robo welding uniform across plants.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

- Import substitution and less dependence on technical collaborators;
- Product line extension, introduction of mixing devise for UI improvement;
- Improving fuel economy and consequent reduction in CO2 through low back pressure;
- Improvement in core competencies and standardisation and correlation;
- Significant improvement in meeting demand off end user.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the FY)

No Technology has been imported during the last three years.

(iv) The expenditure incurred on Research and Development (Rs. in Lakhs)

- Capital Expenditure–Rs. 136.50.
- Revenue Expenditure–Rs. 1,899.80.

C. Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows. The information is reported under suitable heading in the 'Notes to Financial Statement' forming part of the Annual Report of the Company for the FY 2022-23

Annexure VII

DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB- SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARMS LENGTH TRANSACTIONS UNDER THIRD PROVISO THERE TO

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2022, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Exhaust Technology Private Limited, Joint Venture Company	Relan Industrial Finance Limited, Associate Company
Nature of contracts/ arrangements/ transactions	Sale, Purchase or supply of goods, materials and selling or otherwise disposing off or buying property of any kind and tools/ job charges.	To avail stock broking services for investing the funds of the Company in capital market like shares, debentures, mutual funds (liquid, cash etc.) or any other financial instruments.
Duration of the contracts / arrangements / transactions	Perpetual and ongoing in nature.	Recurring, whenever, it will be in the best interest of the Company.
Salient terms of the contracts or arrange-ments or transactions including the value, if any	Up to a maximum of Rs. 110 Crore (Actual amount of transaction Rs. 60.2 Crore for sale & purchase of goods) Rs. Nil for sale of fixed assets) per annum for selling or otherwise disposing off or buying property of any kind and tools/ job charges.	Surplus funds invested through Relan Industrial Finance Limited shall be subject to a maximum limit of Rs. 50 Crore per transaction, However, remaining outstanding amount at any point of time shall not exceed Rs. 300 Crore during any FY.
Date(s) of approval by the Board, if any	Since the transaction entered into is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on February 09, 2022 as per SEBI (LODR) Regulations, 2015.	Since the transaction entered in to is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on February 09, 2022 as per SEBI (LODR) Regulations, 2015.
Amount paid as advances, if any:	Nil	Nil

On behalf of the Board of Directors
For **Sharda Motor Industries Limited**

	Sharda Relan	**Ajay Relan**
Date : 10th August, 2023	Co-Chairperson	Managing Director
Place : New Delhi	(DIN:00252181)	(DIN:00257584)

REPORT ON CORPORATE GOVERNANCE

In line with the requirements of Regulation 34(3) read with para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and other applicable provisions, if any, (including any statutory modification(s) / re-enactment(s) thereof for the time being in force) your directors are pleased to present the Company’s Annual Report on Corporate Governance for the year ended 31st March, 2023, forming part of the Board Report:

1. BRIEF STATEMENT ON COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

Sharda Motor Industries Limited (SMIL) is committed to doing business in an efficient, responsible, honest and ethical manner. This commitment starts with the Board of Directors, which executes its corporate governance responsibilities by focusing on the Company’s strategic and operational excellence in the best interests of all our stakeholders, in particular, shareholders, employees and our customers in a balanced manner.

SMIL philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices most of which were in place even before they were mandated. The Company has documented internal governance policies and has put in place a formalised system of Corporate Governance which sets out the structure, processes and practices of governance within the Company.

The Company emphasizes the need for full transparency and accountability in all its transactions in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

SMIL is respected for its professional management and good business practices in the Indian Corporate World. Integrity, emphasis on product quality and transparency in its dealings with all stakeholders are its core values.

2. BOARD OF DIRECTORS

The Board of Directors consists of professionals drawn from diverse fields. As on 31st March, 2023, the Board of Directors of the Company consist 7 (seven) directors, Chaired by Shri Kishan N. Parikh, Non-Executive Independent Director. The composition of the Board is in conformity with the Companies Act, 2013 (“The Act”) and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2013 (Listing Regulations). All Non-Executive Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board.

The Board met Four (4) times during the FY 2022-23 on 27th May, 2022, 10th August, 2022, 14th November, 2022 and 28th January, 2023. All the Board & Committee Meetings were in compliance with the Companies Act, 2013, Listing Regulations and Directives issued / notified by the Ministry of Corporate Affairs / other Departments / Authorities amid COVID-19 pandemic. The intervening gap between any two meetings was well within the purview the Act & Listing Regulations, read with Circulars / notifications / amendments thereof as may be issued / notified by Ministry of Corporate Affairs & SEBI from time to time.

In addition to the above, during the year under review a separate meeting of Independent Directors was held on 27th March, 2023 in compliance with Regulation 25(3) of Listing Regulations and in pursuant to the provision of Schedule IV to the Act.

The composition and category of directors, their attendance at the Board meetings held during the year ended 31st March, 2023 and at the last Annual General Meeting, number of other directorships and membership/ chairpersonships of committees etc. are tabulated hereunder:

S. No.	Name of the Director (DIN) (Designation)	Category	No. of Board Meeting held during tenure	No. of Board Meeting attended	Attendance at last AGM held on 20th September, 2022	Directorship of other public companies*		Name & Category of Directorship held in other Listed Entities	Committee position held in other public Companies#		Shareholding in the Company
						Chairperson	Director		Chairperson	Member**	
1.	Shri Kishan N Parikh (00453209) (Chairperson)	Independent/ Non- executive Director	4	4	Yes	1	2	Pebco Motors Limited (Managing Director)	-	2	750
2	Shri Ashok Kumar Bhattacharya (02804551) (Director)	Independent/ Non- executive Director	4	4	No	-	-	-	-	-	NIL
3	Shri Ajay Relan (00257584) (Managing Director)	Promoter / Executive Director	4	4	Yes	-	1	-	-	-	1,73,71,380
4.	Smt. Sharda Relan (00252181) (Director)	Promoter / Non- executive Director	4	1	No	-	1	-	-	-	NIL
5.	Shri Udayan Banerjee (DIN: 0339754), (Director)	Independent/ Non- executive Director	4	4	Yes	-	-	-	-	-	NIL
6.	Shri Nitin Vishnoi (DIN:- 08538925)	Executive Director	4	4	Yes	-	-	-	-	-	NIL
7	Smt. Sarita Dhuper (DIN: 08776286), (Director)	Independent/ Non- executive Director	4	4	No	-	-	-	-	-	NIL

Note: Shri Ajay Relan is sons of Smt. Sharda Relan. Apart from this there is no relationship among the directors inter-se among any Directors.

* Excludes directorship in Associations, Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013

** membership includes chairpersonship.

\# Represents Chairpersonship/ Membership of Audit Committee & Stakeholders' Relationship Committee

At the time of appointment and thereafter at the first board meeting of every financial year, the Independent Directors submitted a self- declaration confirming their independence is in compliance with various eligibility criteria laid down by the Act & Listing Regulations and that they are not debarred from holding the office of Director by virtue of any SEBI order or any other such authority. The same are placed before the Board. In the Opinion of the Board all the Independent Directors of the Company fulfill the conditions specified in the Act and the Listing Regulations and are independent to the management of the Company. None of the Non - Executive Director hold convertible instrument issued by the Company as on 31st March, 2023

Details of familiarisation programme(s) imparted to independent directors along with cumulative no. of hours thereof are available on Company website at https://www.shardamotor.com/investor-relations/familiarisation-programme/.

LIST OF CORE SKILLS/ EXPERTISE/ COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS AS REQUIRED IN THE CONTEXT OF THE COMPANY'S BUSINESS(S) AND SECTOR(S) FOR IT TO FUNCTION EFFECTIVELY AND THOSE ACTUALLY AVAILABLE WITH THE BOARD:

a) **Financial:** Proficiency in understanding financial reporting, making capital allocation decisions, challenging and help to optimise complex financial transactions, help ensure long-term financial health of the Company.

b) **Strategic and Planning:** Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

c) **Global Business:** Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.

d) **Governance:** Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

e) **Leadership:** Leadership experiences for setting goals and with understanding of leading change, practical management of people, products, strategy and industry networking.

f) **Innovation & Technology:** Technical / Professional Skills with specialised knowledge to assist the ongoing aspects of the business and to adapt with the continuous rapid changes in technology and customer behaviour, the Company needs to be constantly striving for new products /services to be introduced into markets. The ability for innovation and demonstrating a culture of entrepreneurship is necessary.

S. No.	Name	Skills	Expertise	Competence
1	Shri Kishan N Parikh	Belonging from Commerce background. His overall experience and knowledge evolves around financial matters.	Holds Bachelor's Degree in commerce and has overall experience of more than 32 years in area of Business Management and managing Financial activities.	Being from Commerce background, he plays important role in decision making at the Board level specifically financial related matters and Management matters
2	Smt. Sharda Relan	Management Business and related activities	Holds Bachelor's degree and is being associated with the Company since its inception. She has an experience of more than 36 years in area overall management of Business activities.	Managing Business Operations, handling day to day affairs and other related activities.
3	Smt. Sarita Dhuper	Belonging from Medical background. Her Overall education and knowledge is in Medical field.	She holds MBBS degree along with Masters degree in Medicine and is Practitioner Doctor in USA. She has more than 36 years of experience in the Medicine and related fields.	She helped / suggested the Company for undertaking CSR activities under Medical / Healthcare Sector.
4	Shri Ashok Kumar Bhattacharya	Being from Engineering background, Research and Technology are the key areas.	He holds Bachelor's degree from IIT, Kharagpur and P.H.D from Cambridge. Has more than 41 years of experience including the in Process Engineering.	Being from the Engineering Background and having vast expertise in field of Physics, Chemistry and Process Engineering, he suggest / support and understand in the decision making related to Research & Technology for our Technology.
5	Shri Ajay Relan	He holds Bachelor's degree in Commerce and Management degree from USA. He is looking after the overall Strategic and Business Management of the Company.	He has Bachelor's degree in commerce and Masters degree from Harvard Business School, U.S.A. He is being associated with the Company since its inception. He has more than 36 years of experience in several fields of Finance, Marketing, and strategic Management.	Being from commerce background. He is engaged into the overall manufacturing operations at Plant and Research & Development, Product Development, sales and marketing field and complete supervision of the Company. His leadership qualities embark the Company towards growth in domestic & global footprint. He is also actively engaged in the decision making at the Board level specifically the financial related matters.
6	Shri Udayan Banerjee	He holds Masters Degree in Earth Science from IIT Kharagpur. Research and Technology are the key areas of his interest.	He has an overall experience of more than 48 Years for working with various reputed organisations.	Being holding Masters degree in Science, he possesses expertise in the field of Research and Development of Technology and setting up of Plant. He is actively engaged in the decision making at several at the Board level.
7	Shri Nitin Vishnoi	He holds Fellow Membership from Institute of Company Secretaries of India (ICSI).	Being from Commence background and holding Membership as Company Secretary. He has been associated with the Company since year 2002 and has an overall work experience of more than 30 Years	He has an expertise in the field of Corporate Restructuring, Compliance Management and Corporate Governance and is actively engaged in the decision making at the Board level in the field Finance and Strategic Management.

SHARDA
MOTOR INDUSTRIES LIMITED

Audit Committee

Constitution of Audit Committee is in line with the provisions of Section 177 of the Act and Regulation 18 of Listing Regulations. The Audit Committee presently comprise Three (3) Independent Directors and one Non-Executive-non-Independent Director of the Company. The Chairperson to the Committee is Independent Director.

All the four members of Committee have adequate financial & accounting knowledge and background.

The Managing Director, Chief Financial Officer and representative of Statutory Auditors are the permanent invitees to the Audit Committee meetings. The Company Secretary of the Company acts as the secretary of the Committee. Other persons are invited to the Meeting from accounts, Taxation and Finance department of the Company as and when need arise.

The Audit Committee of the Company acts in accordance with the terms of reference as provided under applicable laws and as may be specified by the Board from time to time. The role of the audit committee inter alia includes the following: -

(i) oversight of the Company's financial reporting process and disclosure of financial information;

(ii) recommendation to the Board for appointment, remuneration etc. of auditors and reviewing their performance;

(iii) review of financial statement and auditor's report including Subsidiaries Financials;

(iv) discussion with statutory/internal auditors of the Company about their findings, observations, suggestions, scope of audit etc.;

(v) review of internal control systems and accounting policies followed by the Company;

(vi) Approval of related party transactions and subsequent material modifications thereon, including approval of material related party transactions of the subsidiary Company;

(vii) To review the functioning of the whistle blower mechanism.

In addition to the above, the Audit Committee carries out all such other functions as provided under applicable laws and specified by the Board of Directors from time to time.

The proceedings and minutes of the Committee meetings are regularly placed before the Board. Chairperson of the Committee was present at the last Annual General Meeting held on 20th September, 2022 to address the members of the Company.

During the year ended 31st March, 2023, the Audit Committee meetings were held on 27th May, 2022, 10th August, 2022, 14th November, 2022 and 28th January, 2023.

The Composition of Committee and attendance of Members at the meeting held during the FY 2022-23 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Kishan N Parikh	Independent & Non-Executive	Chairperson	4	4
Smt. Sharda Relan	Non-Independent & Non-Executive	Member	4	1
Shri Satinder Kumar Lambah*	Independent & Non-Executive	Member	1	-
Shri Ashok Kumar Bhattacharya	Independent & Non-Executive	Member	4	4
Shri Udayan Banerjee	Independent & Non-Executive	Member	4	4

*Shri Satinder Kumar Lambah, ceased to be a director of the Company due to his sad demise on 30th June, 2022

4. Nomination and Remuneration Committee

Nomination and Remuneration Committee comprises of Three Members all are Non-Executive Independent Directors. Composition of the Committee is as per the Act, 2013 and Listing Regulations.

During the year under review, Nomination and Remuneration Committee met on 27th May, 2022, 10th August, 2022, 14th November, 2022 and 28th January, 2023.

The Composition of the Committee and attendance of Members at the meeting held during the FY 2022-23 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Satinder Kumar Lambah*	Independent & Non-Executive Director	Chairperson	1	-
Shri Ashok Kumar Bhattacharya**	Independent & Non-Executive Director	Chairperson / Member	4	4
Shri Kishan N Parikh	Independent & Non-Executive Director	Member	4	4
Shri Udayan Banerjee	Independent & Non-Executive Director	Member	4	3

*Shri Satinder Kumar Lambah, ceased to be a director of the Company due to his sad demise on 30th June, 2022
**Shri Ashok Kumar Bhattacharya was Member of the Committee till 10th August, 2022 and thereafter designated as Chairperson to the Committee

The Company Secretary of the Company acts as the secretary of the Committee.

The functioning and terms of reference of the Committee are as prescribed under the Listing Regulations and under the Act. Performance evaluation criteria is given in Directors Report, forming part of this Corporate Governance Report in line with the Act and Listing Regulations.

The Company while deciding the remuneration package of the Managing Director/Whole-Time Director(s)/ Executive Directors takes into consideration the following items:

Employment scenario:

- Remuneration package of employees with parallel designation in the similar industry;
- Remuneration package of the managerial talent of other industries;
- The remuneration, tenure of appointment/re-appointment of the Executive Directors including their salary, commission and perquisites are paid in accordance with the terms and conditions approved by the Board of Directors (on the basis of recommendations of the Nomination and Remuneration Committee), subject to the approval of the Shareholders of the Company at the General Meeting.

The Non-Executive Directors are paid sitting fees for attending Board and committee meetings. They are also paid commission in certain cases, in accordance with the provisions of the Act. Criteria for making the payment to Non-Executive Directors is disclosed in the Remuneration policy which is available on the website of the Company at https://www.shardamotor.com/wp-content/uploads/2018/08/NRC-policy.pdf.

The details of remuneration paid to the Board of the Directors in the Financial year 2022-23 is given hereinunder.

EXECUTIVE DIRECTORS

(Rs. in Lakhs)

Name of Director	Salary	Perks	Performance Incentive	Total
Shri Ajay Relan	330.00	52.41	410.00	792.41
Shri Nitin Vishnoi	39.94	11.74	-	51.68
Total	**369.94**	**64.15**	**410.00**	**844.09**

NON-EXECUTIVE DIRECTOR

(Rs. in Lakhs)

Name of Director	Sitting fee
Shri Kishan N Parikh	6.85
Shri Satinder Kumar Lambah*	-
Shri Ashok Kumar Bhattacharya	6.50
Smt. Sharda Relan	1.45
Shri Udayan Banerjee	6.50
Smt. Sarita Dhuper	3.00
TOTAL	**24.30**

*Shri Satinder Kumar Lambah ceased to be and director of the Company due to his sad demise on 30th June, 2023

Notes:

1. The tenure of executive directors of the Company is 5 years from the date of their re-appointment at current designation;
2. At present the Company does not have any Employee Stock Option Scheme;
3. Notice period is three calendar months or lesser notice in writing as may be agreed mutually;
4. There is no separate provision for payment of severance fee under there solutions governing the appointment of Executive Directors;
5. No commission was paid to non-executive directors during the year;
6. Performance incentive is paid to executive directors based on their individual goals related to production, sales and Company targets like profit, revenue from operations and such other criteria;
7. There has been no pecuniary relationship or business transaction by the Company with any Independent Non- Executive Director, other than(i) the sitting fee for attending the Board / Committee meetings(ii) the payment of dividend on the Equity Shares held by them in the Company.

Particulars of senior management including the changes therein since the close of the previous financial year in terms of Regulation 34 read with Schedule V of Listing Regulations

Particulars of Senior Management as on 31st March, 2023

S. No	Name of Employee	Designation	Change during Financial year 2022-23 (If any)
1.	Aashim Relan	Chief Executive Officer	-
2.	Nitin Vishnoi	Executive Director & Company Secretary	-
3.	Ashish Shashikant Kulkarni	Chief Purchasing Officer	-
4.	M Yuvaraja	General Manager	-
5.	Puru Aggarwal	President and Group CFO	Appointment w.e.f 1st September, 2022
6.	Sriram Balaraman	Vice President	-
7.	Paramjeet Singh	Vice President	-
8.	Deepak Bhasker	Chief People Officer	-
9.	Rajesh Kumar Malik	Vice President	-
10.	Krishan Kumar Sharma	President	-
11.	Ashish Shashikant Kulkarni	Chief Purchasing Officer	-

S. No	Name of Employee	Designation	Change during Financial year 2022-23 (If any)
12.	Dnyaneshwar Pramod Dandekar	Vice President	-
13.	T Ravi Raman	Vice President	-
14.	Anupam Bhargava	Vice President	Resigned on 25th July, 2022
15.	Srinivasan Narasimhan	CFO	Resigned on 14th November, 2022
16.	Anand Dinkar Sontakke	Chief Operating Officer	Resigned 31st May, 2022

5. Stakeholders' Relationship Committee ("SRC")

The Stakeholder relationship Committee comprise of 3 Director, chaired by Non – Executive Independent Director. The Committee met one time during the FY 2022-23 on 27th May, 2022. The necessary quorum was present for the meetings. The Chairperson of the SRC Committee was present at the last Annual General Meeting of the Company held on 20th September, 2022. The Committee periodically reviews the status of shareholders' grievances and redressal of the same

The terms of reference of Stakeholders Relationship Committee inter-alia deals with various matters relating to:

- to consider and resolve the grievances of security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non- receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- to consider and approve demat / remat of shares / split / consolidation / sub-division of share / debenture certificates;
- to consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc;
- to review measures taken by the Company for effective exercise of voting rights by the Shareholders;
- to review adherence to the standards adopted by the Company in respect of services being rendered by the Registrar & Share Transfer Agent;
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The composition of the Committee and attendance of members at the Committee meeting held during the year ended 31st March, 2023 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Satinder Kumar Lambah*	Non-Executive-Independent Director	Chairperson	1	-
Smt. Sharda Relan	Non-Executive- Non-Independent Director	Member	1	-
Shri Udayan Banerjee	Non-Executive-Independent Director	Member Chairperson**	1	1
Shri Ajay Relan	Executive Director	Member	1	1

*Shri Satinder Kumar Lambah, ceased to be a director of the Company due to his sad demise on 30th June, 2022.
**Shri Udyan Banerjee was Member of the Committee till 10th August, 2022 and thereafter designated as Chairperson to the Committee

Shri Nitin Vishnoi, Company Secretary of the Company and also acts as the secretary of the committee.

Mrs. Iti Goyal, Assistant Company Secretary is the Compliance Officer of the Company.

During the year ended 31st March, 2023, status of investor grievance is tabulated hereunder

Particular	Numbers
Complaint pending as on 1st April, 2022	Nil
Complaints received during the FY 2022-23	2
Complaints disposed off up to the satisfaction of shareholder during the FY 2022-23	2
Complaints pending as on 31st March, 2023	Nil

The Company has acted upon all valid requests for issue of duplicate Share Certificates, share transfer/ transmission received during the year under report and no such issue of duplicate Share Certificates; transfer/ transmission are pending as on 31st March, 2023.

6. Corporate Social Responsibility Committee (CSR Committee)

Corporate Social Responsibility Committee of the Company consists of four directors, having two non-executive independent director and one non-executive director and one is executive director. the Company Secretary acts as the Secretary of the Committee. Terms of reference of the Committee are in line with the Companies Act, 2013.

During the FY 2022-23, CSR Committee Meeting was held on 20th February, 2023. The Composition of the Committee along with the attendance of its Members are as under:

Sl. No.	Name of Director	Position		Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Smt. Sharda Relan	Promoter-Non-Executive - Non Independent Directo	Member/ Chairperson	1	1
2	Shri Kishan N. Parikh	Non-Executive - Independent Director	Member	1	1
3	Shri Ajay Relan	Executive Director	Member	1	1
4	Shri Satinder Kumar Lambah	Non-Executive - Independent Director	Member	-	-
5	Prof. Ashok Kumar Bhattacharya*	Non-Executive - Independent Director	Member	1	-

*Shri Ashok Kumar Bhattacharya became member to the Committee w.e.f. 10th August, 2022

The Corporate Social Responsibility Report for the year ended 31st March, 2023 is annexed to the Director's Report.

7. Risk Management Committee (RMC)

The Risk Management Committee comprises of three Independent Directors and One Executive Directors, Chief Financial Officer of the Company is permanent special invitee of the Committee. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements of Regulation 21 read with Part D of Schedule II of SEBI Listing Regulation, 2015. Apart from the above the Committee also carries out such functions/responsibility entrusted on it by the Board of Director from time to time.

The Company Secretary acts as the Secretary of the Committee. The brief description of terms of reference of the RMC are in line with the aforesaid Regulation 21 read with Schedule II, Part D Para C of the LODR Amended Regulations and are under:

- Identification of internal and external risks specifically faced by the listed entity
- Measures for risk mitigation
- Business continuity plan
- Periodically review the risk management policy, at least once in two years
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks
- Informing the nature and content of discussions, recommendations and actions to be taken

During the FY 2022-23, Risk Management Committee Meeting was held on 10th August, 2022 and 28th January, 2023. The Composition of the Committee along with the attendance of its Members are as under:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Kishan N Parikh	Independent, Non-Executive Director	Chairperson	2	2
Shri Ajay Relan	Executive Director	Member	2	2
Shri Ashok Kumar Bhattacharya	Non-Executive Independent Director	Member	2	2
Shri Satinder Kumar Lambah*	Independent, Non-Executive Director	Member	-	-
Shir Udayan Banerjee	Independent, Non-Executive Director	Member	1	1

*Shri Satinder Kumar Lambah, ceased to be a director of the Company due to his sad demise on 30th June, 2022

The Company has also devised Risk Management Policy for understanding of Risk factors / parameters and its process of monitoring and mitigation and the same is also available on the Company's website at: http://www.shardamotor.com/wp-content/uploads/2021/07/Risk-Management-Policy.pdf

8. GENERAL BODY MEETINGS

A. Annual General Meeting: -

AGM No.	Year	Venue	Date	Time	No. of Special Resolutions
37	2021-22	Video Conferencing / Other Audio Visual Means Deemed Venue – Registered Office of the Company	20.09.2022	12:00 noon	None
36	2020-21	Video Conferencing / Other Audio Visual Means Deemed Venue – Registered Office of the Company	27.08.2021	12:00 noon	Three
35	2019-20	Video Conferencing / Other Audio Visual Means Deemed Venue – Registered Office of the Company	29.09.2020	12:00 noon	Two

B. Extraordinary General Meetings

No Extraordinary General Meetings was held during the year under review.

C. During the year under review, below special resolutions were passed by Postal Ballot

Approval of "Sharda Motor Industries Limited Stock Option Scheme 2022", and grant of employee stock options to the eligible employees of the Company

Passed on 9th July, 2022

The Board of Directors in their Meeting held on 27th May, 2022 had appointed Sh. Vineet K Chaudhary (Company Secretary in whole time practice, bearing Membership No. FCS 5327 & C.P. No. 4548), Managing Partner of M/s. VKC & Associates, or failing of him Sh. Mohit K Dixit (Company Secretary in whole time practice, bearing Membership No. ACS 49021 & C.P. No. 17827), Partner of M/s. VKC & Associates, New Delhi, as the Scrutinizer for conducting the Postal Ballot/ E-voting process in a fair and transparent manner.

Details of Voting Pattern

Mode	Total Valid Votes		Votes in Favour			Votes Against		
	Voters	No. of Votes	Voters	No. of Votes	% (Approx)	Voters	No. of Votes	% (Approx)
Postal Ballot E-voting Facility only	118	22211324	103	22143148	99.69%	15	68176	0.31%

9. Disclosures

a) Related Party Transactions: The material financial and commercial transactions where they and / or their relatives have personal interest. The particulars of transactions between the Company and its related parties as per the Ind AS 24, "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are set out in relevant Notes to Financial Statements in the Annual Report. Further in pursuant to the Amendment in SEBI Listing Regulations 2018, the transactions of the Company with the following Persons: (belonging to the promoter / promoter group holding 10 Percent or more shares in the Company) of:

Ajay Relan (Promoter / Managing Director) holding 58.43 Percent of Equity Shares in the Company are prescribed in the Related Party Disclosures forming part in the Note No. 38 of Notes to Financial Statements

There were no materially significant Related Party Transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. Company has in place a policy for dealing with related party transactions, which is also on the website of the Company www.shardamotor.com.

b) Board has considered and accepted all the recommendations of the Committees of the Company.

c) During the year under review, No independent Director has resigned from the Directorship of the Company.

d) During the year under review, No funds by way of Preferential Allotment or by way of Qualified Institutional Placement was raised.

e) Shri Nitin Vishnoi, Non-Executive Director shall retire by rotation and being eligible offered himself for re-appointment at this 38th Annual General Meeting of the Company.

f) The above re-appointment is subject to the approval of members of the Company in the ensuing Annual General Meeting (AGM). A brief resume along with information required as per applicable laws of the above Director recommended for re-appointment at the AGM are furnished in the Notice of the Annual General Meeting of the Company.

g) During the last two years no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on matters related to capital markets.

h) Company has in place a Whistle Blower Policy and no person has been denied access to the audit committee. Details of the policy are placed on the Company's website at: http://www.shardamotor.com/wp-content/uploads/2020/08/Whistle- Blower-Policy.pdf

i) In the ordinary course of business, the Company is exposed to risk resulting from exchange rate fluctuations and interest rate movements. the Company had managed the foreign exchange risk and hedged to the extent considered necessary. Details of foreign currency exposure are disclosed in notes to the financial statements. To counter the commodity price risks, the Company has in place adequate risk measures and control systems which identify the risks, assess their severity and their potential effect on the performance of the Company through systematic report and charts.

The Commodity price risk and Commodity hedging activities the Company has adequate risk assessment and minimisation system in place including for commodities. Further in view of the Regulation 21 read with Schedule II, Part D Para C of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Company has constituted the Risk Management Committee and have devised the Risk Management Policy for understanding of Risk factors / parameters and its process of monitoring and mitigation. Risk Management Policy is available on the Company's website at: http://www.shardamotor.com/wp-content/uploads/2021/07/Risk-Management-Policy.pdf. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no Disclosure to offer in terms of SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141, dated November 15, 2018.

j) **Disclosure of certain types of agreements binding listed entities**

There is no Agreement exist as on 31st March, 2023 which is required to be disclosed as per clause 5A of paragraph A of Part A of Schedule III of Listing Regulations

k) The Company has complied with all the mandatory requirements of Listing Regulations and the non-mandatory requirements have been adopted to the extent and in the manner as stated hereunder:

a) The Company has appointed separate persons to the post of Chairperson, Managing Director and Chief Executive Officer.

b) The Company is in the regime of unqualified financial statements.

c) The Company has adopted a code of conduct for prevention of Insider Trading and Fair Disclosure as per SEBI (Prohibition of Insider Trading) Regulations, 2015 including any statutory modification(s) / re-enactment(s) thereof for the time being in force ("Insider Trading Regulation") all directors and designated employees who could have access to the unpublished price sensitive information are required have followed the code / follow this code.

d) The Company has followed prescribed Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

e) The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations. the Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations, wherever applicable, and necessary disclosures thereof have been made in this Corporate Governance Report.

10. Certificate of Non-Disqualification of Directors

A Certificate in Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming the Non-Disqualification of Directors for the FY ended 31st March, 2023 obtained from Smt. Jaya Yadav, Practising Company Secretary (C.P. No.: 12070) has been enclosed as **Annexure - IX** to this Report.

11. Confirmation of Independent Directors

The Company do hereby confirm that all the Independent Directors of the Company fulfills the conditions specified in the SEBI Listing Regulations and are Independent of the Management of the Company.

12. Credit Ratings

CRISIL's has reaffirmed that the credit rating based on the Working Capital facility(ies) of Sharda Motor Industries Limited (SMIL) as for "Long Term Rating" is 'CRISIL AA- / Stable' and for "Short Term Rating" is "'CRISIL A1+". Further there are no debt instruments or any fixed deposit or any scheme or proposal for mobilisation of funds are issued by the Company.

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13. Total fees for all Services Paid by the Company and its Subsidiaries on a Consolidated basis to the Statutory Auditor of the Company

The details of fees paid for all services by the Company and its Subsidiaries to the Statutory Auditors of the Company is given below.

Amount Rs. In Lakhs

S. No.	Particular	Financial Year 2022-23	Financial Year 2021-22
As Auditor			
1.	Statutory Audit Fees	13.00	13.35
2.	Tax audit fee	5.00	6.00
3.	Certification Fees	0.85	-
4.	Other Services	11.00	-
In Other Capacity			
3	Reimbursement of expenses	0.76	0.32
4	Other Services	-	0.15
Total		**30.61**	**19.82**

14. Disclosures with Respect to the Complaint for Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the FY, the Company do hereby submit the following with respect to the Complaint under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013:

a. number of complaints filed during the FY - NIL
b. number of complaints disposed of during the FY - NIL
c. number of complaints pending as on end of the FY - NIL

15. Means Of Communication

The un-audited quarterly / half yearly financial results and audited annual financial results were announced within the stipulated time under Listing Regulations. The aforesaid financial results was reviewed by the Audit Committee and was taken on record by the Board of Directors and the same was also communicated to the concerned Stock Exchanges within the stipulated time and in the prescribed manner, in compliance with the requirement of the Listing Regulations.

Such results are generally published within the stipulated time in two Newspapers, one in English newspaper (Financial Express) and the other one in Hindi newspaper (Vir Arjun), and are also simultaneously displayed on the website of the Company www. shardamotor.com.

The Company has made presentation to Institutional investors / Analysts for first 3 quarters during the year under review. The same is also available on the website of the Company at https://www.shardamotor.com/investor-relations/investor-presentations/

Detailed Section on Management Discussion and Analysis is given by means of separate annexure and is attached to the Directors' Report.

16. General Shareholders' Information:

38th Annual General Meeting held on:

Date : 26th September, 2023
Day : Tuesday, Time : 12.00 Noon
Venue : Through Video Conferencing (VC)/ Other Audio Video Means (OVAM) FY : April 1 to March 31

Date of Book Closure: Wednesday, 20th September, 2023 to Tuesday, 26th September, 2023 (both days inclusive)

Dividend Payment date: Dividend, if declared, will be paid/dispatched within the time prescribed under law.

Listing on Stock Exchanges: The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and the annual listing fees for the FY 2023-24 has been paid in respect of both the stock exchanges.

Stock Code and ISIN No.

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	535602 (Scrip Code)
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Mumbai-400051	SHARDAMOTR (Symbol)
ISIN No. prior to the Split of Face Value of Equity Share (Valid upto April 15,2021)	INE597I01010
ISIN No. post the Split of Face Value of Equity Share (Activated w.e.f April 16, 2021)	INE597I01028

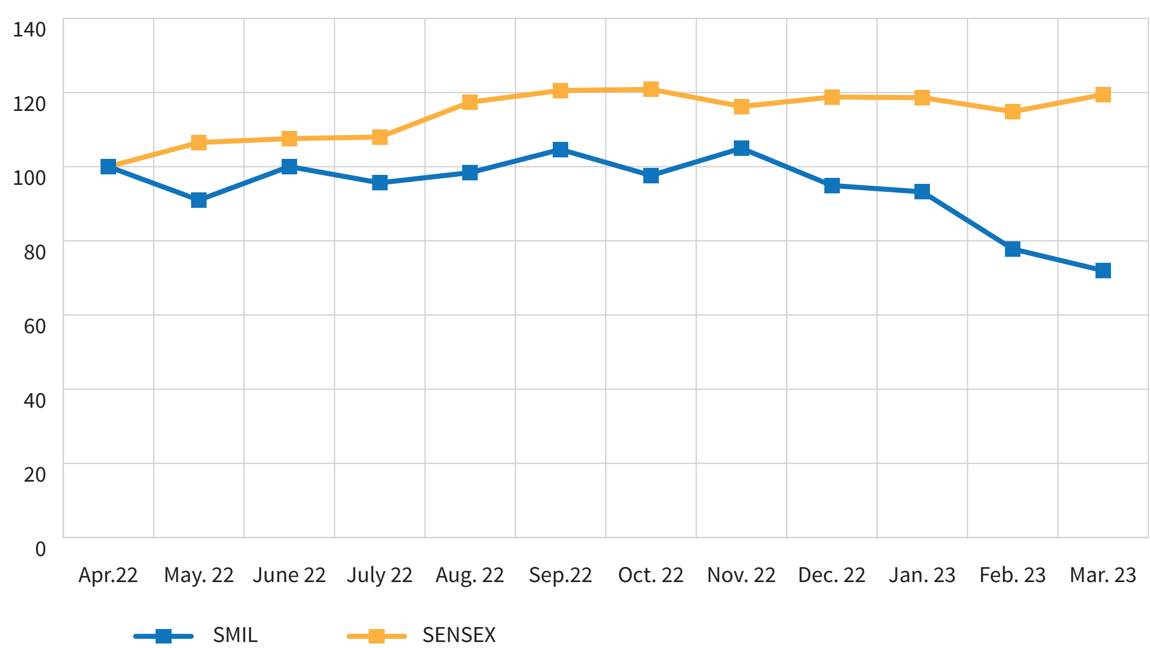
Monthly high low in financial year 2022-23

Month	BSE		NSE	
	High	Low	High	Low
Apr-22	799.60	730.30	803.00	730.25
May-22	778.40	602.60	782.00	516.65
Jun-22	820.00	675.20	819.85	680.00
Jul-22	855.00	724.00	848.80	725.00
Aug-22	815.20	710.00	816.20	727.05
Sep-22	950.00	755.05	655.00	590.00
Oct-22	846.25	750.60	949.90	762.35
Nov-22	859.35	744.05	858.90	744.60
Dec-22	830.35	686.10	830.00	670.00
Jan-23	778.85	703.80	775.20	713.00
Feb-23	734.25	594.00	742.85	590.25
Mar-23	648.90	550.00	650.00	550.40

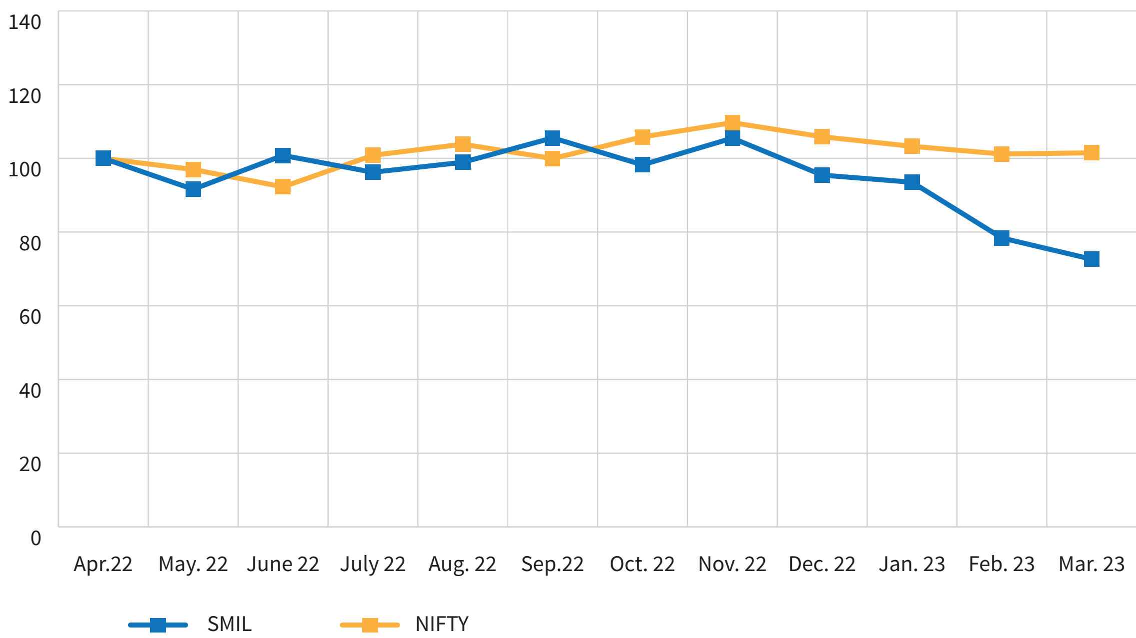
Source: www.bseindia.com, www.nseindia.com

Graphical presentation on Performance of Sharda Motor Industries Limited (SMIL) share price in comparison of BSE SENSEX and NSE Nifty 50.

SMIL SHARE PRICE COMPARISON BSE



SMIL SHARE PRICE COMPARISON NIFTY



(Closing value of SMIL share price Vs. BSE Sensex & SMIL share price vs. NSE Nifty 50 on the last trading day of the Month. Base is considered as 100 as at April, 2022 in both Charts. Further during the year under review, Securities were never suspended from trading on the above said stock exchanges.)

Registrar & Transfer Agent

The work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt with by M/s. Alankit Assignments Limited at the address given below: -

M/s. Alankit Assignments Limited
Alankit Heights,
4E/2, Jhandewalan Extension,
New Delhi - 110055
Tel: 011-42541234, 23541234
Fax: 011-41543474
E-mail: rta@alankit.com

Share Transfer System:

As mandated by SEBI, securities of the Company can be transferred/transmitted only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. In this regard, a communication encouraging dematerialisation of shares and explaining procedure thereof, was also sent during the year to the concerned shareholders of the Company.

During the year, the Company obtained, certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, transposition, sub-division, consolidation, renewal, exchange and deletion of names were issued as required under Regulation 40(9) of the Listing Regulations. The certificate was duly filed with the Stock Exchanges.

Shareholding

Distribution of shareholding as on 31st March, 2023

Category (No. of shares)	No. of shareholders	Percent of shareholders	No. of Shares	Percent of equity shares
1-500	14042	93.33	956154	3.22
501-1000	429	2.85	340152	1.14
1001-2000	246	1.64	367044	1.23
2001-3000	91	0.60	232931	0.78
3001-4000	55	0.37	198538	0.67
4001-5000	31	0.21	145001	0.49
5001-10000	55	0.37	409128	1.38
10001-99999999999	97	0.64	27082682	91.09
Total	**15046**	**100.00**	**29731630**	**100.00**

Shareholding Pattern as on 31st March, 2023

Category Code	Category	Total No. of shares	Percent of total no. of Shares
(A)	**Promoters and Promoter Group**		
	(i) Resident Individual	21762895	73.20
(B)	**Public Shareholding**		
	Individuals	5684873	19.12
	Mutual Funds/ UTI	-	-
	Foreign Portfolio Investors	330026	1.11
	Bodies Corporate	1637464	5.51
	Non Resident Indians	111170	0.37
	Trust	165	0.00
	Clearing Members	3369	0.01
	Resident HUF	166168	0.56
	Central Government/ State Government(s)/ President of India	35500	0.12
	Total Shareholding	**29731630**	**100.00**

Dematerialisation of shares and liquidity

The shares of the Company are generally traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2023, 98.64. Percent shares of the Company are held in dematerialised form.

Outstanding GDRs /ADRs / Warrants Not issued

Plant Locations:

1. Plot No. A-1/8, MVML Vendor Park MIDC, Phase-IV, Nigo JE Chakan, Pune – 410501
2. PAP K-20,21&22, Village - Khalumbre, Chakan MIDC Phase II, Tal Khed, Pune 410501
3. G-20, Sipcot Industrial Park, Irungattu Kottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamil Nadu – 602105
4. P 12, 1st Avenue, Mahindra World City, Chengalpattu Taluk, Kanchipuram Dist., Tamil Nadu-603 002
5. Plot No.112, M.I.D.C., Satpur, Nasik- 422007, Maharashtra
6. Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik–422007
7. Plot No. C/8 Tata Vendor Park, Sanand Viramgam Highway, Ahmedabad, Gujarat- 382170

Annexure IX to Directors' Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members,
Sharda Motor Industries Limited
D-188, Okhla Industrial Area,
Phase-1, New Delhi – 110020

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sharda Motor Industries Limited, having **CIN: L74899DL1986PLC023202**, having its Registered Office at D-188, Okhla Industrial Area, Phase-1,New Delhi – 110020 (herein after referred to as **"the company"**), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub clause (i) of clause 10 of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of Director	DIN	Date of Appointment in Company
1	Sharda Relan	00252181	29.01.1986
2	Ajay Relan	00257584	29.01.1986
3	Udayan Banerjee	00339754	13.02.2019
4	Kishan Nagin Parikh	00453209	16.12.2005
5	Ashok Kumar Bhattacharya	02804551	28.10.2009
7	Nitin Vishnoi	08538925	03.09.2019
8	Sarita Dhuper	08776286	29.06.2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jaya Yadav & Associates

Jaya Yadav
Practicing Company Secretary
Membership No.: F10822
C.P. No.: 12070
UDIN: F010822E000678434

Date : July 12, 2023
Place : Gurugram

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DECLARATIONS

COMPLIANCE WITH CODE OF CONDUCT

In accordance to Regulation 34(3) read with part D of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, I, Ajay Relan, Managing Director of Sharda Motor Industries Limited, hereby declare that the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct of the Company during the FY 2022-23.

For **Sharda Motor Industries Limited**

Ajay Relan
Managing Director
(DIN:00257584)

CEO/CFO Certification

CERTIFICATE FOR THE YEAR ENDED 31.03.2023

Pursuant to Regulation 17(8) read with part B of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Shri Aashim Relan, Chief Executive Officer and Shri Puru Aggrawal, President & Group Chief Financial Officer of M/s. Sharda Motor Industries Limited do hereby certify that:

(a) We have reviewed Financial Statements and the Cash Flow Statement for the FY 2022-23 and that to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

(d) We have indicated to the auditors and the Audit Committee:

   i) that there are no significant changes in internal control over financial reporting during the FY 2022-23;

   ii) that there are no significant changes in accounting policies during the FY 2022-23; and

   iii) that there are no instances of significant fraud of which we have become aware.

For **Sharda Motor Industries Limited**

Date : 18th May, 2023	**Puru Aggarwal**	**Aashim Relan**
Place : New Delhi	President & Group Chief Financial Officer	Chief Executive Officer

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AUDITOR CERTIFICATE

To

The Members of Sharda Motor Industries Limited

1. This certificate is issued in accordance in accordance with the terms of our engagement letter dated 27th March, 2023.

2. We, S.R. Dinodia & Co. LLP, Chartered Accountants, the Statutory Auditors of **SHARDA MOTOR INDUSTRIES LIMITED** ("**the Company**"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") as amended from time to time.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and

clauses (b) to (i) of regulation 46(2) and paras C, D and E of Schedule V of the Listing Regulations during the year ended 31st March 2023.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction On Use

10. This certificate is addressed and provided to the members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For S.R. Dinodia & Co., LLP
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689
UDIN: 23083689BGW0EZ2104

Place of Signature : New Delhi
Date: 10th August, 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

This is the inaugural edition of Sharda Motor Industries Limited's BRSR, in which we present all our non-financial disclosures, and it is one of our first steps as a Company to integrate our Environmental, Social, and Governance (ESG) aspects into our operational activities. As a Company deeply committed to environmental responsibility and social impact, this report represents a significant milestone in our sustainability journey. Our primary objective is to promote accountability and transparency in business practices, which opens the way for sustainable development and allows us to engage more effectively with our stakeholders, such as employees, customers, suppliers, and communities, so that we understand and incorporate their needs and expectations into our sustainability strategy.

As an automobile component manufacturing Company, we understand our responsibility to prioritize sustainability in all aspects of our operations. Our Company's purpose is to provide our customers with high quality and reliable products that meet their needs through minimum environmental impact. We strive to educate our stakeholders about the importance of sustainability and the role that they can play in protecting the environment. We recognise that sustainable and responsible business practices are an opportunity and through this report, we aim to prioritise ESG values in our operations and improve our efficiency, reduce costs, and contribute to the overall well-being of our planet and future generations.

Driven by the core values of the Nine Thematic Principles, as outlined in the National Guidelines on Responsible Business Conduct (NGRBC), we deeply embed responsible and sustainable business practices into our organization. These guiding principles serve as the foundation for our commitment to creating a positive influence on both society and the environment Concurrently. At the heart of our endeavors lies the comprehensive Business Responsibility and Sustainability Report (BRSR), meticulously addressing the essential principles stipulated by Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

This pivotal report serves as a powerful conduit for sharing the strides we have taken in environmental impact, social responsibility, corporate governance, ethical business practices, and innovation. Our unwavering dedication to sustainable growth and responsible business conduct finds its testament within this report, reflecting the very essence of our organization.

With this in-depth and transparent account, we extend an earnest invitation to all our stakeholders to embark on this transformative journey alongside us, as we work collectively towards building a sustainable and thriving future.

Section A: General Disclosures

Since our establishment in 1986, we have grown significantly in the automotive sector by providing highly engineered goods and services, ranging from emission control, suspension, roof systems to SCM & Procurement, with a sizable market share and positive, long-term relationships with OEMs. Our vision is to become one of the Top 100 Companies in India, achieved through our unwavering commitment to delivering innovative products and services while expanding our global presence. At the core of our operations lie our corporate values: ownership, strategic thinking, customer-centricity, and integrity.

In this section we have shared generic details as well as information regarding our products, operations, employees, subsidiaries, CSR, transparency, and disclosure compliances with the goal of providing stakeholders with an understanding of the organisation and our activities.

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1986PLC023202
2.	Name of the Listed Entity	Sharda Motor Industries Limited
3.	Year of incorporation	1986

4.	Registered office address	D-188, Okhla Industrial Area Phase-1, New Delhi, Delhi-110020, India
5.	Corporate address	D-188, Okhla Industrial Area Phase-1, New Delhi, Delhi-110020, India
6.	E-mail	investorrelations@shardamotor.com
7.	Telephone	011-47334100
8.	Website	www.shardamotor.com
9.	Financial year for which reporting is being done	1st April 2022 - 31st March 2023
10.	Name of the Stock Exchange(s) where shares are listed	Bombay (A1) and National Stock Exchange (A1024); Code: 1,025
11.	Paid-up Capital	594.63 Lakhs INR
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	**Ms. Iti Goyal** Assistant Company Secretary and Compliance officer 011-47334100 iti.goyal@shardamotor.com
13.	Reporting boundary *Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).*	The disclosures made under this report are on a standalone basis for ***Sharda Motor Industries Ltd*** (SMIL).

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% of turnover of the entity (FY23)
1.	Manufacturing	Manufacturing of motor vehicle parts such as exhaust system, suspension system, sheet metal components.	100%

15. Products/Services sold by the entity *(accounting for 90% of the entity's Turnover):*

S. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Manufacturing of motor vehicle parts such as exhaust system, suspension system, Sheet metal components.	29301	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices
National	7 Manufacturing units (including 2 Tube Mills & 3 Stamping Plants)	3 sales offices and 1 R&D center.
International	-	1 sales office.

Our Manufacturing locations:

1. Plot No. A-1/8, MVML Vendor Park MIDC, Phase-IV, Nigo JE Chakan, Pune – 410501
2. PAP K-20,21&22, Village - Khalumbre, Chakan MIDC Phase II, Tal Khed, Pune 410501
3. G-20, Sipcot Industrial Park, Irungattu Kottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamil Nadu – 602105
4. P 12, 1st Avenue, Mahindra World City, Chengalpattu Taluk, Kanchipuram Dist., Tamil Nadu-603 002
5. Plot No.112, M.I.D.C., Satpur, Nasik- 422007, Maharashtra
6. Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik–422007
7. Plot No. C/8 Tata Vendor Park, Sanand Viramgam Highway, Ahmedabad, Gujarat- 382170

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	At present, the Company is serving markets across all states in India
International (No. of Countries)	At present, the Company is serving one international location - United States of America.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company’s contribution of exports as a percentage of the total turnover amounts to 2.66%.

c. A brief on types of customers

We are at the forefront of automotive technological innovation, offering our customers customized preferences by employing innovative machinery and equipment. Our Company delivers superior automobile components to both India and the world's leading automakers and engine manufacturers.

The Company collaborates with renowned automakers, engine manufacturers, and tier-1 suppliers, providing them with high-quality and innovative components to enhance vehicle performance and efficiency. Additionally, SMIL partners with original equipment manufacturers (OEMs), contributing to the development and production of vehicles that meet industry standards. Serving both two-wheeler and four-wheeler manufacturers, SMIL's versatile product range includes Exhaust systems, Suspension Systems and Roof systems. With a commitment to excellence, innovation, and customer satisfaction, SMIL continues to drive advancements and progress in the automotive sector, cementing its position as a trusted partner in the industry.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	646	622	96.28%	24	3.71%
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
3.	Total employees (D + E)	646	622	96.28%	24	3.71%
Workers						
4.	Permanent (F)	287	286	99.65%	1	0.34%
5.	Other than Permanent (G)	2363	2342	99.11%	21	0.88%
6.	Total workers (F + G)	2650	2628	99.16%	22	0.83%

b. Differently abled Employees and workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	Currently, the Company does not have employees that fall under the category of differently abled.				
2.	Other than Permanent (E)					
3.	Total differently abled employees (D + E)					
Differently Abled Workers						
4.	Permanent (F)	Currently, the Company does not have workers that fall under the category of differently abled.				
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	2	28.5%
Key Management Personnel	3	-	-

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	28.03%	0.98%	29.02%	21.01%	1.09%	22.10%	16.77%	0.55%	17.32%
Permanent Workers	0.70%	0.00%	0.70%	1.05%	-	1.05%	-	-	-

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V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated in column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Relan Industrial Finance Ltd.	Associate	47.12	No
2.	Exhaust Technology Private Ltd.	Associate	50.00	No
3.	Uddipt Mobility India Private Ltd.	Subsidiary	74.00	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (Rs.in Lakhs): 269993.58

(iii) Net worth (Rs.in Lakhs): 78182.20

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (Other than shareholders)	**Yes**, Investors and Shareholders may visit https://www.shardamotor.com/investor-relations/policies/ or Contact the compliance officer at dedicated mail id i.e., investorrelations@shardamotor.com to file a complaint.	Nil	Nil	-	Nil	Nil	-
Shareholders	**Yes.** The Company evaluates the status of shareholder complaints and their resolution on a regular basis. The terms of the Stakeholders Relationship Committee include, among other things, considering and addressing the Company's shareholders' grievances, such as complaints about the transfer or transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issuance of new or duplicate certificates, general meetings, and so on. Investor and Shareholders may visit https://www.shardamotor.com/investor-relations/policies/ or contact the compliance officer at dedicated mail id i.e., investorrelations@shardamotor.com to file a complaint.	2	Nil	-	1	Nil	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and Workers	**Yes**. There is Whistleblower policy in place, as well as an Ethics helpline that may be reached at the following email address: shardamotor@ethicshelpline.co.in. There is also a policy on redressal of sexual harassment at workplace in accordance with the Sexual Harassment of Women at Workplace Act, 2013. The policy can be viewed at: Whistle Blower policy	Nil	Nil	-	Nil	Nil	-
Customers	**Yes**. We consider the inputs from all our B2B (Business-to-Business) customers through a comprehensive complaint management system and active communication channels such as e-mails, in person meetings and telecommunication.	Nil	Nil	-	Nil	Nil	-
Supply Chain Partners	**Yes**, Supply chain manual and code of conduct are in place for resolving the complaints of value chain partners. The value chain partners can also contact their respective supply chain managers at the plant level to resolve their concerns.	Nil	Nil	-	Nil	Nil	-
Communities	**Yes**, the communities we engage with, can address their concerns and grievances through the Dedicated Email id: shardacsrtrust@shardamotor.com.	Nil	Nil	-	Nil	Nil	-

Investors and Shareholders- We conduct regular evaluations of the status of shareholders' complaints and their resolution. The Stakeholders Relationship Committee's terms includes, among other things, considering and addressing the grievances of the Company's security holders, including complaints regarding the transfer or transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issuance of new or duplicate certificates, general meetings, etc. Investor and Shareholders may visit https://www.shardamotor.com/investor-relations/policies/ or write to the compliance officer at dedicated mail id i.e., investorrelations@shardamotor.com for any grievance.

Employees – We have established an Internal Complaints Committee to address sexual harassment issues in accordance with the Prevention of Sexual Harassment Act of 2013, which outlines the processes to be followed in situations of sexual misconduct, as well as the channels for complaints and subsequent inquiries. We have a platform called "SHAKTI" that connects human resource managers with employees and workers and provides a safe place for communication and trust building, as well as resolving and addressing any possible problems. Employees and workers can also get extra HR-related services through ethics helpline shardamotor@ethicshelpline.co.in. We have a whistle blower policy that allows reporting of any unethical conduct.

Weblink of the relevant polices:

- https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf
- https://www.shardamotor.com/wp-content/uploads/2020/08/Whistle-Blower-Policy.pdf
- https://www.shardamotor.com/wp-content/uploads/2020/08/Human-Rights-Policy.pdf

Supply chain- Supply chain manual and code of conduct are in place for resolving the complaints of value chain partners. The value chain partners can also contact their respective supply chain managers at the plant level to resolve their concerns. To better serve our customers in terms of Quality, Cost, and Delivery (QCD), we are dedicated to reducing any hindrances that might arise. In order to accomplish this, we believe that the supply chain must be simplified in order to create systems and procedures that address customer complaints and adhere to the Zero-defect policy.

We have set the following goals to help us achieve this:

- 'A' quality suppliers
- 100% of initial samples delivered correctly and on time
- Zero PPM strategy-incoming PM (Parts per Million)
- Zero customer complaint approach
- Zero tolerance for safety
- Zero warranty

Communities – The CSR policy of Sharda Motor industries Limited, encompasses the Company's philosophy towards Corporate Social Responsibility. The Company believes in addressing community grievances which fosters harmony and unity within a society. For smooth and appropriate resolution, the Company has an established email ID for communities which can directly share issues at: shardacsrtrust@shardamotor.com.

For more details on other related policies please visit https://www.shardamotor.com/investor-relations/policies/.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy Management	Risk and Opportunity	**Risk Perspective:** Fluctuations in energy prices can directly impact SMIL's operating costs. Dependence on non-renewable energy sources can lead to vulnerability in the face of price volatility. Global energy supply chain disruptions, geopolitical tensions, or natural disasters can affect the availability and cost of energy resources, impacting SMIL's production and distribution processes. Governments worldwide are implementing stricter energy-related regulations to address climate change and reduce greenhouse gas emissions. Non-compliance with these regulations can result in fines and legal liabilities for SMIL.	Energy management involves the strategic planning, monitoring, and optimization of energy use throughout the Company's operations. The Company has adopted renewable energy sources including solar and wind power. The Company has installed automatic sensors for cutting off the electricity of heavy motors and machinery when not in use. To ensure conservation of energy, the Company has adopted energy efficient equipment. The Company aims to improve the environmental performance by adopting cleaner production methods.	**Positive Financial Implications:** Implementing energy-efficient technologies and practices can result in lower utility bills and decreased energy-related expenses, positively impacting SMIL's bottom line. As energy costs continue to rise, companies with efficient energy management strategies can gain a competitive edge by offering cost-competitive products and services. Attract environmentally conscious consumers and investors, positively influencing SMIL's brand value and market position.

S. No.	Material issue identified	Indicate whether risk or oppor-tunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			Opportunity Perspective: Implementing energy-efficient technologies, process optimizations, and renewable energy solutions can lead to significant cost savings in the long run. Streamlining energy consumption can optimize production processes, reduce downtime, and increase overall productivity. Shifting to renewable energy sources and adopting energy-efficient practices aligns with SMIL's commitment to sustainability, enhancing its reputation among environmentally conscious customers, investors, and stakeholders.	It promotes the use of energy efficient and environment friendly technologies and use of renewable energy.	**Negative Financial Implications:** Failing to address energy inefficiencies may lead to higher operating expenses and decreased profitability. Non-compliance with energy-related regulations can result in fines, penalties, and potential damage to SMIL's reputation.
2	Physical impacts of climate change	Risk	**Risk perspective** The physical impacts of climate change present significant risks to Sharda Motor Industries Limited (SMIL) and the automotive industry. Climate change refers to long-term changes in global or regional climate patterns, which have significant implications for businesses, communities, and ecosystems. The physical impacts of climate change can directly affect SMIL's operations, facilities, supply chains, and overall business continuity. These risks include disruptions to operations and supply chains due to extreme weather events, potential shortages of critical resources like water, rising energy costs to comply with emissions regulations and vulnerability of infrastructure. Climate change-induced shifts in consumer preferences and liability issues further add to the risks.	The Company is managing these risks by identifying and assessing the specific climate-related risks to SMIL's operations, facilities, and supply chain locations. Investing in climate-resilient infrastructure designs that can withstand extreme weather events and changing climate conditions. Diversifying Suppliers and Transportation Routes by reducing reliance on single suppliers or transportation routes that may be vulnerable to climate-related disruptions. And implementing water conservation measures and exploring water recycling and reuse strategies to ensure water resilience. The Company is focused on addressing climate change challenges and build resilience. For example, the Company has made several efforts to minimize its environmental impact and has shifted to alternative sources of energy, through adoption of solar and wind power. The Company ensures responsible and sustainable business conduct throughout its value chain. Furthermore, the Company has implemented various water efficient technologies to ensure conservation and responsible use of water during operations including water recycling plants and water treatment system, which has ensured recycling of water and zero liquid discharge outside plant premises.	**Negative financial implications:** Property Damage and Repair Costs: Extreme weather events and rising sea levels can lead to physical damage to SMIL's facilities, necessitating costly repairs or replacements. Supply Chain Disruptions: Climate-related disruptions to transportation routes or supplier operations can lead to delays in raw material delivery, production slowdowns, and increased costs for alternative sourcing. Increased Insurance Costs: As climate change-related risks become more apparent, insurance premiums for business properties and assets may rise, impacting SMIL's operating expenses. Business Continuity Costs: SMIL may incur expenses related to contingency plans and resilience measures to mitigate the impact of climate-related risks on its operations.

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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Waste and Hazardous material management	Risk and opportunity	**Risk perspective:** Improper waste handling and disposal can lead to environmental degradation, resulting in regulatory fines and reputational loss for the Company. Furthermore, waste management can be costly, particularly if the organisation is required to establish new systems and technologies in order to meet environmental standards. Inadequate handling of hazardous materials can lead to workplace accidents and health risks for employees, resulting in potential liability and increased workers' compensation costs. Improper disposal or accidental release of hazardous materials can lead to environmental contamination, impacting nearby ecosystems and communities and potentially resulting in legal and financial liabilities. Compliance with strict regulations regarding the storage, handling, and disposal of hazardous materials is essential to avoid penalties and legal consequences. **Opportunity perspective:** By minimising waste disposal costs and optimising resource utilisation, effective waste management practices can result in cost savings. Recycling waste can also lead to more cost-effective industrial processes and demonstrate environmental care. Adequate waste management may also help the organisation in meeting environmental standards while fostering great connections with the surrounding community.	The Company ensures waste management through proper disposal and recycling methods and is compliant with various environmental regulations. The Company aims for optimum utilisation of natural and manmade resources and sustainability of resources by reducing, reusing, recycling, and managing waste. The Company regularly assess waste and hazardous material management processes, identifying areas for improvement and adopting more sustainable practices and follow best practices for handling, storing, and disposing of hazardous materials, ensuring employee safety and environmental protection.	**Negative financial implications:** Poor waste management practices can lead to increased costs, fines, and legal penalties. In addition, waste management has negative cost implication due to the implementation of new systems and technologies to meet environmental regulations. This can result in short-term financial impacts such as increased capital expenditure. Accidents related to hazardous materials can lead to medical expenses, worker downtime, and potential legal claims, affecting SMIL's operational costs. If hazardous materials cause environmental contamination, SMIL may incur substantial costs for environmental remediation and restoration. **Positive financial implications:** Effective waste management practices can lead to a reduction in the amount of waste generated, which can help to lower the cost of waste disposal and transportation. Furthermore, good waste management can lead to better raw material efficiency because waste can be recovered or reused in manufacturing operations. This can result in cost savings from the procurement of new raw materials. Finally, efficient waste management practices can help minimize the threat of legal and adverse publicity connected with incorrect disposal of waste, which can have serious financial consequences.
4	Water Resilience	Opportunity	**Opportunity perspective:** Focusing on water resilience can improve resource efficiency, conservation and access to shared resources. It can also prevent supply chain disruptions and address various water related challenges. By implementing effective water management practices, the Company can reduce its exposure to water-related risks, such as	The Company has various water efficiency measures where it has implemented water-saving technologies and practices to optimize water use in manufacturing processes and facility operations including water recycling plants and water treatment system, which has ensured recycling of water and zero discharge outside plant premises.	**Negative financial implications:** Water shortages or interruptions in water supply can lead to production disruptions and increased costs to secure alternative water sources or adjust manufacturing processes. In regions with water scarcity, water prices may rise, leading to higher operating expenses for SMIL's water-intensive operations.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			water scarcity and regulatory restrictions. This can help the Company to achieve more efficient use of water resources, reducing operational costs and enhancing overall business sustainability.	Risk assessment exercise of the Company also includes water risk assessment to identify water-related risks and vulnerabilities in SMIL's operations and supply chain. The Company also has diversified water sourcing strategies such as rainwater harvesting, water recycling, and engaging in community water management initiatives. The company has also established robust water monitoring and reporting systems to track water usage, identify inefficiencies, and demonstrate transparent water stewardship to stakeholders.	Meeting regulatory requirements related to water usage and discharge may require investments in water-saving technologies and wastewater treatment facilities. **Positive financial implications:** Reduced operational costs due to more efficient use of water resources, improved overall business sustainability, and the potential for new market opportunities and revenue streams through the development of innovative water-efficient products and services. Additionally, a strong reputation as a responsible and sustainable business can lead to increased customer loyalty and brand value, which can further benefit the Company financially.
5	Product design and safety	Opportunity	**Opportunity perspective:** Product design and safety are critical aspects of SMIL's operations, particularly in the automotive industry. The way products are designed, manufactured, and tested can significantly impact their safety, quality, and compliance with regulations. Effective product design and safety practices can lead to enhanced customer satisfaction, brand reputation, and market competitiveness. Prioritizing product safety and quality in design can lead to products that perform well, are reliable, and meet customer expectations, enhancing overall customer satisfaction. A reputation for safe and reliable products can differentiate SMIL from competitors, attract more customers, and strengthen the company's market position. Investing in robust product design and safety can reduce the likelihood of recalls and safety incidents, leading to cost savings associated with potential liabilities and reputational damage.	The Company ensures manufacturing & Supply of all its products including Complete Exhaust System and Catalytic Converter Assemblies by Protecting Environment and Enhancing Environmental Performance. The Company is committed towards manufacturing products which are safe to use and is constantly engaged in new product development technologies leading to product innovation and enhancement. The technological shifts happening in the industry in accordance with the climate change conditions have given it another opportunity to invest further in R&D initiatives, improving the designs and creating efficient and sustainable products.	**Positive financial implications:** A reputation for safe products can lead to increased customer loyalty, repeat purchases, and positive word-of-mouth, driving higher sales and market share. Avoiding product recalls and safety incidents can prevent significant financial losses related to recall expenses, legal fees, and brand recovery efforts. A strong focus on product safety and quality can enhance SMIL's brand value and differentiate it as a trusted and responsible automotive manufacturer.

S. No.	Material issue identified	Indicate whether risk or oppor-tunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Responsible supply chain and material sourcing efficiency	Risk and Opportunity	**Risk perspective:** Unethical practices in the supply chain, such as forced labour or child labour, can lead to reputational damage and legal liabilities for SMIL. Overreliance on a single supplier or sourcing materials from high-risk regions can result in supply chain disruptions due to geopolitical tensions, natural disasters, or other unforeseen events. Unsustainable material sourcing and supply chain practices can contribute to environmental degradation and increase the company's carbon footprint. **Opportunity perspective:** Building strong relationships with responsible suppliers can lead to improved collaboration, reliability, and long-term partnerships. Working with suppliers who prioritize sustainability can lead to innovative solutions, such as eco-friendly materials and processes, fostering a competitive edge for SMIL. Demonstrating a responsible and ethical supply chain can enhance SMIL's reputation among customers, investors, and other stakeholders who value sustainability and corporate responsibility.	The Company has proactively established a comprehensive sustainability policy and an environmental, health, and safety policy to foster sustainable sourcing practices across its entire value chain. Through the implementation of these policies, the Company prioritizes responsible sourcing, emphasizing environmental sustainability in collabouration with its value chain partners. The ultimate goal is to ensure sustainable sourcing practices while minimizing any adverse environmental impact. By adhering to its Environment & Sustainability Policy, the Company actively promotes environmental consciousness among its value chain partners. This commitment to sustainability extends to sourcing processes, wherein the Company endeavors to procure materials and resources responsibly, with a keen focus on minimizing environmental harm.	**Negative financial implications:** Shifting to responsible sourcing may require identifying new suppliers and integrating them into the supply chain, which could lead to increased complexity and administrative costs. Depending on the availability and reliability of responsible suppliers, there could be a risk of supply chain disruptions, leading to production delays and potential revenue losses. **Positive financial implications:** Efficient supply chain management and responsible material sourcing can lead to cost savings through optimized procurement, reduced waste, and improved resource utilization. A responsible supply chain reduces the risk of non-compliance, legal issues, and supply chain disruptions, preventing potential financial losses. Emphasizing responsible supply chain practices can make SMIL more appealing to customers and investors seeking environmentally and socially conscious partners.
7	Protection of Human Rights	Risk	**Risk perspective:** Allegations or incidents of human rights violations, whether within the company or its supply chain, can severely tarnish SMIL's reputation and impact customer trust and brand loyalty. Non-compliance with labour laws or unethical labour practices, such as forced labour or child labour, can lead to legal liabilities, reputational damage, and potential boycotts from customers and investors. Inadequate monitoring and due diligence can expose the company to supply chain risks related to human rights abuses. Discrimination or lack of diversity and inclusion may cause internal turmoil, employee dissatisfaction, and higher employee turnover.	The Company has formulated a human rights policy which extends to all its stakeholders and ensures protection and respect of human rights through non-discrimination, non-tolerance towards child labour and equal opportunities for all. Link for Human rights policy SMIL has also implemented an effective grievance redressal mechanism to allow employees and stakeholders to raise concerns related to human rights violations. SMIL also provide training and awareness programs for employees to promote a culture of respect for human rights and ethical behaviour.	**Negative financial implications:** Violations of human rights issues can cause significant amount of regulatory and legal costs, Loss of goodwill, higher employee turnover costs, also loss of investments.

S. No.	Material issue identified	Indicate whether risk or oppor-tunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				The Company has implemented a supplier code of conduct that sets clear expectations for suppliers regarding human rights, labour practices, and ethical standards.	
8	Employee engagement and well being	Opportunity	Enhanced Employee Productivity: Engaged and well-supported employees are more likely to be motivated, focused, and productive, contributing to higher overall organizational efficiency. **Opportunity perspective:** Opportunity Perspective: Reduced Employee Turnover: A positive work environment, along with support for employee well-being, can lead to increased employee retention, reducing recruitment and training costs. Talent Attraction: SMIL's reputation as a caring and employee-centric organization can attract top talent seeking a workplace that prioritizes well-being and fosters professional growth. Innovation and Creativity: Engaged employees tend to be more innovative and creative, driving continuous improvement and contributing fresh ideas to the company's success.	The Company, through its employee engagement initiatives, works towards encouraging its workforce. The Company understands that a motivated workforce and an avenue for individual growth of employees can directly contribute to the common objective of the Company.	**Positive financial implications:** Enhanced employee engagement results in positive workplace culture that leads to higher retention of employees, lower hiring costs, lower cost of training and development. Promoting employees' rights increases productivity and profitability.
9	Labour practices	Opportunity	**Opportunity perspective:** Labour practices encompass a wide range of employment-related policies and initiatives that ensure fair treatment, respect, and support for all employees within SMIL. By fostering a positive and inclusive work environment, the company can promote employee satisfaction, productivity, and overall well-being. Emphasizing responsible labour practices not only aligns with SMIL's commitment to corporate responsibility but also strengthens the organization's reputation as an employer of choice.		**Positive financial implication:** Efficient labour management practices boosts employee productivity, lowers labour absenteeism. The increase in the employees morale can have a direct impact on the growth and development of the Company with an increase in the revenue streams.

S. No.	Material issue identified	Indicate whether risk or oppor-tunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Occupational health and safety	Risk	**Risk perspective:** Poor health and safety practices can contribute to employee dissatisfaction, low morale, reduced productivity, and high staff turnover. Such turnover can lead to increased recruitment and training costs, creating a financial burden for the Company. Ensuring employee health and safety is essential to mitigate these risks and maintain a positive work environment. Workplace accidents and injuries can lead to increased compensation claims and financial constraints on the Company. Failure to comply with occupational health and safety regulations can result in legal liabilities, non-compliances and reputational damage.	**Safety training:** The Company provides regular and specific training to employees on safety protocols, procedures and the use of machinery and equipment. **Safety Policy and Procedures**: The Company has developed and enforced clear safety policies and procedures to create a safe work environment. **Regular equipment maintenance:** Regular maintenance of equipment and machinery to reduce the risk of accidents due to malfunctioning equipment. **Employee involvement:** The Company encourages employee involvement in safety initiatives, reporting hazards, and suggesting improvements.	**Positive financial implications:** A safe workplace can help in reducing accidents and illnesses, which leads to fewer claims, lesser insurance costs, and greater efficiency. This will keep the workforce contented and happy, which may reduce employee turnover, resulting in cost savings and enhanced profitability. **Negative financial implications:** Potential legal obligations, increased insurance premiums, employee compensation claims, and lost productivity due to injuries or illnesses are all financial consequences of occupational health and safety concerns for SMIL. These costs can be significant and may have an impact on the Company's profitability and reputation.

Section B: Management and Process Disclosures

We understand the significance of adhering to the principles and essential elements of the National Guidelines on Responsible Business Conduct (NGRBCs) and have taken numerous initiatives to ensure that its policies and procedures are in accordance with these guidelines. In conjunction with all stakeholders, we have developed policies and identified the authorities/committees accountable for policy implementation and effective delegation of sustainable decision-making. The Board of Directors operates at the core of corporate governance, ensuring that management serves and protects the long-term interests of all stakeholders.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.shardamotor.com/investor-relations/policies/ **Principle 1** Code of Conduct Code of conduct - Stakeholders Independent Directors Familiarization Programme Dividend Distribution policy Terms of appointment of Independent Directors Risk Management policy Policy on Materiality of events and information Whistle Blower policy								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Principle 2 Sustainability policy Quality policy **Principle 3** Health & Safety policy Recruitment & Selection policy Nomination, Remuneration & Evolution policy Code of conduct Whistle Blower policy **Principle 4** Code of Conduct- Stakeholders Dividend Distribution policy Whistle Blower policy Related Party Transactions policy Risk Management policy **Principle 5** Human Rights policy Code of conduct Whistle Blower policy **Principle 6** Environment policy Sustainability policy Risk Management policy **Principle 7** Archival policy Insider Trading code **Principle 8** Corporate Social Responsibility policy **Principle 9** Code of Conduct Risk Management Policy IT policy								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) mapped to each principle.									
Principle 1	Not Available								
Principle 2	Not Available								
Principle 3	Not Available								
Principle 4	Not Available								
Principle 5	Not Available								
Principle 6	Not Available								
Principle 7	Not Available								
Principle 8	Not Available								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Principle 9	International Standard for Automotive Quality Management Systems (IATF: 16949:2016)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	We recognize the significance of establishing sustainability targets and goals to address sustainability challenges and ethical considerations in our operations, and we are striving towards setting the same. We believe that by establishing precise goals, we shall improve our environmental stewardship, social impact, and corporate governance practices. We are concentrating on reducing our environmental impact by supporting sustainable manufacturing and procurement practices. We want to increase our social impact and build constructive partnerships with our stakeholders. Our key focus areas are promoting diversity, equity, and inclusion in the workplace, ensuring employee well-being and safety, supporting local communities through various initiatives, maintaining high product quality and safety standards, and upholding human rights and fair labour practices throughout our organization and our supply chain. Strengthening our Company's internal structures and practices for accountability and transparency by establishing a diverse board of directors, improving financial reporting and disclosure practices, implementing robust risk management and compliance frameworks, and promoting ethical conduct.								
6. Performance of the entity against specific commitments, goals, and targets along with reasons in case the same are not met.	In this report, we present a comprehensive overview of our performance across different aspects of business responsibility and sustainability. While we have disclosed our current status, we acknowledge the importance of ongoing enhancement in these domains. Therefore, we are firmly dedicated to establishing precise goals and targets to direct our endeavours towards a more sustainable and responsible business approach. As this marks our inaugural Business Responsibility and Sustainability report, we are currently in the process of defining specific goals and targets. We intend to update our stakeholders on our progress towards these objectives in the forthcoming year's report								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements I am pleased to present our Company's first Business Responsibility Sustainability Report (BRSR), which outlines our commitment to environmental, social, and governance (ESG) practices. ESG-related concerns are becoming increasingly important in today's business world, and we see the need to proactively addressing them. We are certain that by implementing ESG principles into our fundamental business strategy, we will be able to generate long-term value for all stakeholders while also contributing to a more sustainable and inclusive future. We are committed to continual development and are on our way to setting new goals to accelerate our grow*th.*									

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Managing Director continuously monitors the development of ESG performance and has assigned powers to the Senior Management of the organization for implementation and oversight of the business responsibility policy and procedure.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Compliance officer of the Company is appointed as BRSR head along with delegation of requisite powers of decision making as Sustainability head by the Board of Directors for addressing the issues.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Our board of directors and internal committee reviews all the policies annually to evaluate the accuracy, clarity, effectiveness, and comprehensiveness of all the policies. Suitable amendments are made as per the changing regulatory requirements and same is reviewed by the board as and when required.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Our Company is committed to responsible business practices and is compliant to all statutory requirements applicable.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	No																	

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	NA*								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/ No)									
Any other reason (please specify)									

*Not Applicable since the Company has relevant policies that cover all the NGRBC principles.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURES

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

We are committed to doing business in an efficient, responsible, honest, and ethical manner. This commitment starts with the board of directors, who execute our corporate governance responsibilities by focusing on the Company's strategic and operational excellence, which is in the best interests of all our stakeholders. We have documented internal governance policies and have put in place a formalized system of corporate governance which sets out the structure, processes, and the best practices of governance. We emphasize the need for full transparency and accountability in all transactions to protect the interests of our stakeholders and to achieve this purpose we are imparting training on a regular basis to all our employees, workers and value chain partners.

Essential Indicators

1. **Percentage coverage by training and awareness programs on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	P1 and P4	100%
Key Managerial Personnel (KMP)	2	P1 and P4	100%
Employees other than BoD and KMPs	138	As per training need identification of the employees	87%
Workers	Nil	Nil	Nil

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	There were no fines/penalties/compounding fees/settlement amounts paid in proceedings by our Company or by directors or by KMPs with regulators/law enforcement agencies/judicial institutions, in the current year.				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	There was no punishment/imprisonment, or any other non-monetary action taken by regulators/ law enforcement agencies/judicial institutions, in the current year.			
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   Yes. Disclosures related to anti-bribery and anti-corruption are a part of our Whistle Blower Policy and Code of Conduct which highlight various principles and guidelines that focus on ethics, accountability and misconduct. They are to be adhered to by all employees, senior management and stakeholders. The Company also has a Code of Conduct for the Stakeholders which outlines that the Company strictly prohibits corruptive business practices, and all stakeholders are strictly barred from receiving or offering bribes in any form in order to perform business, influence business decisions, or secure any unfair advantage.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.**

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	There were no complaints in relation to conflict of interest between Directors and KMP's in the current and previous financial year.			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   Since there were no complaints received in regard to these elements, no corrective action was necessitated.

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
4*	We have strong connections with our suppliers, and the majority of them have been educated about **sustainability and other environmental and social concerns** through our awareness campaigns. Vendor meetings serve as a forum for promoting the Company's community, environmental, and health & safety activities. Currently, 30–60% of value chain entities participate in the Company's sustainability initiatives, and the Company is constantly working to expand these initiatives to a larger value chain base.	20%

*The Company conducted training of its value chain partners every quarter with the batch of suppliers.

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

   Yes, we have a code of conduct in place to avoid/manage conflict of interests involving members of the board. All board members and senior management members must avoid situations in which their personal interest could conflict with the interest of the Company. Any conflict or potential conflict must be disclosed to the board for guidance and appropriate action.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Our Company's goal is to provide goods and services in a manner that is sustainable and safe by prioritizing sustainability, ensuring safety, complying with regulations, and continuously improving our operations and practices. We continually work with our vendors and suppliers to reduce the environmental impacts of sourcing materials and goods. Sustainability is integrated and ensured into our business processes through a well-defined sustainability policy. We prioritize the safety of our customers and employees by designing and manufacturing products that meet safety standards. We have strict safety protocols in place in our manufacturing facilities and service centers to ensure that all our employees and workers work in a safe environment.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

   SMIL is a significant supplier of emissions and exhaust products, and in early 2010, it invested in the establishment of an R&D centre. SMIL is one of the exhaust product manufacturers in India with an engine dyno and semi-anechoic chamber facilities in its R&D centre, which is extensively used for product optimisation to fulfil client requirements. SMIL also features best-in-class CAD/CAE/CFD capabilities, which allows for speedier product development.

   SMIL continues to be proactive in establishing product strategy and incorporating new technologies into products and processes that reflect rising client demands in the field of emission control technology.

<table>
<tr><th></th><th>FY 2022-23 (Current Financial Year)</th><th>FY 2021-22 (Previous Financial Year)</th><th>Details of improvements in environmental and social impacts</th></tr>
<tr><td>R&D*</td><td>100%</td><td>100%</td><td rowspan="2">Some of the key products developed by the company:
• Lean NOx Trap for BS VI- It can control NOx emissions from lean burn gasoline or Diesel engines.
• Gasoline Particulate filters (GPF), to reduce particle number emissions from GDI vehicles.
• Diesel particulate filters (DPF), to capture the particle emissions through a combination of filtration mechanisms.
• Selective Catalytic reduction System (SCR), to control the emissions of unreacted ammonia.</td></tr>
<tr><td>CAPEX</td><td>53.95%</td><td>23.01%</td></tr>
</table>

*All R&D expenses were incurred for the purpose of product improvements having a direct positive impact on the environment and society as a result of production and design enhancements.

2. **Does the entity have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?**

   Yes, we strive to embed sustainability in all our business practices. **92%** of our inputs were sourced sustainably. We consider sustainability as a crucial component of our business operations, and we ensure that our suppliers operate in accordance with our sustainability standards. The supplier code of conduct applies to all our suppliers' providing raw materials and equipment. Our suppliers and vendors are provided awareness sessions on various environmental and social issues periodically.

   Suppliers are assessed for capability towards quality, delivery, cost & performance and approval of suppliers will be decided based on the checklist. Potential suppliers are requested to complete the self-evaluation form which collects data such as quality systems, quality planning, quality performance, reliability. The suppliers are re-evaluated as a routine, once every 3 years, or as required. We have sourced materials of Rs 131.1 Crore from MSME and small vendors, Rs 313 Crore within district and Rs 1542 Crore from neighboring districts.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   We continually work with our vendors and suppliers to reduce the environmental impacts of sourcing. We have made significant efforts to minimize the effects of packaging on the supply chain by sourcing a variety of components in packaging that can be recycled or returned. To lessen the associated environmental consequences, optimization of logistics and transportation is a continuous process. There has been an effective communication channel with our vendors/suppliers and clients which leads to effective co-ordination and a free working environment in tandem with the needs and requirements. The scrap and wasted raw materials generated during production are sent to government authorized recycling facilities.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   No, Extended Producer Responsibility (EPR) is currently not applicable to our business activities.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web link.
No. While we recognize the crucial importance of this endeavour, we have not yet conducted a comprehensive assessment of the entire life cycle of our products. Nonetheless, our unwavering commitment to practicing sustainable business methods remains resolute.					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product/ Service	Description of the risk/concern	Action Taken
No notable social or environmental issues have arisen, as SMIL conducts regular internal assessments and employs continuous improvement methods to diligently oversee and address any potential concerns.		

3. **Percentage of recycled or reused input material to total material (by value) used in production (For manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
	Nil	

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.**

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (Including packaging)	2 Tons	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	400 L	Nil	Nil	Nil
Other waste	Nil	8 Tons	Nil	Nil	Nil	Nil

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	We have currently not reclaimed any products and their packaging materials.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

We have always placed a huge emphasis on the health, safety, and well-being of our employees, their families, and other stakeholders. Our Company undertakes frequent checks to evaluate ethical standards, which include fair labour practices, safe working conditions, and suitable remuneration. We follow all applicable health and safety requirements and constantly review and improve our procedures to reduce risks and hazards. In addition, our Company provides employee benefit programs such as health insurance, post-employment benefits, and compensated absences. We believe that fostering a culture of respect, inclusiveness, and diversity across our workforce and value chains is critical to long-term success and sustainability.

Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	622	527	85%	527	85%	0	0%	622	100%	-	0%
Female	24	24	100%	24	100%	24	100%	-	0%	-	0%
Total	**646**	**551**	**85.29%**	**551**	**85.29%**	**24**	**100%**	**622**	**100%**	**-**	**0%**
Other than Permanent employees											
Male	Currently, we do not have the mentioned benefits for contractual employees.										
Female											
Total											

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	286	284	99%	284	99%	-	0%	-	-	-	-
Female	1	1	100%	1	100%	1	100%	-	-	-	-
Total	**287**	**285**	**99.3%**	**285**	**99.3%**	**1**	**100%**	**-**	**-**	**-**	**-**
Other than Permanent workers											
Male	Currently, we do not have the mentioned benefits for contractual employees.										
Female											
Total											

2. Details of retirement benefits.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	16.8%	0.7%	Y	20.2%	1.04%	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard?

Our premises are accessible to differently abled employees, workers or visitors in accordance with the Rights of Persons with Disabilities Act 2016. We provide full assistance to such visitors when the need arises. We strive to ensure a warm and accessible environment for everyone and are working towards taking steps for inclusive accessibility as per the requirements. The Company remains dedicated to creating an environment that promotes equality and accessibility for all individuals.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

We have a combined HR Manual and Code of conduct wherein the equal opportunity policy is embedded. We believe in treating all employees and workers equally in terms of employment and making no discrimination based on race, gender, religion, ethnicity, color, age, disability, or other factors and the same is mentioned in our code of conduct. We provide employees and workers with an opportunity to secure employment solely based on experience, merit, and other non-subjective factors.

Weblinks:

- https://www.shardamotor.com/wp-content/uploads/2018/08/code-of-conduct-for-board-members.pdf
- https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf
- https://www.shardamotor.com/wp-content/uploads/2020/08/Human-Rights-Policy.pdf

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	0%*	100%	100%
Total	**100%**	**96.30%**	100%	100%

*One female employee availed maternity leave who left the organization aft er 6 months of service in the FY 2022-23.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

(If Yes, then give details of the mechanism in brief)	
Permanent Workers Other than Permanent Workers Permanent Employees	We respect every employee's and worker's rights and dignity at work and ensure a respectful and safe workplace. Our goal is to provide an environment that is free from abuse, intimidation, and prejudice. It is our duty to safeguard our employees' fundamental rights and prevent disputes and unrest at work caused by such situations. We have implemented a "policy on redressal of sexual harassment at workplace" in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redress) Act, 2013 ("Sexual Harassment Act"). Any employee may, in accordance with the policy, bring a complaint to the manager's attention and get their issues addressed by the redressal Committee or Internal Complaints Committee. Similarly, we also have a Whistle Blower policy in place for redressal of unethical conduct. We have an Ethics helpline managed by an external agency that provides employees with a confidential and anonymous channel to report ethical concerns or seek guidance on ethical matters within our Company. https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf https://www.shardamotor.com/wp-content/uploads/2020/08/Whistle-Blower-Policy.pdf

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	**646**	**-**	**-**	**-**	**-**	**-**
Male	622	-	-	-	-	-
Female	24	-	-	-	-	-
Total Permanent Workers	**287**	**285**	**99.3%**	**289**	**287**	**99.3%**
Male	286	284	99.3%	288	286	99.3%
Female	1	1	100%	1	1	100%

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	622	622	100%	622	100%	566	566	100%	566	100%
Female	24	24	100%	24	100%	19	19	100%	19	100%
Total	**646**	**646**	100%	**646**	100%	**585**	**585**	100%	**585**	100%
Workers										
Male	286	286	100%	286	100%	288	288	100%	288	100%
Female	1	1	100%	1	100%	1	1	100%	1	100%
Total	**287**	**287**	100%	**287**	100%	**289**	**289**	100%	**289**	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	622	481	77.33%	562	436	78%
Female	24	18	75%	18	14	78%
Total	**646**	**499**	**77.2%**	**580**	**450**	**77.5%**
Workers						
Male	We have not undertaken performance and career development reviews for workers during the FY 2022-23. However, they have their union agreement which is reviewed every 3 years. Additionally, the same is done, as and when the Government comes up with any amendment to labour laws.					
Female						
Total						

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? *(Yes/ No).* If yes, what is the coverage of such a system?

Yes, with an extensive health and safety management system, we aim to reduce workplace accidents and enhance our employees' and workers' mental and physical well-being. To provide a safe working environment, risk assessments of all our facilities and operations are conducted on a regular basis, along with necessary evaluations and inspections. Along with fire prevention and first aid training, we provide all our employees and workers with safety training and awareness sessions on safety manuals. The health, safety, and well-being of our employees and workers is always our first priority. Based on the directives of the Government of India, we have put in place a strong protocol for ensuring workplace safety, including the wearing of face masks, sanitization, and social distancing standards, during the pandemic and we shall continue to improve it further.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The potential hazards are identified through analyzing past incidents, regular inspections and worker incident reporting. Once the hazards are identified, an in-depth risk evaluation is done to assess the level of exposure, probability of incident occurrence, and likelihood of recurrence. Control measures are then implemented accordingly to mitigate and minimize such hazards. We believe that this is an ongoing process and ensure that appropriate training is given to employees and workers to be able to efficiently use the control measures.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Yes, the Company has established clear procedures for workers to report any safety-related incidents or hazards. If workers identify any concerns, they can promptly communicate them to their respective plant heads. Following this, the plant heads collaborate with department heads to swiftly implement appropriate measures. These measures ensure that workers can eliminate or minimize their exposure to health and safety risks, reinforcing our commitment to a secure working environment. Additionally, the Company actively encourages its workers to bring forth hazards and address their concerns in central department safety meetings and safety committee meetings, fostering a culture of open communication and collective responsibility for workplace safety.

d. **Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?**

Yes, our employees and workers are provided access to comprehensive non-occupational medical and healthcare services. Within our factories and premises, we ensure immediate access to first aid facilities, including regular visits from a doctor. As part of our commitment to employee welfare, we offer a group mediclaim policy for all employees. This policy covers a wide spectrum of medical needs, demonstrating our dedication to safeguarding their well-being. Additionally, for our workers, we have implemented the Employee State Insurance Corporation (ESIC) program to ensure they receive comprehensive medical and healthcare services.

To further nurture the health and wellness of our workforce, we promote a range of wellness initiatives. These encompass regular health check-ups, health screenings, and preventive measures, ensuring that our employees are equipped with the tools they need to maintain their well-being.

In our unwavering pursuit of ensuring accessible medical services, we have gone the extra mile. We have partnered with local healthcare providers. These clinics offer a diverse array of non-occupational healthcare services, ranging from general medical consultations to preventive care, vaccinations, and treatment for common illnesses and injuries. These clinics are also poised to arrange referrals to specialists or hospitals if any further medical attention is required. This comprehensive approach underlines our commitment to prioritizing the health and well-being of our valued employees and workers.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	0.36	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We believe that a secure and healthy workspace is essential for the well-being, productivity, and holistic growth of each employee and worker. In order to achieve this, we have developed extensive safety measures and guidelines that are in accordance with regional laws and industry best practices. Emergency procedures, evacuation plans, the use of personal protective equipment (PPE), and the proper handling of hazardous materials are all included in those regulations.

Furthermore, we undertake frequent risk assessments to detect safety hazards at work. These evaluations aid in determining the preventative actions and controls required to reduce hazards to employee health and safety. Employees also receive training on workplace safety measures, hazard identification, proper equipment usage, and emergency response protocols through our training programs. Safety exercises and awareness campaigns on a regular basis serve to reinforce these practices. The culmination of all these elements help us in ensuring a cohesive safety culture.

13. Number of complaints on the following made by employees and workers

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-		-	-	
Health & Safety	-	-		-	-	

14. Assessments for the year

	% of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Health and safety practices	100% done internally by our safety officers for plants and the administrative department for the office locations.
Working Conditions	100% done internally by our safety officers for plants and the administrative department for the office locations.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

We conduct comprehensive investigations to identify root causes and contributing factors to such safety related incidents and implement necessary corrective measures including process changes, equipment upgrades, additional training, and enhanced safety protocols.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, our Company has a gratuity policy from LIC for all employees in the event of death of employees who have serviced for at least 5 years and workers. All the employees are covered under Group personal accidental policy that compensates the employee or employee's family against death or any uncertain event. All the workers are covered under ESIC Corporation Policy/ Employee Deposit Linked insurance that serves as a compensatory package in the event of death or any uncertain event.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   As stated in our supplier code of business conduct which is a part of supplier manual "all personnel of the supplier shall, in his or her business conduct, comply with all applicable laws and regulations, both in better and in spirit, in all the territories in which he or she operates".

3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? *(Yes/ No)***

   Yes. Retired employees often bring a wealth of expertise since they are familiar with the organization, its procedures, and industry-specific insights. We provide them with continuous employability by engaging them as consultants since their experience may be beneficial in offering specialized guidance, direction, and problem-solving for specific projects or issues. Employees can also reach out to their respective managers and HR for guidance with respect to career path exploration, development opportunities, internal job postings and succession planning.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions Working conditions	100% of our value chain partners are assessed in health and safety and working conditions internally.

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   There were no significant risks/concerns of health and safety practices and working conditions of value chain partners identified internally. The suppliers and vendors are provided awareness on environmental and social issues. The vendor meets are used as a platform to raise awareness on health & safety, environmental and community initiatives of our Company. We also undertake a declaration from all our suppliers on the supplier code of conduct that ensures our business partnerships with them are at the highest levels of ethics and integrity.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

We value our stakeholders and strive to maintain long term relationships with them through constant communication and engaging with them for various decision-making activities and addressing their concerns effectively. We make sure that everyone's interests are protected, especially those belonging to the marginalized groups. We also understand that it is our responsibility to minimize and mitigate the negative effects of our operations and business practices while maximizing the positive effects on all of our stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

In order to maintain trust and ensure transparency through good governance, we maintain fruitful relationships with our stakeholders and follow a systematic procedure for stakeholder identification to identify our key stakeholders, both internal and external. Our key stakeholders include employees, investors, suppliers, customers, local communities and government authorities. We constantly engage and communicate with out stakeholders to ensure their opinions are heard and concerns are addressed. We strive to ensure long term growth through our strong stakeholder relationships.

2. List stakeholder groups identified as key for your entity and the number of engagements with the stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	E-mail, Internal portal and Newsletters	Daily, weekly	Employee safety, professional and Career development, Well-being, Training, and awareness.
Investors/ Shareholders	No	In person meetings, Website, Annual reports, Press release, Investor Relations team, Annual general meetings, Investor newsletters, Email, tele-communication and Conferences	Annually once in Annual General Meeting, Quarterly Investor call (Analyst meet/Earning call) and on Need basis	Discussing financial performance, new products and initiatives, earnings reporting, any other concerns.
Suppliers/ Partners	No	Website, Email and Tele communication	Need based	Process feedback, Cost optimization and sharing concerns if any.
Customers	No	Website, Email and Tele communication, Feedback surveys and SMS	Need based	Long term product improvements, Concerns and feedbacks.
Local Communities	No	Community events and meetings and CSR programs	Need based	Various CSR interventions.
Government Regulatory authorities	No	Official letters or correspondence, Email, In person meetings, Website, Trade and industry associations	Need based	Compliance Checks and other regulatory requirements.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Stakeholder consultation aims to build relationships based on mutual trust and benefits and it allows us to define our strategic priorities. We have designated departments for effective consultation with the stakeholders identified. The board of directors do not engage in these consultations directly, but they make sure that the necessary improvements are made based on the consultations and recommendations.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the input received from stakeholders on these topics were incorporated into the policies and activities of the entity**.

   Yes. To address and protect the stakeholders' interests and concerns regarding the identification of important issues that are material to the Company, stakeholder consultation is important to our Company's operations. By maintaining effective communication channels with the stakeholders, we ensure that their opinions are taken into consideration and offered to the board for the active adoption of the pertinent input. The consultations in environmental and social topics are essential because it provides us with valuable insights, diverse perspectives, helps identify and prioritize relevant topics, mitigates risks, supports informed decision-making, builds trust and positive relationships, and contributes to improved sustainability performance and reputation.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Through the Company's philanthropic arm, the Sharda CSR Foundation Trust, we engage with marginalized and vulnerable populations. The trust's mission is to support a variety of initiatives and programmes, including the establishment of clinics and ambulance services for the public at large, health camps, blood donation drives, education promotion, stationary donations and infrastructure improvements for low-income government schools. We also ensure upliftment of people belonging to the underdeveloped rural areas through pollution control activities, plantation drives and providing them with essential items which are essential to meet their daily requirements.

Principle 5: Businesses should respect and promote human rights

We recognize the significance of protecting human rights and are committed towards respecting and protecting the rights of our stakeholders. Our code of conduct outlines our commitment towards non-discrimination and ethical business practices. We also have a Human Rights policy which ensures equal opportunity and dignity for all and protects the rights of all employees irrespective of discrimination in any form. We have also established grievance redressal mechanisms to enable our stakeholders to report any concerns or violations of human rights.

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees /workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
Employees						
Permanent	646	646	100%	585	585	100%
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total employees	646	646	100%	585	585	100%
Workers						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total workers	Nil	Nil	Nil	Nil	Nil	Nil

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	646	-	-	646	100%	585	-	-	585	100%
Other than permanent	-	-	-	-	-	-	-	-	-	-
Total employees	**646**	**-**	**-**	**646**	**100%**	**585**	**-**	**-**	**585**	**100%**
Workers										
Permanent	287	-	-	287	100%	289	-	-	289	100%
Other than permanent	2363	2163	91.5	200	8.46	2193	194	88.6%	250	11.3%
Total workers	**2650**	**2163**	**91.5**	**487**	**18.3**	**2482**	**194**	**78.28%**	**539**	**27.7%**

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	**Median remuneration/ salary/ wages of respective category**	**Number**	**Median remuneration/ salary/ wages of respective category**
Board of Directors (BoD)	7	172.94 Lakhs INR Per Annum	2	2.22 Lakhs INR Per Annum
Key Managerial Personnel	4	217.25 Lakhs INR Per Annum	-	Nil
Employees other than BoD and KMP	618	5.45 Lakhs INR Per Annum	24	6.73 Lakhs INR Per Annum
Workers	286	5.86 Lakhs INR Per Annum	1	5.86 Lakhs INR Per Annum

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, we have an Internal Complaints Committee in place to address concerns related to sexual harassment under the Prevention of Sexual Harassment (POSH) Act, 2013 which outlines the procedures to be followed in cases of sexual misconduct, as well as the systems for complaint redressal and inquiries.

We have a system called "SHAKTI" that connects human resource managers with employees and provides a safe space for communication and trust-building as well as for addressing and resolving any potential concerns. Through our ethics helpline, the employees and workers can further reach out to HR for any issue or concern regarding workplace safety and business conduct.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to prevent human rights issues and violations through its Human rights policy and ensures compliance to this policy through the implementation of a proper mechanism for grievance redressal, regularly monitored by HR department at all plant locations. All employees and workers have 24*7 access to raise any concern or grievance in an anonymous manner.

We have a whistle blower policy which lays out guidelines and procedures to report any incidents of misconduct or unethical behavior. We also have an ethics helpline which provides all employees with a confidential and safe channel of communication to report any ethical concerns or seek guidance on ethical matters.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

At Sharda Motors India Limited, we respect and protect the dignity and rights of our employees by ensuring that there are no cases of discrimination or harassment in any form and the workplace environment is safe for all. We also ensure that all employees have access to equal opportunities irrespective of any discrimination.

We have not received any cases pertaining to sexual harassment. However, we have various mechanisms in place to mitigate any such situation. We have an internal complaints committee in place which is accessible to all employees to address any concerns or grievances and we ensure proper redressal of any concerns which arise.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, we have a Human Rights Policy which extends to the group, our joint ventures, suppliers and contractors and it has been implemented after detailed consultations which relevant parties.

9. **Assessments of the year**

	% of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Child labour	100% of our plants and offices are assessed internally by respective plant level heads and HR heads to ensure compliance to all statutory laws and regulations
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

There were no such cases reported on human rights issues, however we have various mechanisms in place to address any concerns which arise related to human rights violation.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

   The Company has not received any human rights complaints. The Company conforms to all legislation that contain human rights concepts such as child labour prevention, women empowerment, non-discrimination, and so on. It also raises awareness of these rights among its vendors and the value chain, and it discourages any abuse. The whistleblower policy gives all stakeholders the option to report cases of human rights violations.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

   We have not conducted human rights due diligence this year, however we are committed to ensure compliance to all human rights regulations and protect the rights of all our stakeholders.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   We provide complete assistance to differently abled visitors as and when required. However, we will be taking suitable measures to make our premises accessible to such visitors as per the requirements of the Rights of Persons with Disabilities Act, 2016 in the coming years.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	While we have not conducted third-party assessments on our value chain partners specifically for these issues, we take diligent measures to ensure their alignment with all Company policies and our established code of conduct. Our Supplier Code of Conduct comprehensively outlines the expectations we hold for our value chain partners and their operations. It's important to note that SMIL predominantly collaborates with reputable suppliers who share our deep commitment to upholding human rights and embedding sustainability into their practices. Through these conscientious sourcing efforts, we strive to maintain a responsible and ethically driven value chain that mirrors our organizational values.
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   In the current year, no issues have been brought forward. Should any risks emerge, SMIL takes suitable measures for enhancement and corrective actions, maintaining essential monitoring and control mechanisms to tackle noteworthy risks or concerns.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

At Sharda Motor Industries Limited (SMIL), environmental protection is the key priority. By establishing, maintaining, and providing a safe and clean environment for sustainable development, we are aware of our obligation to meet the needs of the communities in which it operates. We ensure compliance to all applicable environmental regulations such as The Environment (Protection) Act, 1986, The Water (Prevention and Control of Pollution) Act, 1974. We have an Environment, Health and Safety Policy which ensures sustainable and responsible operations while ensuring minimal environmental impact.

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23 *(Current Financial Year) (values in Gigajoules)*	FY 2021-22 *(Previous Financial Year) (values in Gigajoules)*
Total electricity consumption (A)	28,114	23,708
Total fuel consumption (B)	250	288
Energy consumption through other sources (C)	12,183	9,669
Total energy consumption (A+B+C)	40,547	33,664
Energy intensity per rupee of turnover *(Total energy consumption(Joules)/ turnover in rupees)*	**1.5**	**1.49**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
No independent assessment/ evaluation/assurance has been carried out.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

We do not have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water (Municipal water supplies)	14,096.10	26282.7
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	14,096.10	26282.7
Total volume of water consumption (in kiloliters)	14,096.10	26282.7
Water intensity per rupee of turnover *(Water consumed(L) / turnover)*	**0.00052**	**0.0012**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
No independent assessment/ evaluation/assurance has been carried out.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

We have a mechanism in place to ensure recycling of used water from operations In SIPCOT (State Industries Promotion Corporation of Tamil Nadu) Plant, Chennai Plant, and our other facilities. The recycled water is subsequently used again in the plant for a variety of purposes and approximately 10-15% of water has been recycled in each plant.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

1. MWC Plant

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	µg/m^3	20.4	19.9
SOx	µg/m^3	8.8	7.6
Particulate matter (PM10)	µg/m^3	60.9	59.6
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out.

2. Nashik Plant 1

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	MG/M3	6.5	-
SOx	MG/M3	5.48	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the independent evaluation has been carried out by Ashwamedh Engineer and Consultants.

3. Nashik Plant 2

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	MG/M3	6.3	-
SOx	MG/M3	5.28	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the independent evaluation has been carried out by Ashwagandha Engineers and consultant.

4. Sanand Unit

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	ug/m3	30.07	32.78
SOx	ug/m3	34.07	36.03
Particulate matter (PM 10)	ug/m3	74.16	77.93
Particulate matter (PM 2.5)	ug/m3	36.25	35.42
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the independent evaluation has been carried out by Metro Enviro Chem Associates.

5. Sipcot Plant

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	mg/Nm^3	48.5	46.5
SOx	mg/Nm^3	23.6	22.6
Particulate matter (PM)	mg/Nm^3	127.7	126.3
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances (CO)	%(v/v)	0.6	0.4

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the independent evaluation has been carried out by Enviro Care India Pvt Ltd.

6. **Chakan Plant 1**

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	-	-	-
SOx	KG/day	-	0.17
Particulate matter (PM)	mg/Nm^3	-	18.77
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances	-		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out.

7. **Chakan Plant 2**

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	-	-	15
SOx	KG/day	-	8.6
Particulate matter (PM)	mg/Nm^3	-	23.4
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the independent evaluation has been carried out by EHS Matrix.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO2eq/MwH	40.97	47.18
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO2eq/MwH	6,325.68	5,202.51
Total Scope 1 and Scope 2 emissions per rupee of turnover	**(TCO2eq/MwH)/ Turnover**	**0.00000024**	**0.00000023**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

No independent assessment/ evaluation/assurance has been carried out.

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7. **Does the entity have any project related to reducing Greenhouse Gas emission? If Yes, then provide details.**

We have undertaken various initiatives to reduce our GHG emissions.

- Our Company complies with the prescribed permissible limits as per CPCB/SPCB for air emissions, effluent quality & discharge, solid & hazardous waste generation, and their disposal. Furthermore, no emissions nor pollutants of water, air and other fluids are discharged into the air water which might affect the health and wellbeing of the natural environment. Light fumes are emitted and are within the prescribed permissible limits as per CPCB/SPCB for air emissions and do not fall under the list of GHG emissions.
- To comply with environmental standards, we assure the preservation and protection of natural resources and work to reduce pollution. Environmental safety is guaranteed in accordance with environmental standards, and pollution control measures are implemented.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	16.93	16.14
E-waste **(B)**	0.654	0.317
Bio-medical waste **(C)**	Nil	0.01
Construction and demolition waste **(D)**	Nil	Nil
Battery waste **(E)**	0.08	Nil
Radioactive waste **(F)**	Nil	Nil
Waste Oil **(G)**	5.02	8
Other Hazardous waste. Please specify, if any. **(H)**	0.424	1.9071
Other Non-hazardous waste generated **(I).** Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	100.7	277.54
Total (A+B + C + D + E + F + G + H + I)	**123.8**	**303.94**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	111.013*	97.223*
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	111.013	97.223
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.035*	0.061*
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	**0.035**	**0.061**

*The figures are only calculated for SIPCOT plant as in other plants waste is recycled through third party authorized vendors.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our Company complies with CPCB/SPCB approved standards for air pollutants, effluent quality and discharge, and solid and hazardous waste generation and disposal. We strictly adhere to all applicable environmental regulations and guidelines while disposal of waste. Our waste management strategy focuses on three main areas- waste reduction, recycling and reuse, and responsible disposal. We prioritize reduction at the source by optimizing our manufacturing processes and adopting responsible manufacturing principles. This helps our Company minimize material waste and reduces the overall generation of hazardous and non-hazardous waste.

Our Company actively promotes recycling and reuse of material wherever possible. By segregating waste streams, we ensure that recyclable materials are sent to appropriate recycling facilities. Scrap/waste raw materials generated during our manufacturing process are not recycled on-site and are instead transferred to recycling plants.

We follow a comprehensive approach to reduce the usage of hazardous and toxic chemicals in our products and processes such as hazardous waste management, controlled use of hazardous chemicals, employee training, and are slowly transitioning towards training our vendors/suppliers to shift towards few green procurement practices such as minimal packaging needs when required and improved recycling ability.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
No, we do not have any plants or offices in ecologically sensitive areas			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
We are committed towards ensuring environmental sustainability throughout our operations; however, we do not conduct EIA for our projects.					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, We are in compliance with the following laws which are applicable specifically to our business operations,

1. The Industrial (Development and Regulation) Act, 1951.
2. The Factories Act, 1948 & Central Rules or concerned State Rules, made thereunder.
3. The Environment (Protection) Act, 1986.
4. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/concerned state rules.
5. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/concerned state rules.

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S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Not Applicable, as we are compliant with all applicable laws and regulations				

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources (in Gigajoules)		
Total electricity consumption (A)	9,729.1	7,907.3
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	12,182.9	9,669.1
Total energy consumed from renewable sources (A+B+C)	21,912.05	17,576.45
From non-renewable sources (in Gigajoules)		
Total electricity consumption (D)	18,385	15,800
Total fuel consumption (E)	250	288
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	18,635	16,088

2. **Provide the following details related to water discharged:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kiloliters)	-	-

We will be progressively reporting the details of water discharge in the coming years for our plants in Pune, Nashik and Gujarat. For our plants in MWC and SIPCOT (Tamil Nadu) water discharged is being recycled by the respective industrial areas.

3. **Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):**

Not Applicable. None of our facilities or plants are located in water stressed areas.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	We have not recorded our scope 3 emissions for current and previous financial year.		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity *(optional)* – the relevant metric may be selected by the entity			

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable. The Company does not have plants and offices in ecologically sensitive areas.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

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S. No	Initiative undertaken	Details of the initiative *(Web-link, if any, may be provided along-with summary)*	Outcome of the initiative
1.	Implementing switching electricity, contract supply to renewable energy sources	For detailed steps undertaking, *kindly refer Conservation of energy, technology absorption section of Board Report at page number 56.*	• Reduced energy consumption
2.	Implementing PV installations on site	For detailed steps undertaking, *kindly refer Conservation of energy, technology absorption section of Board Report at page number 56.*	• Adoption of renewable energy sources
3.	Implementation of waste reduction, improved monitoring, segregation and recycling systems	For detailed steps undertaking, *kindly refer Conservation of energy, technology absorption section of Board Report at page number 56.*	• Reduced waste generation and improved waste management system

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   We have a Risk Management Policy in place which focusses on assessing and mitigating various types of risks which hamper the business and operations. The Risk Management Committee plays a major role in managing the implementation of action plans which focus on identification of business risks for the Company, and it regularly monitors the Company performance towards risk management. The policy further lays down various procedures and mechanisms to ensure risks are mitigated effectively and there is no disruption in Company's operations.

8. **Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

   We have not identified any significant adverse impact to the environment arising from our value chain , however we are mindful of our activities and ensure sustainable and responsible production.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   We have not assessed our value chain partners for environmental impacts.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Our Company places a strong emphasis on public welfare as well as creating awareness and providing resources to communities who need them. To make sure that we adhere to our commitments to accountability and transparency, we routinely examine our public engagement and outreach programs. We solicit input from our stakeholders, assess the impact of our actions, and make necessary adjustments to enhance our processes. We have specified our affiliations related to trade and industry associations and we have additionally disseminated information about our ethical conduct, including anti-competitive practices.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

We are affiliated with **one** association as mentioned in response to question 1(b) below.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Automotive Component Manufacturers Association of India	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   There were no cases related to anti-competitive conduct hence no corrective actions were taken or underway based on adverse orders from regulatory authorities.

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly Others – please specify)	Web Link, if available
-					

Principle 8: Businesses should promote inclusive growth and equitable development

As a corporate citizen, we recognize that we must support inclusive growth and equitable development. Through inclusive growth and equitable development, we aim to foster social stability by providing individuals and communities with access to resources, opportunities, and a stake in the overall development process. To accelerate social and economic growth, we work with various organizations to create value for local communities and stakeholders. Through our philanthropic arm Sharda CSR Foundation Trust ("Trust"), we sponsor initiatives and programs in the fields of education and healthcare.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable. Our ongoing projects do not require social impact assessments as per the law in the current year.					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
There were no projects for which rehabilitation and resettlement (R&R) was required during the year.						

3. **Describe the mechanisms to receive and redress grievances of the community.**

   In our ongoing dedication to responsible business practices, we have implemented a well-structured framework to engage with the community and effectively address any concerns that may arise. This framework is led by our CSR Committee, consisting of our Board of Directors, who play a pivotal role in community engagement.

   To initiate the process, our plant heads liaise with local community leaders to gain insights into community challenges and concerns. Based on these consultations, our CSR Steering Committee develops comprehensive, long-term initiatives and programs. These initiatives predominantly focus on critical areas such as healthcare, sanitation, education, and the environment. Our commitment extends to supporting underprivileged individuals and facilitating vocational training, ensuring efficient execution for the greater benefit of society through the Sharda CSR Foundation Trust.

For community members seeking to voice their grievances, we have established a dedicated email address, shardacsrtrust@shardamotor.com. This email serves as a direct channel for communities to share their concerns, feedback, and grievances. We uphold the values of confidentiality and transparency throughout this process.

Every grievance received is treated with the utmost seriousness and urgency. Our goal is to ensure that each concern is acknowledged promptly and addressed effectively. We adhere to a structured approach, resolving grievances in alignment with their nature and in accordance with the standards outlined in our organizational policy.

Our primary focus is to nurture positive relationships within the community, fostering trust and mutual understanding. Through this committed approach, we strive to create a harmonious partnership that positively impacts the community and reflects our unwavering commitment to responsible and ethical business practices.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

We always aspire to enable the development of local and regional vendors and procure from them for the ease of conducting our business. At present, we are gradually progressing toward buying raw materials and equipment from local suppliers in multiple plants spread across west, south, and north of India that fall under the category of micro, small, medium enterprises.

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	5.99%	4.61%
Sourced directly from within the district and neighboring districts	70.96%	Nil

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not applicable, as we do not conduct social impact assessments.	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
		Not Applicable	

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No, at present we do not have a preferential procurement policy, but we actively procure from small and local producers to support their development and nurture our commitment to sustainable growth.

(b) **From which marginalized /vulnerable groups do you procure?**

Our Company has been procuring several raw materials/ equipment's from local/ regional vendors/ suppliers that falls under the category of micro, small, medium enterprises, considering that the Company has always aimed for the development of local and regional vendors of supplies for the ease of carrying out of business .

(c) **What percentage of total procurement (by value) does it constitute?**

5.99%

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
We do not have intellectual properties owned or acquired based on traditional knowledge.				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
We currently do not have any benefits derived and shared from the intellectual properties owned or acquired based on traditional knowledge hence no corrective actions were taken or underway based on any adverse order.		

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Sharda Medical Clinic (We provided funding to 2 different trusts -supported Sparsh project for pediatric dialysis patients, Supported Breast cancer patients and contributed for CT Scan machine).	The exact number of persons benefiting from the CSR projects mentioned has not been determined.	100% (The beneficiaries included cancer and pediatric dialysis patients).
2.	Ambulance Services for nearby communities (SIPCOT, Chakan, Nashik, MWC plants).		100% (The beneficiaries included people from nearby our plant locations).
3.	Sharda Educate (We provided funding to our partners for running education centers in Noida and we also donated power backup systems).	190	100% (The beneficiaries included children).

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

As a pioneer in the automobile industry, we deliver customized comfort through employing state-of-the-art technology. Our Company provides automotive components to the nation's top engine and vehicle manufacturers with a strong foundation in operational excellence. We do it in an efficient, responsible, truthful, and ethically sound manner. We consistently monitor our processes to ensure that they are economical for customers, ecologically friendly and attempt to minimize any potentially harmful effects on the environment by prioritizing quality, safety, and environmental responsibility in our products and services. We consider it crucial to interact with clients in a conscientious manner, assure them of the safety of their information, and stay informed about the most recent cyber security guidelines to establish resilient, enduring relationships and foster a positive atmosphere in the industry we operate in.

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Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Delivering exceptional customer service is becoming more and more crucial to propel advancement because of the fierce rivalry. Having a structure in position that enables our customers to openly express their viewpoints about our products and amenities is equally imperative. We are of the opinion that efficiently addressing our client's issues is vital to cultivate customer allegiance and brand esteem, and we ensure that each patron has the means to avail themselves of this system.

Active interaction with our consumer provides us with the opportunity to adapt and innovate our products as per their complaints and feedback through gaining insights into changing needs, preferences and emerging market trends. We consider the inputs from all our B2B (Business-to-Business) customers through a comprehensive complaint management system and active communication channels such as e-mails, in-person meetings and telecommunication and provide tailored solutions not only to resolve concerns but also prevent future recurrence. Our Company is devoted to resolving our clients' concerns in a fair, quick, and efficient way while enhancing their experience and achieving overall operational excellence.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%*
Safe and responsible usage	100%*
Recycling and/or safe disposal	100%*

*Our products do not have labels on them as our clients are from the B2B domain. However, we inform our customers through various communication channels such as e-mails, in person meetings, and telecommunication throughout the entire sales process.

3. Number of consumer complaints in respect of the following:

We have a comprehensive complaint management system for handling, monitoring, addressing, and reporting our customers' complaints. The system has been standardized and made more efficient, and we continuously monitor it using multi-channel complaint-tracking technology that allows us to respond to queries from customers more quickly and ensures that issues are resolved more quickly.

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	We did not have any instances of voluntary or forced product recalls on account of safety issues.	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.

Yes. As data protection is increasingly becoming an essential element of day-to-day activities for companies of every scale and across all industries. A robust data protection strategy helps safeguard digital resources and information from detrimental internal and external risks. We have a comprehensive IT security system in place that adheres to legislative directives on information and cyber security and is based on industry best practices.

Our organization provides standard grade IT infrastructure with regular preventive and corrective maintenance. Our IT policy's goal is to develop standards and recommendations for the safe, productive, optimal, and proper usage of our Company's IT infrastructure. Our IT policy is intended to secure the organization's network and resources from incursion by viruses, malware, spyware, and illegal network access. Firewalls are used in our firm to protect against hackers, anti-virus, anti-spam, AV definition, intrusion prevention, IPS definition, and web filtering. Our IT department oversees, develops and administers an infrastructure that allows for the continuous and secure distribution of information within the firm, to partners, and to others via the Internet.

As part of this design, we have developed methods for scanning our information and data to prevent the propagation of viruses, worms, Trojan Horses, and other executable objects that could compromise the system and network's security. Emails that are discovered to be contaminated with a virus, worm, or Trojan horse, or that include another executable item that could constitute a security risk, are not transmitted to the user. If the malicious email cannot be cleansed, it is taken from the delivery system and evaluated by the network and security administrator.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services.

We did not receive any cases or issues in the FY 2022-23 relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services hence no corrective action has been taken or underway.

Leadership Indicators

1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information about our products and services can be accessed on: https://www.shardamotor.com/products-services/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We serve the B2B market and ensure we educate our customers about safe and responsible usage of products via in-person meetings, telecommunication, e-mail and as and when required during the entire sales process.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Our products and services do not fall under the category of essential services. However, we exert control over nonconforming products, take proper action, and carefully monitor the entire process and the quality system. We also keep our customers informed via email and phone calls so that they may plan alternatively for executing their business operations.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, in accordance with national and state laws, our Company communicates all pertinent product information as we consider it to be an effective means of encouraging sustainability, responsible consumption and safe disposal.

   Our Company regularly conducts surveys for our customers to determine and measure their satisfaction with our products and services at every plant level. These surveys allow us to get crucial feedback from our customer base and develop innovative solutions to match the requirements and expectations of our customers.

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact**

      There were no instances of data breaches in the current year.

   b. **Percentage of data breaches involving personally identifiable information of customers**

      There were no instances of data breaches involving personally identifiable information of customers in the current year.

Concluding remarks:

In conclusion, Sharda Motor Industries Limited (SMIL) reaffirms its resolute commitment to fostering sustainable and responsible business practices. This report reflects our journey towards creating a positive impact across various dimensions of business responsibility and sustainability. Through rigorous assessments, robust policies, and proactive initiatives, we continue to integrate environmental, social, and ethical considerations into our operations. As we navigate the evolving landscape, we remain dedicated to innovation, collaboration, and continuous improvement. Our vision is not only to meet present challenges but also to contribute to a more sustainable and equitable future. We extend our gratitude to all stakeholders who have joined us on this path, and we embrace the collective responsibility to drive positive change for the well-being of our planet, society, and the generations to come.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Sharda Motor Industries Limited (SMIL), an illustrious heritage brand with a distinguished legacy spanning over 37 years, stands resolutely at the forefront of automotive technological advancement. Our unwavering commitment to pioneering automotive excellence empowers us to provide discerning customers with meticulously tailored solutions, achieved through the seamless integration of cutting-edge machinery and state-of-the-art equipment. Anchored in this relentless pursuit of innovation, our company is resolutely dedicated to furnishing unparalleled automobile components to both India's and the global automotive titans.

The products emanating from SMIL's manufacturing prowess have not only left an indelible mark on the automotive landscape but have also catapulted the company to a pedestal of global renown. Our sterling reputation serves as a resounding testament to our unwavering focus on delivering superlative customer satisfaction and providing services that are nothing short of commendable.

Outlook - Global Automobile Ancillary Market

The auto parts market is expected to increase at a CAGR of 3.62% between 2022 and 2027. The market size is expected to increase by USD 393.22 billion. The growth of the market depends on several factors, including the widespread adoption of vehicle parts, the convenience of purchasing automotive products online, and the growing demand for vehicle customization.

COVID-19 has had the most negative impact on the global automotive industry in recent years, resulting in a steep fall in demand and a large-scale disruption of the supply chain. It has exerted intense pressure on an already-stressed global automotive market. Yet, there are high predictions that few countries are bringing manufacturing facilities and production back on track, indicating that the supply side is on a restoration line.

The increasing need for transportation, tourism and commercial operations in the aftermath of the COVID-19 pandemic is set to drive the Automotive Market for another decade. Development in emerging markets, rise in new technologies, sustainability policies and changing consumer preferences shall support the rapid growth of this market.

Acting as pivotal accelerants, the market's core drivers, encompassing amplified vehicle production and sales, the digitalization of distribution networks, and the continuum of technological innovations, are all poised to be instrumental in steering the market toward growth.

As the market embarks on this transformative journey, it's important to recognize the symbiotic relationship between the growth of the auto parts sector and the broader automotive ecosystem. The evolution of ancillary industries, such as electronic components and advanced materials, seamlessly intertwines with the expansion of the automobile market. This interconnectedness is expected to create a dynamic landscape, fostering collaborative innovation and propelling the entire automotive industry to new horizons.

* Source: https://www.technavio.com/report/auto-parts-market-industry-analysis [2023 Global Report]

Industry Structure & Developments

The size of India's auto component industry is US$ 57 billion with exports of US$ 15 billion as on 31st March 2023. The Indian Auto Component Industry registered a growth of around 23% in FY 2022-23. Higher localisation, increased export possibilities, and new EV opportunities, resulting in higher content per car, would equate to healthy development for auto component suppliers in the medium and long term. Industry body Automotive Component Manufacturers Association of India (ACMA) estimates total turnover in the industry to increase 10-15% in FY24. The auto components industry grew by 23% to report a turnover of $ 56.5 billion in FY2022-23. The industry expects to close the ongoing fiscal with a 15% growth in revenue.

As per Automobile Component Manufacturers Association (ACMA), the Indian auto component industry aims to achieve US$ 200 Billion in revenue by 2026 which is almost 4-fold growth from current levels. and automobile component export from India is expected to reach US$ 80 billion by 2026.

Key growth drivers: -

- Robust Demand: Growing working population and expanding middle class are expected to remain key demand drivers. India is emerging as a global hub for auto component sourcing and the industry exports over 25% of its production annually. Auto component exports are expected to grow and reach US$ 80 billion by FY26.

- Policy Support: 100% FDI is allowed under the automatic route for auto components sector. Production Linked Incentive (PLI) schemes on automobile and auto components are expected to bring a capex of Rs. 74,850 crore (US$ 9.58 billion) in the next five years.

- Competitive Advantage: A cost-effective manufacturing base keeps costs lower by 10-25% relative to operations in Europe and Latin America. India is the second largest steel producer globally, hence has a cost advantage.

**Source: https://www.ibef.org/industry/autocomponents-india

Opportunities and Threats

a) Opportunity

The entire world is experiencing economic progress and changes in lifestyle are becoming increasingly prominent. Auto sales are increasing in tandem with the number of nuclear households. Many growing nuclear families are interested in private vehicles for a variety of factors, including comfort and safety. As a result of these changes, demand for two-wheelers and small vehicles would rise, paving the way for the global Auto Component market. The Government of India approved the Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India with a budgetary outlay of Rs. 25,938 crores to improve India’s manufacturing capabilities for Advanced Automotive Products (AAT). The PLI Scheme for Automobile and Auto component industry proposes financial incentives to boost domestic manufacturing and attract investments in the automotive manufacturing value chain. Its primary objectives include overcoming cost constraints, creating economies of scale and establishing a robust supply chain.

In the Union Budget 2023, the government announced a slew of measures to give an impetus to the automobile industry, including reduction in basic custom duty rate from 21% to 13%, increase in rebate on personal income tax from Rs.5 lakh per annum to Rs. 7 lakh per annum, focus on greener mobility, and help of Central Government to scrap old vehicles. At the same time, with a focus on local production, the government raised the customs duty on fully imported luxury cars and EVs from 60% to 70%.

*Source: Budget 2023: Key takeaways for Indian auto industry | HT Auto (hindustantimes.com)

b) Threats:

However, the auto component sector, like any other, faces some threats and challenges. As more enterprises enter the vehicle industry, the market becomes more competitive. The more competitors there are, the more shares of the market there are, which results in difficulties in acquiring a bigger sum of funds.

The Indian government's concerted efforts to promote electric vehicles are catalyzing a major transformation in the country's passenger vehicle market. In response to this growing demand, automakers are rolling out electric vehicles in the Indian market, according to a report published by the International Energy Agency, India is projected to emerge as the largest market for electric vehicles worldwide by 2030, highlighting the significant momentum in the country's electric vehicle ecosystem.

The operating profitability has been influenced by the rise in input costs, particularly those of steel and aluminum. The majority of the rise in input costs has also, to some extent, been passed on to OEMs. Higher operating leverage and moderation in steel prices due to the recent imposition of export duty on many steel products (including automotive grade steel) will help buttress the impact of rising freight costs.

The war in Ukraine dealt a hammer blow to international confidence and economic stability, forcing us all to, once again, identify risks and focus on contingency planning and resilience. It exposes the fragility of the world’s economy and the automotive supply chains. The damaging war and severe sanctions against Russia have already impacted the energy prices, logistics and raw material costs.

Risks and Concerns

The Company has a robust risk management framework in place that identifies and evaluates business risks and opportunities. SMIL recognises that these risks need to be managed effectively and mitigated to protect the interest of the stakeholders, to achieve business objectives and create sustainable value and growth. The Risk Management Committee of the SMIL regularly monitors the risks and concerns associated with the business of the Company. It also proposes plans and courses of action implemented to the Board of Directors to mitigate such risks. The risks are regularly re-evaluated and monitored, with a focus on identifying and addressing emerging risks by including them in the risk management plan.

Segment-wise / product-wise performance

The Company is operating under a single segment since its primary business segment involves manufacturing, assembling and trading of automobile components. For detailed analysis of the financial performance of SMIL please refer financial statements forming part of this Annual Report.

Internal Control system and their adequacy

The Company has established internal control systems commensurate with the size and nature of the business. The Company has put in place systems and controls covering various financial and operational functions. SMIL has an Internal Audit Department which carries out periodical audits at various operating locations and functions based on the audit plan approved by the Audit Committee. Some of the salient features of the Internal control systems are: -

i. An integrated ERP system connecting various departments of the organization.

ii. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of the company's operations.

iii. Assets are recorded and a system put in place to safeguard against any losses or unauthorized disposal.

iv. Periodic physical verification of fixed assets and Inventories.

v. Key observations arising out of the Internal Audit are reviewed at the Audit Committee meeting and follow up action taken.

Discussion on Financial Performance with respect to Operational Performance

The financial statements have been prepared in accordance with the requirements of applicable Corporate Laws of India. The management of SMIL accepts the integrity and objectivity of these financial statements as well as various estimates and judgments used therein. The details of the financial performance of the Company appear in the Balance Sheet, Profit & Loss Account and other financial statements forming part of this Annual Report. For financial highlights please refer to the heading 'Financial Summary' of Board Report.

Material developments in Human Resources including number of people employed

At SMIL, we believe in fostering equal employment opportunities and make no discrimination based on race, gender, religion, ethnicity, color, age, disability, or other factors, with an opportunity to secure employment solely based on experience, merit, and other non-subjective factors. The Company places great emphasis on the health, safety and well-being of the employees and their families. The Company also undertakes frequent audits to evaluate ethical standards, which include fair labour practices, safe working conditions, and competent remuneration. SMIL strives to abide by all applicable health and safety requirements and constantly review and improve its procedures to reduce risks and hazards. In addition, SMIL provides employee benefit programs such as health insurance, post-employment benefits, and compensated absences. The Company also believes in fostering a culture of respect, inclusivity, and diversity across its workforce and value chains is critical to ensure long-term success and sustainability. The Company had 646 permanent employees as on 31st March 2023.

A Statutory Compliance Certificate regarding compliance with the provisions of the various statutes, duly signed by the respective functional heads and countersigned by the Managing Director of the Company, is placed at every Audit Committee Meeting upon receiving confirmation from the various units of our Company that they have complied with all the statutory requirements. Further pursuant to Listing Regulations, the Company regularly obtains CEO declaration in respect of compliance with the Code of Conduct adopted by the Company. A certificate from the CEO and CFO is also adopted on a yearly basis certifying the compliances as stipulated in Listing Regulations.

Significant changes in Key Financial Ratios and Return on Net Worth

S. No.	Ratios	Unit of Measurement	As of March 31, 2023	As of March 31, 2022	Change in percentage	Remarks
1.	Debtors Turnover	Times	8.89	7.51	18%	NA
2.	Inventory Turnover	Times	16.10	16.71	-4%	NA
3.	Current Ratio	Times	1.87	1.84	1%	NA
4.	Net Profit Margin	Percent	7.61%	7.16%	6%	NA
5.	Debt Equity Ratio*	Times	0.03	0.02	52%	Movement in Debt-equity ratio is majorly due to increase in lease liability (New Plant)
6.	Operating Profit Margin	Percent	10.43	10.10	+0.33%	NA
7.	Return on Net Worth	Percent	26.27	26.90	-0.65%	NA
8.	Interest Coverage Ratio*	Times	145	145	-	NA

**Note: Pursuant to the Guidance Note issued by the ICAI in January 2022, company had considered lease liability as debt and the ratio has been calculated accordingly*

Cautionary Statement:

Certain statements in the Management Discussion and Analysis describing SMIL's views about the industry, expectations/ predictions, objectives, etc. may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied in these statements. SMIL's operations may, inter-alia, be affected by the supply and demand situations, input prices and availability, changes in government regulations, tax laws, government or court decisions and other factors such as industry relations and economic developments etc. Investors should bear the above in mind.

* Source: https://www.crisil.com/en/home/newsroom/press-releases/2022/06/auto-component-makers-to-sustain-double-digit-revenue-growth.htm

Source: https://swothub.com/automobile-industry-swot-analysis/

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHARDA MOTOR INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Sharda Motor Industries Limited** ("the Company"), which comprise the balance sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the Profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report w.r.t the Company:

S. No.	Key Audit Matters	How our audit addressed the key audit matter
1.	**Capitalization of Property, Plant and Equipment** During the year ended March 31, 2023, the Company has incurred capital expenditure for property, plant and equipment. Judgement is involved to ensure that the capital expenditure meet the recognition criteria of Ind AS 16 – "Property, Plant and Equipment". Further, there is a risk that the elements of costs that are ineligible	**Our audit procedures for testing of capitalization of cost included, but were not limited to the following:** • Understood, evaluated and tested the design and operating effectiveness of key controls relating to capitalization of various costs incurred in relation to Property Plant and Equipment • Performed test of details with focus on those items that we considered significant due to their amount or nature and tested a number of items

S. No.	Key Audit Matters	How our audit addressed the key audit matter
	for capitalization in accordance with the recognition criteria provided in Indian Accounting Standard 16 - "Property, Plant and Equipment" are capitalized. As a result, the aforesaid matter was determined to be a key audit matter	capitalized during the year against underlying supporting documents to ascertain nature of costs and whether they meet the recognition criteria provided in the Ind AS 16, Property, Plant and Equipment in this regard • Tested the other costs charged to Statement of Profit and Loss, to ascertain whether these meet the criteria for capitalization. Our procedures as mentioned above did not identify any costs that had been inappropriately capitalized.
2.	**Evaluation of uncertain tax positions and disputed matters** Contingent liabilities arising from uncertain tax positions and disputed matters since these involve significant judgment by the Company to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements.	**Our audit procedure included the following:** • Understood, assessed and tested the design, implementation and operating effectiveness of key controls over taxes; • Obtained an understanding of key tax matters; • read and analyzed select key correspondences, external legal opinions/ consultations obtained by the Company for key tax matters; • evaluated and challenged key assumptions made by the Company in estimating the current and deferred tax balances; • Assessed and tested the presentation and disclosures relating to taxes in the standalone financial statements.

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

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

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

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

When we read the annual report, If we conclude that, there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

Other Matters

The Financial Statements of the Company for the year ended March 31, 2022 have been audited by the predecessor auditor who have expressed an unmodified opinion dated May 27, 2022 on such financial statements.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, based on our audit we report that:

   I. 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.

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

   III. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   IV. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   V. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   VI. 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, refer to our separate Report in **"Annexure B".**

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

      (a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note No. 19 and 37 to the standalone financial statements.

      (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      (d) (i). The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 48 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii). The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 48 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii). Based on such audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement.

(e) (i). The final dividend proposed in the previous year, declared and paid by the Company during the year is in compliance with section 123 of the Act to the extent it applies to payment of dividend; and

(ii). As stated in note 45 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 01, 2023, reporting under this clause is not applicable

3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the Company has paid remuneration to its directors during the year is in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number: 083689
UDIN: 23083689BGWOCT9010

Place of Signature: New Delhi
Date: May 18, 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA MOTOR INDUSTRIES LIMITED

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2023, we report that:

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

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us, the title deeds of all the immovable properties as disclosed in the financial statements are held in the name of the Company.

d) According to the records examined by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provisions of clause 3(i) (d) of the Order are not applicable.

e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i) (e) of the Order are not applicable.

ii) a) On the basis of information and explanation provided, the Management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification is appropriate having regard to the size of the Company and nature of its business. According to the information and explanations given to us, no discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on such physical verification.

b) According to the records examined by us, during the year, working capital limits in excess of five crore rupees, in aggregate has been sanctioned to the Company by the banks on the basis of security of current assets. According to the information and explanations given to us, the quarterly statements filed by the Company with such banks are materially in agreement with the books of account of the Company. The Company has not been sanctioned any working capital limits by any financial institutions.

iii) According to the information and explanations given to us and based on the audit procedures performed by us, during the year, the Company has neither made any investments nor provided any guarantee or security nor granted any loans or advances in the nature of loans, secured or unsecured to companies, firms and Limited Liability Partnerships (LLPs). Accordingly, reporting under paragraph 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

iv) In our opinion and **a**ccording to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and record have been made and maintained. However, we have not made a detailed examination of the records.

vii) In respect of statutory dues:

a) The Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and any other material statutory dues applicable to it with the appropriate authorities except certain delay in deposit of advance Income tax. Further, there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date, they became payable.

b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues in respect of statutory dues referred to in sub-clause (vii) (a) above that have not been deposited with the appropriate authorities on account of any dispute except the following:

S. No.	Name of the Statute	Nature of Dispute	Amount involved (in ₹ in Lakh)	Amount Deposited (in ₹ in Lakh)	Period to which amount relates	Forum where dispute is pending
1.	Maharashtra Sales Tax Act	VAT	25.27	0	FY 10-11	Dy. Commissioner
			10.01	0	FY 11-12	Dy. Commissioner
2.	Tamil Nadu Sales Tax Act	VAT	9.62	0	FY 2005-06	Asst. Commissioner (CT) Sriperumbudur
			20.10	0	FY 2006-07	Asst. Commissioner (CT) Sriperumbudur
			291.08	0	FY 2010-11	State Tax Officer
			116.08	0	FY 2011-12	State Tax Officer
			113.47	0	FY 2012-13	State Tax Officer
			8.17	0	FY 2013-14	State Tax Officer
			13.28	0	FY 2014-15	State Tax Officer
			14.78	0	FY 2015-16	State Tax Officer
3.	Gujarat VAT Act	VAT	39.14	4.63	FY 2016-17	Asst. Commissioner State
			4.38	0.64	FY 2017-18	Asst. Commissioner State
4.	Central Excise Act	Cenvat Credit	440.00	0	FY 2008-09	LTU - Delhi
5.	Income Tax Act	Income Tax	385.00	123	AY 2017-18	Commissioner of Income Tax, Appeal
6.	Maharashtra Goods and Service Tax Act	GST	24.38	2.44	FY 2017-18	Dy Commissioner of State Tax, Nashik
7.	Employee Provident Fund Act	PF	17.69	0	FY 2015-16	CG Industrial Tribunal Cum Labour Court, Chennai
			0.62	0	FY 2016-17	CG Industrial Tribunal Cum Labour Court, Chennai
8.	Service Tax Act	Service Tax	7.56	0	Apr-11 to Dec-12	LTU - Delhi
			3.89	0	Jan-13 to Sep-13	LTU – Delhi
			5.52	0	Oct-13 to Aug-14	LTU - Delhi

viii) According to the information and explanations given to us and the records examined by us, there are no unrecorded transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

ix) In respect of loans or other borrowings taken by the Company, according to the information and explanations given to us and audit procedures performed by us:

a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

c) The Company has not taken any term loans during the year covered by our audit. Accordingly, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.

d) No funds raised on short-term basis have been used for long-term purposes by the Company.

e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates. Accordingly, the provisions of clause 3(ix) (e) of the Order are not applicable.

f) The Company has not raised loans during the year on the pledge of securities held in its associate companies. Accordingly, the provisions of clause 3(ix) (f) of the Order are not applicable.

x) In respect of moneys raised by the Company through issue of shares & debt instruments:

a) During the year, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of clause 3(x) (a) of the Order are not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible). Accordingly, provisions of clause 3 (x) (b) of the Order are not applicable.

xi) a) As per the information and explanations given to us on our enquiries on this behalf, no fraud of material significance on or by the Company has been noticed or reported during the year.

b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed during the year and up to the date of this report in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

xii) The Company is not a Nidhi company. Accordingly, provisions of clause 3(xii) (a) to (c) of the Order are not applicable.

xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv) In respect to internal audit system in the Company:

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

b) We have considered the internal audit reports of the Company issued till date, for the year under audit.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the Order are not applicable.

xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, provisions of clause 3 (xvi) (a), (b) and (c) of the Order are not applicable.

d) According to the information and explanations given to us, there are no core investment company (CIC) within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3 (xvi) (d) of the Order are not applicable.

xvii) According to the information and explanations given to us, the Company has neither incurred any cash losses in the current financial year nor in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, provisions of clause 3 (xviii) of the Order are not applicable.

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

xx) In respect of Corporate Social Responsibility, according to the information and explanations given to us and audit procedures performed by us:

a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring to be transferred to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, provisions of clause 3 (xx) (a) of the Order are not applicable.

b) According to the information and explanations given to us, the Company has transferred the unspent CSR amount in respect of ongoing projects, as stated below, for the year requiring a transfer to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act. This matter has also been disclosed in note 35 to the financial statements.

Financial year	Amount identified for spending on CSR activities for "ongoing projects"	Unspent amount	Amount transferred to special account under Section 135(6)	Due date of transfer to the account	Actual date of transfer to the account	Number of days of delay, if any
2021-22	206.96	199.94	199.94	30.04.2022	27.04.2022	Nil
2022-23	269.15	214.06	214.06	30.04.2023	21.04.2023	Nil

xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number: 083689
UDIN: 23083689BGWOCT9010

Place of Signature: New Delhi
Date: May 18, 2023

SHARDA
MOTOR INDUSTRIES LIMITED

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA MOTOR INDUSTRIES LIMITED

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

We have audited the internal financial controls with reference to financial statements of Sharda Motor Industries Limited **("the Company")** as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on “the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Dinodia & Co. LLP
Chartered Accountants,
Firm’s Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN: 23083689BGWOCT9010

Place of Signature: New Delhi
Date: May 18, 2023

SHARDA
MOTOR INDUSTRIES LIMITED

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	Note No	As At March 31, 2023	As At March 31, 2022
I. Assets			
Non-current assets			
(a) Property, plant and equipment	4	18,663.64	14,545.49
(b) Capital work in progress	5	3.41	5.00
(c) Right-of-use assets	39A	2,206.04	1,016.82
(d) Other Intangible assets	6	1,223.67	68.39
(e) Financial assets			
(i) Investment in associate & joint venture	7A	4,799.07	4,799.07
(ii) Other investments	7B	2.73	3.85
(iii) Other financial assets	8	386.76	199.72
(f) Deferred tax assets (net)	9	675.50	519.50
(g) Non-current tax asset (net)	10	731.42	617.38
(h) Other non-current assets	11	603.53	287.62
Total non-current assets		**29,295.77**	**22,062.84**
Current assets			
(a) Inventories	12	20,407.11	13,141.20
(b) Financial assets			
(i) Investments	7C	570.74	5,645.72
(ii) Trade receivables	13	33,147.59	27,604.91
(iii) Cash and cash equivalents	14	15,725.80	19,340.22
(iv) Bank balances other than (iii) above	15	445.36	20,415.76
(v) Other financial assets	8	40,570.60	409.80
(c) Other current assets	11	1,126.24	539.70
(d) Asset held for sale	16	-	100.66
Total current assets		**1,11,993.44**	**87,197.97**
Total assets		**1,41,289.21**	**1,09,260.81**
II. Equity and liabilities			
Equity			
(a) Equity share capital	17	594.63	594.63
(b) Other equity	18	77,587.57	59,382.29
Total equity		**78,182.20**	**59,976.92**
Liabilities			
Non- current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19	2,358.75	1,184.55
(ii) Other financial liabilities	20	12.79	22.79
(b) Provisions	21	866.81	780.61
Total non- current liabilities		**3,238.35**	**1,987.95**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19	105.48	61.10
(ii) Trade payables	22		
- Total outstanding dues of micro and small enterprises		2,163.16	384.77
- Total outstanding dues of creditors other than micro and small enterprises		49,416.00	41,158.75
(iii) Other financial liabilities	20	1,369.08	671.97
(b) Other current liabilities	23	6,052.61	4,393.25
(c) Provisions	21	762.33	626.10
Total current liabilities		**59,868.66**	**47,295.94**
Total liabilities		**63,107.01**	**49,283.89**
Total equity and liabilities		**1,41,289.21**	**1,09,260.81**
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689
UDIN : 23083689BGWOCT9010

For & on behalf of Board of Directors of Sharda Motor Industries Limited

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 18, 2023
Place : New Delhi

(Puru Aggarwal)
President &
Group Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

SHARDA
MOTOR INDUSTRIES LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars		Note No.	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
I	Revenue from operations	24	2,69,993.58	2,25,531.32
II	Other income	25	4,173.65	2,953.61
III	**Total income (I+II)**		**2,74,167.23**	**2,28,484.93**
IV	**Expenses**			
	(a) Cost of materials consumed	26	2,09,941.01	1,77,135.53
	(b) Purchases of stock-in-trade	27	6,485.26	4,721.37
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	28	(41.55)	(1,247.54)
	(d) Employee benefits expense	29	9,844.82	9,236.64
	(e) Finance costs	30	191.22	147.50
	(f) Depreciation and amortization expense	31	4,627.19	4,065.09
	(g) Other expenses	32	15,588.03	12,906.55
	Total expenses		**2,46,635.98**	**2,06,965.14**
V	**Profit before exceptional items and tax (III-IV)**		**27,531.25**	**21,519.79**
VI	**Exceptional items**		-	-
VII	**Profit before tax (V-VI)**		**27,531.25**	**21,519.79**
VIII	**Tax expense:**	9		
	(a) Current tax		7,205.00	5,672.00
	(b) Deferred tax		(184.89)	(169.58)
	(c) Income tax for earlier Year		(31.39)	(132.12)
	Total tax expense		**6,988.72**	**5,370.30**
IX	**Profit for the year (VII-VIII)**		**20,542.53**	**16,149.49**
X	**Other comprehensive income**			
A.	**Items that will not be reclassified to profit or loss**	**33**		
	- Re-measurement gains/ (losses) on defined benefit plans		114.77	86.57
	- Income tax on items that will not be reclassified to profit or loss		(28.89)	(21.79)
B.	**Items that will be reclassified to profit or loss and taxes thereon**		-	-
	Total other comprehensive income for the year, net of tax		**85.88**	**64.78**
XI	**Total comprehensive income for the year, net of tax (IX+X)**		**20,628.41**	**16,214.27**
XII	**Earnings per share: (Face value ₹ 2 per share)**	**34**		
	1) Basic (amount in ₹)		69.09	54.32
	2) Diluted (amount in ₹)		69.09	54.32
	Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689
UDIN : 23083689BGWOCT9010

Date : May 18, 2023
Place : New Delhi

For & on behalf of Board of Directors of Sharda Motor Industries Limited

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

(Puru Aggarwal)
President &
Group Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

SHARDA
MOTOR INDUSTRIES LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ lakh, unless otherwise stated)

A. **Equity Share Capital***	**Amount**
Balance as at April 01, 2021	**594.63**
Changes during the year	-
Balance as at March 31, 2022	**594.63**
Changes during the year	-
Balance as at March 31, 2023	**594.63**

B. **Other Equity****

	Reserve & Surplus			
	Capital Reserve	**General Reserve**	**Retained Earnings**	**Total**
Balance as at April 01, 2021	**0.20**	**21,025.68**	**22,924.08**	**43,949.96**
Profit for the year	-	-	16,149.49	**16,149.49**
Other comprehensive income for the year, net of tax	-	-	64.78	**64.78**
Total Comprehensive Income	**-**	**-**	**16,214.27**	**16,214.27**
Payment of Final Dividend for the FY 2020-21	-	-	(781.94)	**(781.94)**
Balance as at March 31, 2022	**0.20**	**21,025.68**	**38,356.41**	**59,382.29**
Profit for the year	-	-	20,542.53	**20,542.53**
Other comprehensive income for the year, net of tax	-	-	85.88	**85.88**
Total Comprehensive Income	**-**	**-**	**20,628.41**	**20,628.41**
Payment of Final Dividend for the FY 2021-22	-	-	(2,423.13)	**(2,423.13)**
Balance as at March 31, 2023	**0.20**	**21,025.68**	**56,561.69**	**77,587.57**

*** For details, refer note no. 17**
**** For details, refer note no. 18**

Summary of Significant Accounting Policies 3

The accompanying notes form an integral part of these standalone financial statements
As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689
UDIN : 23083689BGWOCT9010

Date : May 18, 2023
Place : New Delhi

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

(Puru Aggarwal)
President &
Group Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

SHARDA MOTOR INDUSTRIES LIMITED

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ lakh, unless otherwise stated)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before tax	27,531.25	21,519.79
	Adjustments for:		
	Depreciation and amortization expense	4,627.20	4,065.09
	Finance cost	168.00	147.50
	Interest income	(2,573.45)	(1,323.90)
	Loss / (Gain) on lease termination	(9.41)	-
	Loss / (Gain) on sale of Investments	(331.13)	34.03
	Provision for doubtful debts	(6.75)	87.11
	Loss / (Gain) on disposal of property, plant and equipment (net)	(854.00)	(911.54)
	Assets Written off	9.88	-
	Fair value Loss/ (gain) on investments at FVTPL (Net)	24.77	7.43
	Unrealized loss/(gain) on foreign exchange (net)	(1.84)	(84.62)
	Operating profit / (loss) before adjustments	**28,584.52**	**23,540.89**
	Movement in working capital:		
	Decrease/(increase) in inventories	(7,265.91)	715.59
	Decrease/(increase) in trade receivables	(5,522.97)	4,882.37
	Decrease/(increase) in other financial assets	(40,160.80)	193.23
	Decrease/(increase) in other assets	(1,089.49)	2.50
	Increase/(decrease) in trade payables	10,024.52	(5,473.49)
	Increase/(decrease) in other liabilities	1,659.36	737.14
	Increase/(decrease) in other financial liabilities	687.11	10.02
	Increase/(decrease) in provisions	368.59	278.09
	Cash generated from operating activities	**(12,715.07)**	**24,886.34**
	Income Tax (paid)/ refund	(7,319.04)	(5,708.40)
	Net cash from operating activities - (A)	**(20,034.11)**	**19,177.94**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of PPE including capital work-in-progress, & Intangible Assets	(10,265.54)	(3,569.76)
	Proceeds from disposal of property, plant and equipment, and Intangible Assets	1,416.35	2,199.19
	Payments for purchase of investments	-	(22,363.00)
	Proceeds from sale of investments	5,354.67	17,389.74
	Bank deposits (made)/realised	19,970.40	(1,413.19)
	Interest received	2,573.45	1,548.44
	Net cash used in investing activities - (B)	**19,049.33**	**(6,208.58)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Finance cost paid	(168.00)	(46.78)
	Cash payments of lease liability	(66.30)	(100.72)
	Dividend paid (including taxes)	(2,423.13)	(781.94)
	Net cash used in financing activities - (C)	**(2,657.43)**	**(929.44)**
	Effect of fair Value changes on Cash & Cash Equivalents (investment in Liquid Fund) - (D)	**27.79**	**-**
	Net increase / (decrease) in cash and cash equivalents - (A+B+C+D)	**(3,614.42)**	**12,039.92**
	Cash and cash equivalents at the beginning of the year	19,340.22	7,300.30
	Cash and cash equivalents at the end of the year [refer note 14]	**15,725.80**	**19,340.22**

Note:

i) The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7-"Statement of cash flow".

ii) Cash and cash equivalents consist of cash in hand and balances with scheduled banks in current accounts or deposits with original maturity of three months or less (refer note 14).

iii) For components of cash and cash equivalents refer note no.14.

iv) Cash flows from operating activities include ₹ 269.15 lakh (March 31, 2022: ₹ 206.94 lakh) being expenses towards Corporate Social Responsibility initiatives.

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689
UDIN : 23083689BGWOCT9010

Date : May 18, 2023
Place : New Delhi

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

(Puru Aggarwal)
President &
Group Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ lakh, unless otherwise stated)

Note 1: Corporate Information

Sharda Motor Industries Limited (“the Company”) was incorporated on January 29, 1986 under the Companies Act, vide Current Registration Number L74899DL1986PLC023202. The Company is currently listed with Bombay Stock Exchange and National Stock Exchnage. It is primarily engaged in the manufacturing and assembly of Auto Components. The Company serves as a ‘Tier I’ vendor for some of the major Automobiles and Electronics Original Equipment Manufacturers (OEMs). It has got manufacturing facilities across various locations in four states of India. The Company's production range includes Exhaust Systems, Catalytic Convertors, Suspension Systems and Sheet metal components for the Automotive.

Note 2: Basis of preparation of Standalone Financial statements

2.1 Statement of Compliance:

Statement of Compliance: The Standalone Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

The standalone financial statements were authorized for issue by the Company’s Board of Directors on May 18, 2023.

2.2 Basis of preparation and presentation:

Basis of Preparation and presentation: The standalone financial statements are prepared under the historical cost convention except for certain financial assets and liabilities that are measured at fair value or amortised cost.

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current, non-current classification of assets and liabilities.

Functional and Presentation Currency

The standalone financial statements are presented in ₹ which is its functional & presentational currency and all values are rounded to the nearest lakh upto two decimal places except otherwise stated.

2.3 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2023 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these standalone financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

The principal accounting policies are set out below.

2.4 Use of estimates and judgments:

The preparation of standalone financial statements is in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the standalone financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Also, the company has made certain judgements in applying accounting policies which have an effect on amounts recognized in the standalone financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements:

- useful life of Property, plant and equipment
- useful life of Intangible assets
- provisions and contingent liabilities
- income taxes
- lease classification and judgement regarding whether an arrangement contain a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023:

- measurement of defined benefit obligations: key actuarial assumptions
- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources
- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate.

2.5 Measurement of fair values:

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. The directors are responsible for overseeing all significant fair value measurements, including Level 3 fair values. Directors regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

2.6 Operating cycle:

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.7 Recent accounting pronouncements notified by Ministry of Corporate Affairs are as under:-

Ministry of Corporate Affairs ("MCA") notifies amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, which are as below. The effective date for adoption of this amendment are from annual periods beginning on or after April 01, 2023:

- **Amendment to Ind AS 1- Presentation of Financial Statements :** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its standalone financial statements.
- **Amendment to Ind AS 8- Accounting Policies, Change in Accounting Estimates and Errors:** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its standalone financial statements.
- **Amendment to Ind AS 12- Income Taxes:** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its standalone financial statements.

2.8 Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Note 3: Summary of Significant accounting policies

3.1 Revenue from Contract with Customer

The Company manufactures and trades variety of auto components products. Revenue from contract with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding the amount collected on behalf of third parties(for example, taxes and duties collected on behalf of government) and net of returns & discounts.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the company considers the effect of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer (if any).

The company assesses its revenue arrangements against specific recognition criterion like exposure to significant risks & rewards associated with the sale of goods or services. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the company and its customers are reviewed to determine each party's respective role in the transaction.

Revenue from Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. The sales are accounted for net of trade discount, sales tax and sales return. Export sales are recognized at the time of the clearance of goods and approval of Goverment authorities. Sale includes revision in prices received from customers with retrospective effect.

Rendering of Services

Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

Variable consideration

If the consideration in a contract includes a variable amount as per Ind AS 115, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Warranty obligations

The Company generally provides for warranties for general repair of defects that existed at the time of sale. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets).

Dividend and Interest Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

3.2 Property, Plant and Equipment (PPE):

Items of PPE are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress includes cost of property, plant and equipment (including related expenditure) under installation/under development and that are not ready for their intended use as at the standalone balance sheet date.

An items of property, plant and equipment is derecognised upon disposal or when no future economic benifits are expected to arise from continous use of assets. Any gain or loss on disposal or retirement of an item of property, plant and equipment determined as the difference between the sale proceeds and the carrying amount of assets are recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company, its cost can be measured reliably with the carrying amount of the replaced part getting derecognised and there is increase of future benefits from the existing asset beyond previously assessed standard of performance. The cost for day-to-day servicing of property, plant and equipment are recognised in standalone statement of profit and loss as and when incurred.

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset, if any, after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. (as applicable)

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS.

Depreciation: Depreciation is provided on pro-rata basis using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II based on the technical estimate made by the management in order to reflect the actual usage of assets.

Asset	Estimated Useful Life (Years)	Useful Life as per Companies Act, 2013 (Years)
Plant & Machinery	20	15
Electrical Fittings	15	10
Tools & Dies	10	Not Specified

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%.

3.3 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware), Technical Know-How and Guidance Fee. Computer software which is acquired separately, is recognized initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the standalone balance sheet date.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

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

Amortisation method and useful lives: Intangible assets other than Technical Know-How and Guidance Fee are amortized on a straight line basis over the estimated life of three years and Technical Know-How and Guidance Fee is amortised on straight line method over the estimated life of 6 years from the date of capitalisation.

3.4 Research & Development Costs:

a) The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. However, expenditure on development activities, whereby research findings are applied to a future plan or design for the production of new or substantially improved products and process and has got future benefits is capitalized. Such capitalization includes cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the assets for its intended use.

b) Capitalized development expenditure is stated at cost less accumulated depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company’s Policy.

3.5 Non- Current Assets Held for Sale;

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognized immediately in the standalone statement of profit and loss.

Non-current assets or disposal groups comprising of assets and liabilities are classified as ‘held for sale’ when all of the following criteria’s are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Non-current assets held for sale are not depreciated or amortised.

3.6 Borrowing costs:

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Standalone Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to acquisition or construction or production of qualifing assets, which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

3.7 Foreign currencies translations:

Functional and presentational currency

The Company's standalone financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. The standalone financial statements are presented in (₹) Rupees, which is the functional currency of the Company and all values are rounded to the nearest lakh with two decimals except otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the year are recognised in standalone statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in standalone statement of profit or loss on net basis.

The Company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were those of Company itself. Monetary assets and liabilities denominated in foreign currencies as at the Standalone Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in standalone statement of profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.8 Inventories:

Raw material, Consumable Stores and spare parts are valued at lower of cost or net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the enterprise from the Concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Work in progress, manufactured finished goods and traded goods are valued at lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Stock in transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. The comparison of cost and net realizable value is made on an item-by-item basis.

3.9 Leases:

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. However, If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expensesin the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.10 Employee Benefits:

Short Term Employee Benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in standalone statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Post-Employment Benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund and employee state insurance are a defined contribution scheme and contributions paid/payable towards these funds are recognised as an expense in the standalone statement of profit and loss during the year in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

The liability or asset recognised in the standalone balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income. They are included in retained earnings in the standalone statement of changes in equity and in the standalone balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in standalone statement of profit or loss as past service cost.

Other Long Term Employee Benefits

Liabilities for leave encashment / compensated absences which are not expected to be settled wholly within the operating cycle after the end of the year in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the standalone statement of profit or loss.

3.11 Provisions, Contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the standalone balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Litigations: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the standalone statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the standalone statement of profit and loss as a finance cost.

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

Contingent assets are neither recognised nor disclosed. However,when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each standalone balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

3.12 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Initial Recognition and Classification

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. A financial asset is initially recognised at fair value, however, trade receivables that do not contain a significant financing component are measured at transaction price. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the standalone statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit and loss (FVTPL)

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

Financial Asset carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Investments in associate and joint venture

The investment in associates and Joint venture are carried at cost as per IND AS 27. Investments representing equity interest in associate and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment of financial assets

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

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows "simplified approach" for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the standalone statement of profit and loss. This amount is reflected under the head 'other expenses' in the standalone statement of profit and loss.

Write-off: The gross carrying amount of a financial asset is written off or written down appropriately when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's standalone Balance Sheet) when: (i) The contractual rights to receive cash flows from the asset has expired, or (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial liabilities and equity instruments

Classification of Debt and Equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and in accordance with Ind AS 109 "Financial Instruments" read with Ind AS 32 "Financial Instruments Presentation".

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liability- Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

Subsequent Measurement

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the standalone statement of profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

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

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

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference (if any) in the respective carrying amounts is recognised in the standalone statement of profit and loss.

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.13 Impairment of Non-Financial Assets:

The carrying amounts of the Company's non-financial assets, are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the higher of its value in use or its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in standalone statement of profit and loss except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Impairment losses recognised in prior periods are assessed at end of each reporting date for any indications that the impairment loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal is recognised in the standalone statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.14 Income Taxes:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any. Income tax expense represents the sum of current tax and deferred tax.

Current tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

3.15 Operating segment:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company's CODM.

3.16 Cash and cash equivalents:

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

For the purpose of presentation in the standalone statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the standalone balance sheet.

3.17 Dividends;

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.18 Earnings per share (EPS):

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

(All amounts are in ₹ lakh, unless otherwise stated)

Note 4 : Property, Plant and Equipment

Particulars	Land-Freehold	Land-Leasehold	Plant & Machinery	Building	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at April 01, 2021	**650.47**	**530.63**	**27,241.40**	**4,566.39**	**254.68**	**350.11**	**88.56**	**981.99**	**821.52**	35,485.75
Add: Additions made during the year	-	-	2,401.64	15.45	15.38	100.39	2.96	56.62	367.43	2,959.87
Less: Disposals / adjustments during the year	-	-	2,169.94	58.17	6.40	6.88	0.70	55.98	34.38	2,332.45
As at March 31, 2022	**650.47**	**530.63**	**27,473.10**	**4,523.67**	**263.66**	**443.62**	**90.82**	**982.63**	**1,154.57**	36,113.17
Add: Additions made during the year	-	-	7,627.16	27.05	56.32	150.03	64.86	210.27	844.28	8,979.97
Less: Other Adjustments	-	-	1,727.72	390.63	59.47	15.25	28.66	174.23	19.78	2,415.74
Less: Disposals / adjustments during the year	79.89	16.05	621.75	-	1.47	13.07	0.26	0.06	18.22	750.77
As at March 31, 2023	**570.58**	**514.58**	**32,750.79**	**4,160.09**	**259.04**	**565.33**	**126.76**	**1,018.61**	**1,960.85**	41,926.63
Accumulated depreciation and amortization										
As at April 01, 2021	**-**	**36.73**	**14,976.83**	**1,929.30**	**202.18**	**249.72**	**71.75**	**672.78**	**550.20**	18,689.49
Add: Depreciation/ Amortisation for the year	-	6.25	3,438.96	253.63	19.91	70.88	3.83	54.09	75.44	3,922.99
Less: On disposals / adjustments during the year	-	-	944.85	25.21	5.09	3.97	0.44	41.39	23.85	1,044.80
As at March 31, 2022	**-**	**42.98**	**17,470.94**	**2,157.72**	**217.00**	**316.63**	**75.14**	**685.48**	**601.79**	21,567.68
Add: Depreciation/ Amortisation for the year	-	5.42	3,744.47	246.75	21.47	104.27	11.87	63.39	192.61	4,390.25
Less: Other Adjustments	-	-	1,727.72	390.63	59.47	15.25	28.66	174.23	19.78	2,415.74
Less: On disposals / adjustments during the year	-	6.17	247.05	-	1.07	11.15	0.24	0.04	13.48	279.20
As at March 31, 2023	**-**	**42.23**	**19,240.64**	**2,013.84**	**177.93**	**394.50**	**58.11**	**574.60**	**761.14**	23,262.99
Net carrying amount										
As at March 31, 2023	**570.58**	**472.35**	**13,510.15**	**2,146.25**	**81.11**	**170.83**	**68.65**	**444.01**	**1,199.71**	18,663.64
As at March 31, 2022	**650.47**	**487.65**	**10,002.16**	**2,365.95**	**46.66**	**126.99**	**15.68**	**297.15**	**552.78**	14,545.49

Notes:

a) Hypothecation of movable assets including Plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for their working capital facilities.

b) Refer note no. 40, for disclosure of capital comittment for acquisition of property, plant and equipment.

c) All the title deeds of immovable properties are held in the name of the company.

d) The Lease agreement of the leasehold land is in the name of the company.

Note 5 : Capital Work In Progress

	As At March 31, 2023	As At March 31, 2022
Balance at the beginning of the year	5.00	10.65
Add: Addition made during the year	-	3.48
Less: Capitalised/adjustments during the year	1.59	9.13
Balance at the end of the year	**3.41**	**5.00**

Notes:

a) Breakup of capital work in progress is as follows:	**As At March 31, 2023**	**As At March 31, 2022**
Plant & Machinery	3.41	5.00
	3.41	**5.00**

(All amounts are in ₹ lakh, unless otherwise stated)

b) **Ageing schedule of CWIP as at March 31, 2023 and as at March 31, 2022:**

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	-	3.41	-	-	3.41
	(3.48)	(1.52)	-	(-)	(5.00)
(ii) Projects temporarly Suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

Figures in bracket represents figures for the year ended March 31, 2022.

c) There are no capital-work-in progress as at March 31, 2023 and as at March 31, 2022 whose completion is overdue or has exceeded its cost as compared to its original plan.

Note 6 : Other Intangible Assets

Particulars	Computer Software	Technical Knowhow	Total
Gross carrying amount			
As at April 01, 2021	**359.30**	**1,201.74**	**1,561.04**
Add: Additions during the year	23.97	-	23.97
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2022	**383.27**	**1,201.74**	**1,585.01**
Add: Additions during the year	43.27	1,183.43	1,226.70
Less: Other Adjustments	9.01	-	9.01
Less: Disposals / adjustments during the year	6.55	-	6.55
As at March 31, 2023	**410.98**	**2,385.17**	**2,796.15**
Accumulated amortisation and impairment			
As at April 01, 2021	**268.94**	**1,201.74**	**1,470.68**
Add: Amortisation for the year	45.94	-	45.94
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2022	**314.88**	**1,201.74**	**1,516.62**
Add: Amortisation for the year	48.18	23.24	71.42
Less: Other Adjustments	9.01	-	9.01
Less: On disposals / adjustments during the year	6.55	-	6.55
As at March 31, 2023	**347.50**	**1,224.98**	**1,572.48**
Net carrying amount			
As at March 31, 2023	**63.48**	**1,160.19**	**1,223.67**
As at March 31, 2022	**68.39**	**-**	**68.39**

(All amounts are in ₹ lakh, unless otherwise stated)

Note 7A : Investments (Non-Current)

Investment in Associates and Joint Ventures		As At March 31, 2023	As At March 31, 2022
I Investment in Associate			
(Investment Measured at cost)			
In equity shares of Associate (Unquoted, Fully paidup)			
Relan Industrial Finance Limited: 490,000 (March 31, 2022: 490,000) having face value of ₹ 10 each*		49.00	49.00
	(I)	**49.00**	**49.00**
II Investment in Joint Venture			
(Investment Measured at cost)			
In equity shares of Joint Venture (Unquoted, Fully paidup)			
Exhaust Technology Private Limited: 47,500,000 (March 31, 2022: 47,500,000) having face value of ₹ 10 each*		4,750.00	4,750.00
Uddipt Mobility India Private Limited: 740 (March 31, 2022: 740) having face value of ₹ 10 each*		0.07	0.07
	(II)	**4,750.07**	**4,750.07**
	(I+II)	**4,799.07**	**4,799.07**

** The number of shares in note above represents absolute numbers.*

Information about Associate & Joint Ventures

Name of the Company	Country of Incoporation	Principal Activities	Proportion (%) of equity interest	
			As At March 31, 2023	As At March 31, 2022
Associate				
Relan Industrial Finance Limited	India	Service provider of investments	47.12	47.12
Joint Ventures				
Exhaust Technology India Private Limited	India	Manufacturing of exhaust systems	50.00	50.00
Uddipt Mobility India Private Limited	India	Manufacturing of batteries	74.00	74.00

Note 7B : Investments (Non-Current)

Investment in Others	As At March 31, 2023	As At March 31, 2022
In equity shares of Other		
Unquoted, fully paid up		
27,300 (March 31, 2022: 38,500) Equity shares of ₹ 10 each of Windage Power Company Private Limited*	2.73	3.85
	2.73	**3.85**

** The number of shares in note above represents absolute numbers.*

Note 7C : Investments (Current)

	As At March 31, 2023	As At March 31, 2022
(Measured at fair value through profit or loss)		
Investment In Tax Free Bond (Quoted)		
- 50 (March 31,2022: 50) units NHAI 2030 - Tax free Bond*	570.74	623.30

(All amounts are in ₹ lakh, unless otherwise stated)

Investment in Others	As At March 31, 2023	As At March 31, 2022
Investment In Mutual Fund (Quoted)		
- Nil units (March 31,2022: 4,492,582.847) units ICICI Pru Equity Arbitrage Fund Reg (G)*	-	1,000.65
- Nil units (March 31,2022: 4,969,913.962) units Kotak Equity Arbitrage Fund (G)*	-	1,501.40
- Nil units (March 31,2022: 3,668,275.907) units SBI Arbitrage Opp Fund Reg (G)*	-	1,000.65
- Nil units (March 31,2022: 14,975,355.700) units TATA Arbitrage Fund (G)*	-	1,501.31
- Nil units (March 31,2022: 98,966.537) units Kotak equity Saving Fund Reg (G)*	-	18.41
	570.74	**5,645.72**

** The number of units in note above represents absolute numbers.*

Aggregate book value of unquoted investments	4,801.80	4,802.92
Aggregate book value of quoted investments	570.74	5,645.72
Aggregate Market value of quoted investments	570.74	5,645.72
Aggregate value of impairment in the value of investment	-	-

Note 8 : Other Financial Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Security deposits *(Refer to note 'a' below)*	266.70	199.72	-	-
Bank Deposits with original maturity of more than 12 months *(refer to note 15)*	115.00	-	39,834.18	-
Interest accrued on fixed deposits	5.06	-	719.93	367.47
Staff Advance	-	-	-	29.99
Interest accrued others	-	-	3.05	3.28
Receivable from related parties *(Refer to note 'b' below)*	-	-	13.44	9.06
	386.76	**199.72**	**40,570.60**	**409.80**

a) Security deposits are not in the nature of loans hence classified as part of other financial assets.

b) For detailed related party disclosures, refer note 38.

Note 9 : Income Tax

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Standalone Statement of profit and loss:

Profit or loss section

	As At March 31, 2023	As At March 31, 2022
Tax Expense:		
a) Current tax	7,205.00	5,672.00
b) Adjustments in respect of relating to earlier years	(31.39)	(132.12)
c) Deferred tax	(184.89)	(169.58)
Income tax expense reported in the standalone statement of profit or loss	**6,988.72**	**5,370.30**
OCI section		

(All amounts are in ₹ lakh, unless otherwise stated)

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

	As At March 31, 2023	As At March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	28.89	21.79
Income tax charged to OCI	**28.89**	**21.79**

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022.

	As At March 31, 2023	As At March 31, 2022
Accounting profit before tax	27,531.25	21,519.79
Accounting profit before income tax		
At India's statutory income tax rate of 25.168% (March 31, 2022: 25.168%)	6,929.07	5,416.10
Adjustments in respect of current income tax of previous years	(31.39)	(132.12)
Tax effect of the amounts which are Non-deductible/ (taxable) for tax purposes:		
Expenses not deducted for tax purposes	7.33	66.85
Income exempted from income tax	(9.14)	(40.18)
Impact of tax at different tax rate and Others	(6.13)	-
Income deductable from income tax	19.30	-
Others	79.68	59.65
At the income tax rate of 25.168% (March 31, 2022: 25.168%)	6,988.72	5,370.30
Income tax expense reported in the standalone statement of profit and loss	6,988.72	5,370.30
Variance	-	-

b) Deferred tax:

		Standalone Balance sheet	
		As At March 31, 2023	As At March 31, 2022
Deferred tax assets relates to the following:			
Property, plant and equipment		425.31	257.93
Provision for employee benefits		207.76	184.29
Right to use assets		-	1.37
Lease Liabilities		620.20	70.25
Fair valuation of mutual fund		-	1.94
Others		-	3.72
	(A)	**1,253.27**	**519.50**
Deferred tax liability relates to the following:			
Right to use assets		555.22	-
Fair valuation of mutual fund		12.32	-
Others		10.23	-
	(B)	**577.77**	**-**
Total deferred tax assets/(liabiities) (Net)	(A-B)	**675.50**	**519.50**

(All amounts are in ₹ lakh, unless otherwise stated)

c) The movement between net deferred tax assets /(liabilities) is as under :

	As At April 01, 2022	Recognised in Standalone Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2023
Deferred tax assets relates to the following:				
Property, plant and equipment	257.93	167.38	-	425.31
Provision for employee benefits	184.29	52.36	(28.89)	207.76
Right to use assets	1.37	(1.37)	-	-
Lease Liabilities	70.25	549.95	-	620.20
Fair valuation of mutual fund	1.94	(1.94)	-	-
Others	3.72	(3.72)	-	-
	519.50	**762.66**	**(28.89)**	**1,253.27**
Deferred tax liability relates to the following:				
Right to use assets	-	555.22	-	555.22
Fair valuation of mutual fund	-	12.32	-	12.32
Others	-	10.23	-	10.23
	-	-	-	-
	-	**577.77**	**-**	**577.77**
Total deferred tax assets/(liabilities) (Net)	**519.50**	**184.89**	**(28.89)**	**675.50**

	As-At April 01, 2021	Recognised in Standalone Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As-At March 31, 2022
Deferred tax assets relates to the following:				
Property, plant and equipment	84.94	172.99	-	257.93
Provision for employee benefits	231.94	(25.86)	(21.79)	184.29
Lease Liabilities	44.91	25.34	-	70.25
Right to use assets	7.74	(6.38)	-	1.37
Fair valuation of mutual fund	-	1.94	-	1.94
Others	5.66	(1.93)	-	3.72
	375.19	**166.10**	**(21.79)**	**519.50**
Deferred tax liability relates to the following:				
Right to use assets	-	-	-	-
Fair valuation of mutual fund	3.48	(3.48)	-	-
Others	-	-	-	-
	3.48	**(3.48)**	**-**	**-**
Total deferred tax assets/(liabilities) (Net)	**371.71**	**169.58**	**(21.79)**	**519.50**

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

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(All amounts are in ₹ lakh, unless otherwise stated)

Note 10 : Non-Current Tax Asset

	As At March 31, 2023	As At March 31, 2022
Advance Tax	731.42	617.38
[Net of provision for income tax of ₹ 22,204.72 lakh (March 31, 2022 : ₹ 19,398.95 lakh)]	**731.42**	**617.38**

Note 11 : Other Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2023	**As At March 31, 2022**	**As At March 31, 2023**	**As At March 31, 2022**
Capital advances (refer note 'b' below)	537.01	273.16	-	-
Balance with Government Authorities	-	-	67.44	184.07
Advances to Suppliers	-	-	324.92	59.63
Advances to Employees	-	-	32.96	-
Prepaid Expenses	66.52	14.46	245.17	288.90
Other Receivable (refer note 'a' below)	-	-	455.75	7.10
	603.53	**287.62**	**1,126.24**	**539.70**

Notes:

a) Other Receivables of ₹ 455.75 lakh (March 31, 2022 ₹ 7.10 lakh) includes GST Recoverable on accrual basis of ₹ 450.47 lakh (March 31, 2022 ₹ Nil) and balance pertains to staff impreset account etc.

b) Details of Capital commitment is as follows:

Particulars	As At March 31, 2023	As At March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts, net of capital advance.	589.74	1,874.42
	589.74	1,874.42

Note 12: Inventories

(Valued at lower of cost or net realizable value)

	As At March 31, 2023	As At March 31, 2022
Raw Materials	15,717.06	8,930.99
Raw Materials - In Transit	545.13	194.80
Work In Progress	2,984.24	3,646.75
Finished Goods	661.39	-
Finished Goods in Transit	42.67	-
Stores and Spares	456.62	368.66
	20,407.11	**13,141.20**

Notes:

a) The mode of valuation of inventories has been stated in note 3.8.

b) Inventories have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

(All amounts are in ₹ lakh, unless otherwise stated)

Note 13 : Trade Receivables

	As At March 31, 2023	As At March 31, 2022
Secured, Considered Good	-	-
Unsecured, Considered Good	33,147.59	27,604.91
Unsecured, Considered credit impaired	82.87	87.11
	33,230.46	27,692.02
Less: Impairment allowance (allowance for bad and doubtful debts)		
Considered credit impaired	82.87	87.11
	33,147.59	**27,604.91**

a) Trade Receivables Ageing as at March 31, 2023

Particulars	Outstanding for following periods from due date of Payment						
	Outstanding but not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	30,338.39	2,777.89	-	31.31	-	-	33,147.59
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	17.13	37.45	10.15	18.14	82.87
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**30,338.39**	**2,777.89**	**17.13**	**68.76**	**10.15**	**18.14**	**33,230.46**
Less: Impairment allowance for trade receivable - credit impaired	-	-	17.13	37.45	10.15	18.14	82.87
Net Trade Receivables	**30,338.39**	**2,777.89**	**-**	**31.31**	**-**	**-**	**33,147.59**

b) Trade Receivables Ageing as at March 31, 2022

Particulars	Outstanding for following periods from due date of Payment						
	Outstanding but not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	26,074.89	630.28	897.52	-	-	2.22	27,604.91
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	31.34	32.62	22.61	0.54	87.11
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	Outstanding for following periods from due date of Payment						
	Outstanding but not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**26,074.89**	**630.28**	**928.86**	**32.62**	**22.61**	**2.76**	**27,692.02**
Less: Impairment allowance for trade receivable - credit impaired	-	-	31.34	32.62	22.61	0.54	87.11
Net Trade Receivables	**26,074.89**	**630.28**	**897.52**	**-**	**-**	**2.22**	**27,604.91**

c) Trade receivables have been pledged to secure cash credit facilities from banks.

d) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

e) The company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 45.

f) The above includes amount due from related parties is ₹ 33.95 lakh (March 31, 2022: ₹ 268.52 lakh) (Refer note 38).

g) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other persons.

Note 14 : Cash and Cash Equivalents

	As At March 31, 2023	As At March 31, 2022
Balances with banks:		
- on current accounts	1,195.52	1,759.54
- on EEFC accounts	0.28	0.55
- deposits with original maturity of less than 3 months (refer note ‘a’ below	1,700.00	17,580.00
Cash on hand	0.33	0.13
Liquid Mutual Fund		
- 25,253.524 units (March 31,2022: NIL) units HDFC Liquid Fund-Regular Plan (G)*	1,107.11	-
- 6,98,150.903 units (March 31,2022: Nil) units ICICI Pro. liquid fund (G)*	2,308.46	-
- 137496.224 units (March 31,2022: Nil) units SBI liquid fund regular (G)*	4,806.98	-
- 130945.462 units (March 31,2022: Nil) units TATA liquid fund regular (G)*	4,607.12	-
	15,725.80	**19,340.22**

* The number of units in note above represents absolute numbers.

a) Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

(All amounts are in ₹ lakh, unless otherwise stated)

Note 15 : Bank Balances Other Than Cash and Cash Equivalents

	Non- Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Balances with banks:				
Earmarked balance with banks				
Unpaid dividend account	-	-	45.31	31.04
Deposits with original maturity of more than 3 months but less than 12 months (refer note 'a' below)	-	-	400.05	10,239.72
Deposits with original maturity of more than 12 months (refer note 'a' below)	115.00	-	39,834.18	10,145.00
	115.00	**-**	**40,279.54**	**20,415.76**
Less: Amount disclosed in "Other Financial Assets" (refer note 8)	115.00	-	39,834.18	-
	-	**-**	**445.36**	**20,415.76**

a) The above deposits includes ₹ 210.04 lakh (March 31, 2022 : ₹ 90.53 lakh) which is given against Bank Guarantee to Various Authorities.

Note 16 : Asset Held for Sale

	As At March 31, 2023	As At March 31, 2022
Assets held for sale	-	100.66
	-	**100.66**

Note 17 : Equity Share Capital

	As At March 31, 2023	As At March 31, 2022
Authorised Share Capital		
250,000,000 (March 31, 2022: 250,000,000) equity shares of ₹ 2 each*	5,000.00	5,000.00
Issued, subscribed and fully paid up		
29,731,630* (March 31, 2022: 29,731,630) equity shares of ₹ 2 each*	594.63	594.63
	594.63	**594.63**

*Number of Shares are given in absolute numbers

a) Reconciliation of share capital:

	As At March 31, 2023		As At March 31, 2022	
	No. of Shares*	Amount	No. of Shares*	Amount
Balance as at the beginning of the year	**2,97,31,630**	**594.63**	**2,97,31,630**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2022	**2,97,31,630**	**594.63**	**2,97,31,630**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at the end of the year	**2,97,31,630**	**594.63**	**2,97,31,630**	**594.63**

*Number of Shares are given in absolute numbers

(All amounts are in ₹ lakh, unless otherwise stated)

Notes:

(i) The company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per share. The company declares and pays dividends in Indian rupees. Dividend of ₹ 17.27 per equity share was proposed by the Board of Directors during the year (March 31, 2022: ₹ 8.15 per equity share). In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) During the year, no interim dividend (March 31, 2022: ₹ Nil per share) has been recognized as distributions to equity shareholders.

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

Name of Party	As At March 31, 2023		As At March 31, 2022	
	No. of Shares*	Holding %	No. of Shares*	Holding %
Mr. Ajay Relan	1,73,71,380	58.43%	1,73,71,380	58.43%
Mrs. Mala Relan	26,04,130	8.76%	26,04,130	8.76%
Mr. Aashim Relan	15,22,200	5.12%	15,22,200	5.12%

*Number of Shares are given in absolute numbers

d) Disclosure of Shareholdings of Promotors

Promoter's Name	As at March 31, 2023		As at March 31, 2022		'% Change during the year *
	No. of Shares*	Holding %	No. of Shares*	Holding %	
Mr. Ajay Relan	1,73,71,380	58.43%	1,73,71,380	58.43%	0.00%
Mrs. Mala Relan	26,04,130	8.76%	26,04,130	8.76%	0.00%
Mr. Aashim Relan	15,22,200	5.12%	15,22,200	5.12%	0.00%
Mrs. Indira Chowdhry	2,65,185	0.89%	2,65,185	0.89%	0.00%

Promoter's Name	As at March 31, 2022		As at March 31, 2021		'% Change during the year *
	No. of Shares*	Holding %	No. of Shares*	Holding %	
Mr. Ajay Relan	1,73,71,380	58.43%	1,73,71,380	58.43%	0.00%
Mrs. Mala Relan	26,04,130	8.76%	26,04,130	8.76%	0.00%
Mr. Aashim Relan	15,22,200	5.12%	15,22,200	5.12%	0.00%
Mrs. Indira Chowdhry	2,65,185	0.89%	2,65,185	0.89%	0.00%

*Number of Shares are given in absolute numbers

(All amounts are in ₹ lakh, unless otherwise stated)

Note 18 : Other Equity

	As At March 31, 2023	As At March 31, 2022
Capital Reserve	0.20	0.20
General Reserve	21,025.68	21,025.68
Retained Earnings	56,561.69	38,356.41
	77,587.57	**59,382.29**

Notes:

I. For Movement during the period in Other Equity, refer "Standalone Statement of Changes in Equity".

II. Nature and purpose of reserves

a) Capital Reserve

Particulars	**As At March 31, 2023**	**As At March 31, 2022**
Balance as at beginning/ end of the year	0.20	0.20
The company recognise profit & loss on sale, purchase, cancellation and forfeiture of the company's own equity instruments to capital reserve.		

b) General Reserve

Particulars	**As At March 31, 2023**	**As At March 31, 2022**
Balance as at beginning/ end of the year	21,025.68	21,025.68
The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.Mandatory transfer to general reserve is not required under the Companies Act, 2013.		

c) Retained Earnings

Particulars	**As At March 31, 2023**	**As At March 31, 2022**
Balance as at beginning/ end of the year	56,561.69	38,356.41
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.		

Note 19 : Lease Liabilities

	Non- Current		**Current**	
	As At March 31, 2023	**As At March 31, 2022**	**As At March 31, 2023**	**As At March 31, 2022**
Lease liabilities*	2,358.75	1,184.55	105.48	61.10
	2,358.75	**1,184.55**	**105.48**	**61.10**

* for movement during the year, refer note 39B

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(All amounts are in ₹ lakh, unless otherwise stated)

Note 20 : Other Financial Liabilities

	Non- Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Security deposit	12.79	22.79	-	-
Unclaimed dividends (refer note (a) below)	-	-	45.31	31.04
Capital Creditors	-	-	1,323.77	640.93
	12.79	**22.79**	**1,369.08**	**671.97**

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2023 (March 31, 2022 : Nil)

Note 21 : Provisions

	Non- Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Provision for Employee Benefits				
Provision for Compensated Absences (refer note 37)	260.98	285.40	197.86	155.14
Provision for Gratuity (refer note 37)	-	-	35.33	85.76
Others				
Provision for Warranty (refer note below)	605.83	495.21	529.14	385.20
	866.81	**780.61**	**762.33**	**626.10**

Note: Movement for Provision for Warranty	As At March 31, 2023	As At March 31, 2022
Provision for warranty claim		
Opening Balance	880.41	623.95
Add : Provision made during the year	639.78	535.30
Less : Paid/reversed during the year	385.22	278.84
Balance at the end of the year	**1,134.97**	**880.41**

Note 22 : Trade Payables

	As At March 31, 2023	As At March 31, 2022
- Total outstanding dues of micro and small enterprises	2,163.16	384.77
- Outstanding dues of creditors other than micro and small enterprises	49,416.00	41,158.75
	51,579.16	**41,543.52**

(All amounts are in ₹ lakh, unless otherwise stated)

Trade Payables ageing schedule as at March 31, 2023:

Particulars	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 year	>3 year	Total
(i) MSME	2,162.05	-	-	0.17	0.94	-	2,163.16
(ii) Others	32,131.86	7,094.02	7,934.78	-	317.39	1,937.95	49,416.00
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Trade Payables ageing schedule as at March 31, 2022:

Particulars	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 year	>3 year	Total
(i) MSME	384.77	-	-	-	-	-	384.77
(ii) Others	26,871.15	5,692.82	3,455.28	347.95	3,845.19	946.36	41,158.75
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

a) Trade payables are non-interest bearing and are normally settled on 60-day terms (except for MSME). The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note no 41 & note no 45.

b) Trade payable to related parties amount to ₹ 202.12 lakh (March 31, 2022: ₹ 315.99 lakh)

c) The company's exposure to currency and liquidity risk related to trade payables is disclosed in note 45.

d) Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006.

	Capital Creditors		Trade Payables		Total Payables	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
- Principal amount due	132.51	640.93	2,146.09	349.72	2,278.60	990.65
- Interest accrued and due on above	5.81	-	17.07	35.05	22.88	35.05
	138.32	**640.93**	**2,163.16**	**384.77**	**2,301.48**	**1,025.70**
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year					Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006					0.03	Nil
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year					22.85	71.33
(iv) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006					Nil	Nil

Note: 'Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Standalone Balance Sheet date except disclosed above.

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(All amounts are in ₹ lakh, unless otherwise stated)

Note 23 : Other Current Liabilities

	As At March 31, 2023	As At March 31, 2022
Advance from customers	1,744.80	967.94
Statutory dues	3,681.17	3,016.78
Provision for Unspent on CSR activities	551.58	337.52
Other Liabilities*	75.06	71.01
	6,052.61	**4,393.25**

* Other Liabilities primarily includes payable on account of reimbursement to employees.

Note 24 : Revenue from Operations

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sale of Product		
- Finished goods	2,59,941.17	2,18,122.33
- Traded goods	6,905.06	4,993.08
	2,66,846.23	2,23,115.41
Sale of services	439.39	228.69
Other Operating Revenues		
- Sale of scrap	2,707.96	2,187.22
	2,69,993.58	**2,25,531.32**

Notes:

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

Revenue based on Geography	For the year ended March 31, 2023	For the year ended March 31, 2022
India	2,62,787.66	2,14,420.01
Outside India	7,205.92	11,111.31
Revenue from operations	**2,69,993.58**	**2,25,531.32**

Revenue by time	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue recognised at point in time	2,69,993.58	2,25,531.32
Revenue recognised over time	-	-
Revenue from operations	**2,69,993.58**	**2,25,531.32**

Revenue based on Customer-wise	For the year ended March 31, 2023	For the year ended March 31, 2022
Related Party	24.33	2,924.52
Non- Related Party	2,69,969.25	2,22,606.80
Revenue from operations	**2,69,993.58**	**2,25,531.32**

(All amounts are in ₹ lakh, unless otherwise stated)

b) Trade Receivables, Contract Balances

For Trade Receivables, Refer note no. 13.

Further, the Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2023.

Further, the company doesn't have any contract liabilities as at March 31, 2023 and March 31, 2022

Unsatisfied performance obligations:

Information about the Company's performance obligations are summarised below:

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer.

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of products and services as at 31 March 2023 and as at March 31, 2022 and expected time to recognise the same as revenue is as follows:

	As At March 31, 2023	As At March 31, 2022
Within one year	1,744.80	967.94
More than one year	-	-

Note 25 : Other Income

		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest Income			
- Fixed deposits with banks		2,531.13	1,132.92
- Income tax refund		-	27.81
- Interest on tax free bond		36.30	159.63
- Others *		6.02	3.54
Profit on sale of current investments designated at FVTPL		331.13	-
Net gain on disposal of property, plant and equipments		854.00	911.54
Net profit on foreign exchange fluctuation		-	84.60
Allowance for Expected Credit Loss written Back	32.16		
Less: Allowance for Expected Credit Loss	(25.41)	6.75	-
Miscellaneous income		408.32	633.57
		4,173.65	**2,953.61**

* Others comprises of interest received on deposits with electricity boards etc.

(All amounts are in ₹ lakh, unless otherwise stated)

Note 26 : Cost of Raw Material Consumed

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Raw Material		
Balance at the beginning of the year	8,930.99	10,890.29
Add:- Purchases during the year	2,16,727.08	1,75,176.23
Less:- Balances of raw material at the end of the year	15,717.06	8,930.99
	2,09,941.01	**1,77,135.53**

Note 27 : Purchase of Stock in Trade

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Purchase of stock in trade	6,485.26	4,721.37
	6,485.26	**4,721.37**

Note 28: Changes in Inventories of Finished Goods, Work in Progress and Stock in trade

		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Inventories at the beginning of the year			
Finished goods		-	-
Work- in- progress		3,646.75	2,399.21
	(A)	**3,646.75**	**2,399.21**
Inventories at the end of the year			
Finished goods		704.06	-
Work- in- progress		2,984.24	3,646.75
	(B)	**3,688.30**	**3,646.75**
(Increase) / Decrease			
Finished goods		(704.06)	-
Work- in- progress		662.51	(1,247.54)
(Increase) / Decrease in Inventories (A-B)		**(41.55)**	**(1,247.54)**

Note 29 : Employee Benefits Expense

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries, wages & other benefits	8,563.47	8,075.69
Contribution to provident and other funds (refer note below & note 37)	438.13	420.62
Gratuity (refer note 37)	136.24	172.58
Staff welfare expenses	706.98	567.75
	9,844.82	**9,236.64**
Note: Defined contribution plans		
Amount recognised in standalone statement of profit & loss*		
Employee state insurance	21.72	26.83
Provident fund	416.03	393.46
Welfare fund	0.38	0.33
	438.13	**420.62**

*This excludes the amount of ₹ 57.95 lakh (March 31, 2022: ₹ 56.15 lakh) on account of research and development which is debited under head "Other Expenses" in Standalone Statement of profit and Loss.

(All amounts are in ₹ lakh, unless otherwise stated)

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the Group believes the impact of the change will not be significant.

Note 30 : Finance Cost

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest on :		
- lease liabilities	168.00	100.72
- Others	23.22	46.78
	191.22	**147.50**

Note 31 : Depreciation and Amortization Expenses

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation on property, plant and equipment	4,390.25	3,923.00
Amortization of intangible assets	71.41	45.94
Amortisation on right-of-use assets	165.53	96.15
	4,627.19	**4,065.09**

Note 32 : Other Expenses

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Consumable tools	159.63	156.49
Power & fuel	1,130.90	861.41
Hire labour charges	6,012.27	4,437.69
Manufacturing expenses	470.07	428.83
Rent, rates & taxes	110.28	160.21
Repair & maintenance		
- Repair to building	95.66	99.09
- Repair to plant & equipments	669.49	499.06
- Repair others	185.55	168.44
Net loss on foreign exchange fluctuation	355.45	-
Loss/(gain) on sale of current investments designated at FVTPL	-	34.03
Fair value loss/(gain) on current investments designated at FVTPL	24.77	7.43
Royalty fees	154.93	165.98
Research & development expenses (refer note 36)	1,899.80	1,908.55
Travelling & conveyance	685.16	575.48
Insurance	175.47	158.62
Communication cost	57.26	58.45

(All amounts are in ₹ lakh, unless otherwise stated)

		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Director's sitting fee		24.30	17.80
Legal & professional expenses		581.06	448.19
Auditor's remuneration (refer details 'a' below)		30.61	19.82
Corporate Social Responsibility expenses (refer note 35)		269.15	206.94
Provision for Warranty	639.78		
Less: Warranty Provision written back	(362.04)	277.74	535.30
Selling expenses		2.09	1.97
Packing material		399.86	328.69
Freight outward		814.69	687.14
Allowance for Expected Credit Loss		-	87.11
Miscellaneous expenses		1,001.84	853.83
Total		**15,588.03**	**12,906.55**

a) Details of payment made to auditors is as follows:

Payment to Auditors*	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
As Auditor:		
- Statutory audit fee	13.00	13.35
- Tax audit fee	5.00	6.00
- Certification Fees	0.85	-
- Other Service	11.00	-
In Other Capacity:		
- Reimbursement of expenses	0.76	0.32
- Other services	-	0.15
	30.61	**19.82**

* Includes ₹ 2.67 lakh (March 31, 2022: ₹ Nil) pertains to predecessor auditor of the company

Note 33: Components of Other Comprehensive Income

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Items that will not be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	114.77	86.57
Income tax expense on items that will not be reclassified to profit or loss	(28.89)	(21.79)
	85.88	**64.78**

Note 34: Earnings per share (EPS)

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit attributable to the equity shareholders **(A)**	20,542.53	16,149.49
Number/Weighted average number of equity shares outstanding at the end of the year **(B)**	**2,97,31,630**	**2,97,31,630**
Nominal value of Equity shares	₹ 2	₹ 2
Basic/Diluted Earning per share (A/B) (in ₹)	69.09	54.32

Note: 35 Details of Corporate Social Responsibility (CSR) expenditure is as follows:

i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 269.15 lakh (March 31, 2022: ₹ 206.94 lakh)

ii) Amount spent during the year

Purpose for which expenditure incurred	Remarks	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
- Construction/acquisitions of any asset		-	-
- On purpose other than (i) above	Payment to 'Sharda CSR Foundation Trust' for incurring CSR Expenditure	55.09	7.00
Amount transferred to unspent account *		214.06	199.94
Amount yet to be spent		-	-
Total		**269.15**	**206.94**

* The Company has created a provision for unspent amount of ₹ 214.06 lakh in FY 2022-23 (March 31, 2022: ₹ 199.94 lakh) and transferred the same in separate bank account on April 21, 2023 and April 27, 2022 respectively as per notification no. G.S.R. 40(E) and January 22, 2021 issued by the ministry of corporate affairs (MCA).

Note: 36 Details of Research & Development Expenses is as follows:

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Research & development expenses include:		
- Purchases	187.40	167.47
- Salary, wages and other allowance	1,098.84	1,041.61
- Contribution to Provident Fund and other Fund	57.95	56.15
- Travelling expenses	68.97	37.26
- Design, development and other expenses	486.64	606.06
	1,899.80	**1,908.55**

Note 37 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Employee Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the year recognised the following amount in the Standalone Statement of profit and loss account under Company's contribution to defined contribution plan:

(All amounts are in ₹ lakh, unless otherwise stated)

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Employer's Contribution to Provident Fund/ Pension Fund	416.03	393.46
Employer's Contribution to Employee State Insurance	21.72	26.83
Employer's Contribution to Employee Welfare Fund	0.38	0.33
Total	**438.13**	**420.62**

Note : Employers contribution towards various Defined Contribution Plans of ₹ 438.13 lakh (March 31, 2022 : ₹420.62 Rs. lakh) has been recognised in Standalone Statement of Profit & Loss and ₹ 57.95 lakh (March 31, 2022 : ₹ 56.15 lakh) in R&D expenditure.

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

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

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

ii) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 45 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the standalone statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

c) The following tables summarize the components of net benefit expense recognised in the Standalone Statement of profit and loss and the funded status and amounts recognised in the standalone balance sheet for the defined benefit plan (viz. gratuity and compensated absences).Leave encashment include earned leaves and sick leaves. These have been provided on accrual basis, based on year end actuarial valuation.

Particulars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
Present value of obligation as at the beginning of the year	1,609.67	1,481.50
Acquisition adjustment	-	-
Add: Interest cost	101.98	89.24
Add: Current service cost	148.39	162.08
Add: Past service cost	-	-
Less: Benefits paid	(67.87)	(93.50)
Add: Actuarial (gain) / loss	(107.15)	(29.65)
Present value of obligation as at the end of the year	**1,685.02**	**1,609.67**

d) Components of expenses recognised in the standalone statement of profit or loss in respect of:

Particulars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
Current service cost	148.39	162.08
Past service cost	-	-
Interest cost	1.70	10.42
Return on plan assets	-	-
Actuarial (gain) / loss	-	-
Expenses recognised in profit/loss (Refer Note Below)	**150.09**	**172.50**

Note : Gratuity expense of ₹ 150.10 lakh (March 31, 2022 : ₹ 172.50 lakh) includes ₹ 13.86 lakh (March 31, 2022 : ₹ Nil) on account of R&D expenditure which is debited under "Other Expenses".

(All amounts are in ₹ lakh, unless otherwise stated)

e) Components of expenses recognised in the other comprehensive income in respect of:

Particulars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
Actuarial (gains) / losses	-	-
- changes in demographic assumptions	(42.33)	-
- changes in financial assumptions	(52.16)	(28.93)
- experience variance	(12.66)	(0.73)
Return on plan assets, excluding amount recognised in net interest expense	(7.62)	(56.92)
Component of defined benefit costs recognised in other comprehensive income	**(114.77)**	**(86.58)**

Note:

(i) The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income

f) Changes in the fair value of the plan assets are as follows:

Partculars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
Fair value of plan assets at the beginning	1,523.91	1,271.34
Acquisition adjustment	-	-
Add: Investment income	100.27	78.82
Add: Expected return on plan assets	-	56.92
Add: Employer's contribution	85.76	210.33
Add: Employee's contribution	-	-
Less: Benefits paid	(67.87)	(93.50)
Add: Actuarial gains / (losses) on the plan assets	7.62	-
Fair value of plan assets at the end	**1,649.69**	**1,523.91**

g) The principal assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
Economic assumptions		
1 Discount rate	7.26%	6.58%
2 Rate of increase in compensation levels	10.00%	10.00%
Demographic assumptions		
1 Expected average remaining working lives of employees (years)	20.43	21.79
2 Retirement Age (years)	58	58

(All amounts are in ₹ lakh, unless otherwise stated)

3	Mortality Rate		**Indian Assured Lives Mortality (2012-14) (modified) ultimate**
Withdrawal Rate			
1	Ages up to 30 Years	20.00%	29.00%
2	Ages from 30-44	20.00%	29.00%
3	Above 44 years	20.00%	29.00%

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

h) Net (assets) / liabilities recognized in the Standalone Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

Particulars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
Present value of obligation	1,685.02	1,609.67
Fair value of plan assets	1,649.69	1,523.91
Net (assets) / liability	**35.33**	**85.76**
Classification into long term and short term:		
- Classified as long term	-	-
- Classified as short term	35.33	85.76
Total	**35.33**	**85.76**

i) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

Particulars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
A. Discount rate		
Effect on defined benefit obligation due to 1% increase in Discount Rate	(51.96)	(71.67)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	55.61	78.29
B. Salary escalation rate		
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	54.30	67.71
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(53.01)	(67.00)

C. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Further, there are no changes in current year from the previous corresponding period in the methods and assumptions used in preparing the sensitivity analysis.

(All amounts are in ₹ lakh, unless otherwise stated)

j) Maturity profile of defined benefit obligation is as follows:

Particulars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
1 year	253.88	253.88
2 to 5 years	1,057.47	879.49
More than 5 years	723.77	1,171.81

k) Enterprise best estimate of contribution during next year is ₹ 151.35 lakh (March 31, 2022: ₹ 147.07 lakh).

l) There is no change in the method used in the preparing the sensitive analysis from prior years.

Note 38 : Related Party Transactions

(a) List of Related Parties

Nature of Relationship	Name of the Related Party
Associate Company	a) Relan Industrial Finance Limited
Joint Ventures	a) Exhaust Technology Private Limited
	b) Uddipt Mobility India Private Limited
Key Managerial Personnel	a) Shri Kishan N Parikh (Chairman)
	b) Smt Sharda Relan (Co-Chairperson)
	c) Shri Ajay Relan (Managing Director)
	d) Shri Aashim Relan (Chief Executive Officer)
	e) Shri Ashok Kumar Bhattacharya (Director)
	f) Shri Satindar Kumar Lambah (Director)
	g) Shri Udayan Banerjee (Director)
	h) Shri Nitin Vishnoi (WTD & Company Secretary)
	i) Smt Sarita Dhuper (Director)
	j) Shri Srinivasan Narasimhan (CFO) up to 14.11.22
	k) Shri Puru Aggarwal (President & Group CFO) w.e.f 01.09.22
	l) Shri Vivek Bhatia (President & Group CFO) (up to 30-03-21)
Relatives of Key Managerial Personnel	a) Smt Mala Relan (spouse of Managing Director)
	b) Smt Aashita Relan (Daughter of Managing Director)
	c) Smt Indira Chowdhry (Mother in law of Managing Director)
Entities where Directors/Close family members of Directors having control	a) Sharda Enterprises
	b) Sharda Auto Solutions Private Limited
	c) A.N.I Hospitality LLP
	d) Sharda CSR Foundation Trust
	e) AMR AI Digital Private Limited

(All amounts are in ₹ lakh, unless otherwise stated)

(b) Disclosures of Related Parties

(i) Joint Ventures

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sale of Finished Goods	31.14	3,437.99
Purchase of Goods	29.06	233.36
Investment in Equity Shares	-	1,000.07

Closing Balances

Particulars	As At March 31, 2023	As At March 31, 2022
Trade Receivable	33.95	268.52
Other Receivable	13.44	9.06
Trade Payable	36.59	273.23

(ii) Entities over which KMP has significant influence

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Purchase of Fixed Assets	1.21	-
CSR Expenditure paid	55.09	7.00

(iii) Key Management Personnel

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Remuneration Paid	844.09	635.47
Salary Paid	317.35	265.18
Reimbursement of Expenses	12.42	23.66
Sitting Fee Paid	24.30	17.80
Dividend Paid	1,539.83	496.91

Closing Balances

Particulars	As At March 31, 2023	As At March 31, 2022
Trade Payable - Payable to KMP	165.36	42.59

(iv) Relative of Key Management Personnel

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salary Paid	15.36	15.36
Dividend Paid	241.50	77.93

Closing Balances

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Trade Payable - Payable to KMP	0.17	0.17

(All amounts are in ₹ lakh, unless otherwise stated)

(c) **Disclosures of Material Transactions :** Related Parties having more than 10% interest in each transaction in the ordinary course of business

(i) **Joint Ventures**

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sale of Finished Goods		
Exhaust Technology Private Limited	31.14	3,437.99
Purchase of Goods		
Exhaust Technology Private Limited	29.06	233.36
Balance Payable		
Exhaust Technology Private Limited	36.59	273.23
Balance Receivable		
Exhaust Technology Private Limited	45.22	276.67

(ii) **Entities over which KMP has significant influence**

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Purchase of Fixed Assets		
AMR AI Digital Private Limited	1.21	-
CSR Expenditure Paid		
Sharda CSR Foundation Trust	55.09	7.00

(iii) **Key Management Personnel**

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Remuneration Paid		
Ajay Relan	792.41	588.32
Nitin Vishnoi	51.68	46.43
Salary Paid		
Aashim Relan	144.61	144.60
Srinivasan Narasimhan	33.12	78.22
Puru Aggarwal	48.74	-
Puru Aggarwal*	90.88	-
Reimbursement of Expenses		
Puru Aggarwal	5.80	-
Srinivasan Narasimhan	6.62	8.62
Sitting Fee Paid		
Kishan N Parikh	6.85	4.00
Ashok Kumar Bhattacharya	6.50	3.80
Udayan Banerjee	6.50	4.40
Sarita Dhuper	3.00	1.20
Dividend Paid		
Ajay Relan	1,415.77	456.87
Aashim Relan	124.06	40.04
Balance Payable		
Ajay Relan	120.17	25.17
Puru Aggarwal	40.80	-

** After appointment as CFO as per Company's Act, 2013*

(All amounts are in ₹ lakh, unless otherwise stated)

(iv) Relative of Key Management Personnel

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Dividend Paid		
Mala Relan	212.24	68.49

d) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free.

e) The remuneration of Key managerial Personnel does not include amount in repect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for Company as whole on the basis of acturial valuation.

Note 39 : Lease Liabilities

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

Note 39A : Right-of-Use Assets

Particulars	Land	Land & Building	Vehicle	Total
Gross Carrying Amount				
As at April 01, 2021	**1,049.84**	-	**119.03**	**1,168.87**
Add: Additions made during the year	-	-	66.88	**66.88**
Less: Disposals / adjustments during the year	-	-	-	**-**
As at March 31, 2022	**1,049.84**	**-**	**185.91**	**1,235.75**
Add: Additions made during the year	-	1,449.10	-	**1,449.10**
Less: Disposals / adjustments during the year	-	-	132.11	**132.11**
As at March 31, 2023	**1,049.84**	**1,449.10**	**53.80**	**2,552.74**
Accumulated depreciation and impairment				
As at April 01, 2021	**110.88**	-	**11.90**	**122.78**
Add: Depreciation charge for the year	55.36	-	40.79	**96.15**
Less: On disposals / adjustments during the year	-	-	-	**-**
As at March 31, 2022	**166.24**	**-**	**52.69**	**218.93**
Add: Depreciation charge for the year	56.67	93.37	15.49	**165.53**
Less: On disposals / adjustments during the year	-	-	37.76	**37.76**
As at March 31, 2023	**222.91**	**93.37**	**30.42**	**346.70**
Net carrying amount				
As at March 31, 2023	**826.93**	**1,355.73**	**23.38**	**2,206.04**
As at March 31, 2022	**883.60**	**-**	**133.22**	**1,016.82**

Notes:

a) Leasehold Land representing the properties taken on lease for plants having lease terms between 20 to 35 years.

b) Leasehold Land & Building representing the properties taken on lease for plant at chakan having lease terms of 10 years.

c) Leasehold vehicle representing the vehicles taken on lease for offices having lease terms of 5 years.

(All amounts are in ₹ lakh, unless otherwise stated)

d) The Company also has certain leases with lease terms of 12 months or less. The Company has applied the 'short-term lease' recognition exemptions for these leases.

e) The company has not booked any impairement charges for Right of Use of Assets for the year ended as at March 31, 2023 and also as at March 31, 2022.

Note 39B : Lease Liabilities

Movements in carrying value of recognised liabilities

As at April 01, 2021	**1,189.95**
Add: Additions during the year	67.07
Add: Interest expense on lease liabilities	111.25
Less: (Disposals) / adjustments during the year	-
Less: Repayment of lease liabilities	121.49
As at March 31, 2022	**1,245.65**
Add: Additions during the year	1,400.92
Add: Interest expense on lease liabilities	168.00
Less: (Disposals) / adjustments during the year	116.04
Less: Repayment of lease liabilities	234.30
As at March 31, 2023	**2,464.23**

	As At March 31, 2023	As At March 31, 2022
Non-current lease liabilities	2,358.75	1,184.55
Current lease liabilities	105.48	61.10
Total lease liabilities	**2,464.23**	**1,245.65**

The maturity analysis of lease liabilities is given in Note 45 in the 'Liquidity risk' section.

Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flows from financing activities includes the payment of interest and the principal portion of lease liabilities on net basis.

There are no leases commited which have not yet commenced as on reporting date.

Note 40: Contingent Liabilities and Commitments

(a) Contingent Liabilities (to the extent not provided for)

I The Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the below contingent liabilities.

Particulars	As At March 31, 2023	As At March 31, 2022
i) Disputed State Tax Matters	665.38	665.38
ii) Disputed Service Tax Matters	16.96	16.96
iii) Disputed GST Matters	24.37	24.37
iv) Disputed Income Tax Matters	385.00	397.61
v) Disputed Central Excise Matters	440.00	440.00

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
vi) Bill discounting	3,524.85	2,773.57
vii) Dispute with Vendor	132.25	6.96
viii) Disputed EPFA demand	18.31	-
ix) Others	-	6.86
II Irrevocable Letter of credit outstanding wiith Banks		
i) With Foreign LC	2,054.71	1,635.89
ii) With Inland LC	8,723.28	2,504.30

Note: Letter of Credit above includes amount relating to outstanding of under LC/Buyer's Credit/ DRUL bills under collection:

Foreign LC - March 31, 2023 : ₹154.77 Lakh (March 31, 2022 : Nil)

Inland LC - March 31, 2023 : ₹654.60 lakh (March 31, 2022 : Nil)

(b) Commitments

Particulars	As At March 31, 2023	As At March 31, 2022
Capital Commitment Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of March 31, 2023: ₹ 537.01 lakh (March 31, 2022 : ₹ 273.16 lakh))	589.74	1,874.42
The Company does not have any other long term Commitments or material non cancellable contractual commitments, which may have a material impact on the standalone financial statement.		

Note 41: Particulars of Unhedged Foreign Currency Exposure

	As At March 31, 2023		As At March 31, 2022	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivable	US$ 17.97 lakh	1,476.66	US$ 18.62 lakh	1,405.97
Trade Payables	US$ 35.76 lakh	2,938.20	US$ 45.96 lakh	3,471.14
Trade Payables	EURO 13.99 lakh	1,250.48	EURO 0.07 lakh	5.97
Trade Payables	JPY 0.25 lakh	0.16	JPY 0.25 lakh	0.16

Note 42 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.
2. Major Customer: Revenue from 3 customers (March 31, 2022, 3 customers) of the Company's manufacturing & trading business are ₹ 225,337 lakh (March 31, 2022 ₹ 176,418 lakh) which is more than 10% of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2023 and March 31, 2022.

(All amounts are in ₹ lakh, unless otherwise stated)

Note 43 : Fair value measurements

I Financial instruments

a) Financial instruments by category

Except Investment in tax free bond and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and advances, are measured at amortised cost.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

As at March 31, 2023

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment In tax free bond (Quoted)	-	570.74	-	-	570.74	570.74	-	-	570.74
Investment in mutual funds	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	4,801.80	-	4,801.80	-	-	-	-
Staff advance			-						
Security deposits	-	-	266.70	-	266.70	-	-	-	-
Interest accrued but not due on term deposits	-	-	724.99	-	724.99	-	-	-	-
Interest accrued others	-	-	3.05	-	3.05	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	39,949.18	-	39,949.18	-	-	-	-
Receivable from related parties	-	-	13.44	-	13.44	-	-	-	-
Trade receivables	-	-	33,147.59	-	33,147.59	-	-	-	-
Cash and cash equivalents	-	-	15,725.80	-	15,725.80	-	-	-	-
Other bank balances	-	-	445.36	-	445.36	-	-	-	-
	-	**570.74**	**95,077.91**	**-**	**95,648.65**	**570.74**	**-**	**-**	**570.74**
Financial liabilities not measured at fair value									
Lease Liabilities	-	-	2,464.23	-	2,464.23	-	-	-	-
Security Deposits	-	-	12.79	-	12.79	-	-	-	-
Unpaid dividends	-	-	45.31	-	45.31	-	-	-	-
Trade payables	-	-	51,579.16	-	51,579.16	-	-	-	-
Creditors for capital goods	-	-	1,323.77	-	1,323.77	-	-	-	-
	-	**-**	**55,425.26**	**-**	**55,425.26**	**-**	**-**	**-**	**-**

(All amounts are in ₹ lakh, unless otherwise stated)

As at March 31, 2022

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment In tax free bond (Quoted)	-	623.30	-	-	623.30	623.30	-	-	623.30
Investment in mutual funds	-	5,022.42		-	5,022.42	5,022.42	-	-	5,022.42
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	4,802.92	-	4,802.92	-	-	-	-
Staff advance	-	-	29.99	-	29.99	-	-	-	-
Security Deposits	-	-	199.72	-	199.72	-	-	-	-
Interest accrued but not due on term deposits	-	-	367.47	-	367.47	-	-	-	-
Interest accrued others			3.28		3.28				-
Deposits with original maturity of more than 12 months	-	-	-	-	-	-	-	-	-
Receivable from related parties			9.06		9.06				-
Trade receivables	-	-	27,604.91	-	27,604.91	-	-	-	-
Cash and cash equivalents	-	-	19,340.22	-	19,340.22	-	-	-	-
Other bank balances	-	-	20,415.76	-	20,415.76	-	-	-	-
	-	**5,645.72**	**72,773.33**	**-**	**78,419.05**	**5,645.72**	**-**	**-**	**5,645.72**
Financial liabilities not measured at fair value									
Lease Liabilities	-	-	1,245.65	-	1,245.65	-	-	-	-
Security Deposits	-	-	22.79	-	22.79	-	-	-	-
Unpaid dividends	-	-	31.04	-	31.04	-	-	-	-
Trade payables	-	-	41,543.52	-	41,543.52	-	-	-	-
Creditors for capital goods	-	-	640.93	-	640.93	-	-	-	-
	-	**-**	**43,483.93**	**-**	**43,483.93**	**-**	**-**	**-**	**-**

c) The Company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's board of directors.

d) Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

   Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

   Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

   There have been no transfers in either direction for the year ended 31 March 2023 and 31 March 2022.

e) **Fair value of financial assets and liabilities measured at amortised cost**

   The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

   For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.

(All amounts are in ₹ lakh, unless otherwise stated)

f) Specific Valuation techniques used to value financial instruments include:

Type	Valuation technique	Significant unobservable data	Inter-relationship between fair valuation and significant unobservable data
Investments in mutual fund measured at FVTPL (quoted)	Net asset value ('NAV') technique, as stated by the issuers of these mutual fund units as at Standalone Balance Sheet date	Not Applicable	Not Applicable
Fair Value of security deposits paid & received (Other than perpetual security deposits)	Based on the discounting factor as at reporting date.	Not Applicable*	Not Applicable

***Discount rate used in determining fair value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

Note 44 : Capital Management

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

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

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure. During the year, Company had paid ₹ 8.15 (March 31, 2021: ₹ 2.63) per equity share as final dividend for the year ended March 31, 2022. In addition to the above dividend, subsequant to year end the Directors have recommended the payment of a final dividend of ₹ 17.27 (March 31, 2022: ₹ 8.15) per equity share. The propose dividend is subject to the approval of share holders in the ensuing annual gerneral meeting.

The Company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of total lease laibility less cash and cash equivalents.Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of reporting periods were as follows:

	As At March 31, 2023	As At March 31, 2022
Lease Liability (Refer to note 19)	2,464.23	1,245.65
Less: Cash and cash equivalents (Refer to note 14)	15,725.80	19,340.22
Net debt (A)	(13,261.57)	(18,094.57)
Equity share capital (Refer to note 17)	594.63	594.63
Other equity (Refer to note 18)	77,587.57	59,382.29
Total Capital (B)	78,182.20	59,976.92
Capital and net debt (C=A+B)	**64,920.63**	**41,882.35**
Gearing ratio (A/C)	**-20.43%**	**-43.20%**

(All amounts are in ₹ lakh, unless otherwise stated)

Note 45 : Financial Risk Management objectives and policies

The company’s principal financial liabilities other than derivatives comprise trade and other payables, employees related payables, interest accrued, unpaid dividend, security deposit, capital creditors and others. The main purpose of these financial liabilities is to finance the company’s operations and to provide guarantees to support its operations.

The company’s principal financial assets includes Investment in mutual funds, security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The company's senior level management assess these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

A. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

(i) Trade Receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the company based on credit approvals, establishing credit limits and continuosly monitoring the credit worthiness of the customers, to whom the company grants credit period in the normal course of business inlcuding taking credit insurance against export receivables. The company uses expected credit loss model to assess the impairement loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

(ii) Other Financial Assets: The company maintains exposure in cash & cash equivalents, term deposits with banks, investments, advances and security deposits etc. Credit risk from balances with banks and investment in mutual funds is managed by the Company’s treasury department in accordance with the company’s policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company’s Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the company’s finance committee. The company's maximum exposure to the credit risk as at March 31, 2023 and March 31, 2022 is the carrying value of each class of financial assets.

B. Liquidity risk

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

The Company’s objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

(All amounts are in ₹ lakh, unless otherwise stated)

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

As At March 31, 2023

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
Non derivative financial liabilities					
Creditors for capital goods	1,323.77	-	-	-	1,323.77
Trade payables	51,579.16	-	-	-	51,579.16
Lease Liabilities	68.36	22.52	545.48	1,827.89	2,464.24
Unclaimed dividends	45.31	-	-	-	45.31
Security deposit		-	-	12.79	12.79
	53,016.60	**22.52**	**545.48**	**1,840.68**	**55,425.27**

As At March 31, 2022

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
Non derivative financial liabilities					
Creditors for capital goods	640.93	-	-	-	640.93
Trade payables	41,543.52	-	-	-	41,543.52
Lease Liabilities	59.19	75.16	91.52	1,019.78	1,245.65
Unclaimed dividends	31.04	-	-	-	31.04
Security deposit	-	-	-	22.79	22.79
	42,274.68	**75.16**	**91.52**	**1,042.57**	**43,483.93**

C. <u>Market risk</u>

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The objective of market risk management is to manage and control market risk exposures withing acceptables parameters, while optimising the return. The Board of Directors is responsible for setting up the policies and procedures to manage risks of the company.

i) Foreign Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's funactional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The following tables demonstrate the sensitivity (strengthening or weakening of Indian Rupee) to a reasonably possible change in exchange rates, with all other variables held constant.

Particulars	Changes in exchange rate	Decrease / (Increase) in profit before tax
March 31, 2023	+5%	209.44
	-5%	(209.44)
March 31, 2022	+5%	173.86
	-5%	(173.86)

(All amounts are in ₹ lakh, unless otherwise stated)

Exposure to Currency Risk:

As At March 31, 2023	US$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)*	18.20	-	-	-
Foreign currency exposure not hedged (Buy)	35.76	13.99	0.25	-
Derivative contract outstanding	-	-	-	-

As At March 31, 2022	US$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)	18.62	-	-	-
Foreign currency exposure not hedged (Buy)	19.57	0.003	0.25	-
Derivative contract outstanding	-	-	-	-

*It includes foreign exposure on account of capital advance

Note 46 : Analytical ratios

S. No.	Particulars	Numerator	Denominator	Times/ Percentage	Ratios		% Change	Remarks
					As at March 31, 2023	As at March 31, 2022		
1	Current ratio	Current Assets	Current Liabilities	Times	1.87	1.84	1%	NA
2	Debt-equity ratio	Total Debt (represent lease liability)	Total Equity	Times	0.03	0.02	52%	Movement in Debt-equity ratio is majorly due to increase in lease liability (New Plant)
3	Debt service coverage ratio*	Profit after Tax + Finance Cost in profit and loss account + Depreciation and amortization - Profit on sale of PPE	Finance Cost in profit and loss + Finance Cost Capitalised + Lease and Principal Repayments (Long-term)	Times	104.60	131.87	-21%	NA
4	Return on equity ratio	Profit after Tax	Average Total Equity	Percentage	29.74%	30.90%	-4%	NA
5	Inventory turnover ratio	Revenue from operation	Average Inventory	Times	16.10	16.71	-4%	NA
6	Trade receivables turnover ratio	Revenue from operation	Average Trade Receivables	Times	8.89	7.51	18%	NA
7	Trade payables turnover ratio	Purchase of Raw Material + Purchase of Stock-in-Trade	Average Trade Payables	Times	4.79	4.06	18%	NA
8	Net capital turnover ratio	Revenue from operation	Working Capital (i.e. Current Assets - Current Liabilities)	Times	5.18	5.65	-8%	NA
9	Net profit ratio	Profit after Tax	Revenue from Operation	Percentage	7.61%	7.16%	6%	NA
10	Return on capital employed	Profit before Tax + Finance Cost	Capital employed = Tangible net worth + Total Debts (Including lease liability) + Deferred tax liability	Percentage	34.09%	35.09%	-3%	NA
11	Return on investment**	Interest (Finance Income)	Investment	Percentage	2.56%	2.09%	22%	NA

* Since the company has no borrowings during the year, finance cost represent only lease payment and interest thereon.
** Not annualised.

(All amounts are in ₹ lakh, unless otherwise stated)

Note 47: Sanctioned Working Capital Limits

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

Quarter ended	Value per books of account	Value as per quarterly return/ statement	Discrepancy	Discrepancy details
Inventories				
June 30, 2022	12,734.02	14,146.32	1,412.30	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of Goods in Transit.
September 30, 2022	19,034.83	18,484.62	-550.21	
December 31, 2022	18,682.40	18,398.93	-283.47	
March 31, 2023	20,407.11	19,847.94	-559.17	

Quarter ended	Value per books of account	Value as per quarterly return/ statement	Discrepancy	Discrepancy details
Trade receivables (Net of related party receivables)				
June 30, 2022	29,047.22	31,634.67	2,587.45	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of transactions not reported such as debit note and credit not etc.
September 30, 2022	31,465.89	32,095.33	629.44	
December 31, 2022	30,183.45	30,996.77	813.32	
March 31, 2023	33,196.52	36,497.12	3,300.60	

Quarter ended	Value per books of account	Value as per quarterly return/ statement	Discrepancy	Discrepancy details
Trade Payables (Net of related party payables)				
June 30, 2022	47,775.94	42,331.14	-5,444.80	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of transactions not reported such as debit and credit note etc.
September 30, 2022	56,735.31	54,045.81	-2,689.50	
December 31, 2022	53,799.71	46,404.81	-7,394.90	
March 31, 2023	51,542.57	50,651.79	-890.78	

Note 48:

Pursuant to transfer pricing legislations under the Income-tax Act, 1961, the Company is required to use specified methods for computing arm's length price in relation to specified international transactions with its associated enterprises. Further, the Company is required to maintain prescribed information and documents in relation to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed.The Company is in the process of updating its transfer pricing documentation for the current financial year. Based on the preliminary assessment, the management is of the view that the update would not have a material impact on the tax expense recorded in these standalone financial statements.

(All amounts are in ₹ lakh, unless otherwise stated)

Accordingly, these standalone financial statements do not include any adjustments for the transfer pricing implications, if any.

Note 49:

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

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

Note 50: Disclosure of transactions with struck off companies

The company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial years.

Note 51:

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

  (a) Crypto Currency or Virtual Currency

  (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

  (c) Registration of charges or satisfaction with Registrar of Companies except charges mentioned in note 21(ii) of the standalone financial statements.

  (d) Relating to borrowed funds:

    i) Wilful defaulter

    ii) Utilisation of borrowed funds & share premium

    iii) Borrowings obtained on the basis of security of current assets

    iv) Discrepancy in utilisation of borrowings

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

(Puru Aggarwal)
President &
Group Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

Date : May 18, 2023
Place : New Delhi

SHARDA
MOTOR INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHARDA MOTOR INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Sharda Motor Industries Limited (**hereinafter referred to as "Parent"**),** its associate company and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Parent, its associate company and joint ventures as at March 31, 2023, the consolidated Profit (consolidated financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the Parent, its associate company and joint ventures 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
1.	**Capitalization of Property, Plant and Equipment** During the year ended March 31, 2023, the Company has incurred capital expenditure for property, plant and equipment. Judgement is involved to ensure that the capital expenditure meet the recognition criteria of Ind AS 16 – "Property, Plant and Equipment". Further, there is a risk that the elements of costs that are ineligible for capitalization in accordance with the recognition criteria provided in Indian Accounting Standard 16 - "Property, Plant and Equipment" are capitalized. As a result, the aforesaid matter was determined to be a key audit matter	**Our audit procedures for testing of capitalization of cost included, but were not limited to the following:** • Understood, evaluated and tested the design and operating effectiveness of key controls relating to capitalization of various costs incurred in relation to Property Plant and Equipment • Performed test of details with focus on those items that we considered significant due to their amount or nature and tested a number of items capitalized during the year against underlying supporting documents to ascertain nature of costs and whether they meet the recognition criteria provided in the Ind AS 16, Property, Plant and Equipment in this regard • Tested the other costs charged to Statement of Profit and Loss, to ascertain whether these meet the criteria for capitalization. Our procedures as mentioned above did not identify any costs that had been inappropriately capitalized.
2.	**Evaluation of uncertain tax positions and disputed matters** Contingent liabilities arising from uncertain tax positions and disputed matters since these involve significant judgment by the Company to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements.	**Our audit procedure included the following:** • Understood, assessed and tested the design, implementation and operating effectiveness of key controls over taxes; • Obtained an understanding of key tax matters; • read and analyzed select key correspondences, external legal opinions/ consultations obtained by the Company for key tax matters; • evaluated and challenged key assumptions made by the Company in estimating the current and deferred tax balances; • Assessed and tested the presentation and disclosures relating to taxes in the standalone financial statements.

Information other than Consolidated Financial Statements and Auditor's Reports thereon

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

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

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

When we read the annual report, If we conclude that, there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Parent including its associate company and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Parent, its associate company and joint ventures are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies are also responsible for overseeing their financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 Parent, its associate company and joint ventures which are companies incorporated in India, has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events

or conditions that may cast significant doubt on the ability of the Parent, its associate company and joint ventures 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 consolidated 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 Parent, its associate company and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Parent, its associate company joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities consolidated in the consolidated financial statements, which have been audited by other auditors, such other auditors are responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

a) The consolidated financial statements include the Parent's share of net profit (including other comprehensive income) of ₹ 11.46 lakh for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of an associate company and a joint venture company, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities is based solely on the reports of the other auditor and the procedures performed by us are as stated in paragraph above.

   Our opinion on the consolidated financial results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

b) The consolidated financial statements include the Parent's share of net profit (including other comprehensive income) of ₹ 279.41 lakh for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of a joint ventures, which have not yet been audited. These financial statements have been certified by the respective management and furnished to us by the Parent's Management. Our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on such management certified financial statement. In our opinion and according to the information and explanations given to us by the Management, the financial statement is not material to the parent.

   Our opinion on the consolidated financial results is not modified in respect of the above matter with respect to our reliance on the management certified financial information.

c) The Financial Statements of the Company for the year ended March 31, 2022 have been audited by the predecessor auditor who have expressed an unmodified opinion dated May 27, 2022 on such financial statements

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in the paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/"CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Parent and CARO reports issued by respective statutory auditors of its associate and one joint venture which have been included in the consolidated financial statements of the Company & to which reporting under CARO is applicable, we report that there are no remarks in these CARO reports.
2. As required by Section 143(3) of the Act, based on our audit we report that:
   I. 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 of the aforesaid consolidated financial statements.
   II. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
   III. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   IV. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   V. On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of associate company and two joint venture companies incorporated in India, none of the directors of the Parent, its associate company and two joint ventures companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
   VI. With respect to the adequacy of the internal financial controls with reference to financial statements of the Parent, an associate company and two joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
   VII. 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:
      a) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Parent, its associate company and two joint ventures companies- Refer Note No. 19 and 37 to the consolidated financial statements.
      b) The parent company, its associate company and two joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, its associate company and two joint ventures companies incorporated in India.
      d) (i). The respective Managements of the parent, its associate and two joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associate and two joint ventures have reported that, to the best of their knowledge and belief, as disclosed in the Note 49 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the parent or any of such associate and two joint

ventures to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the parent or any of such associate and two joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii). The respective Managements of the parent, its associate and two joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associate and two joint ventures have reported that, to the best of their knowledge and belief, as disclosed in the Note 49 to accounts, no funds (which are material either individually or in the aggregate) have been received by the parent or any of such associate and two joint ventures from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the parent or any of such associate and two joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii). Based on audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the associate and a joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement.

e) (i). The final dividend proposed in the previous year, declared and paid by the parent during the year is in compliance with section 123 of the Act to the extent it applies to payment of dividend. In respect of an associate and two joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, no dividend has been paid by them during the year; and

(ii). As stated in note 45 to the consolidated financial statements, the Board of Directors of the parent have proposed final dividend for the year which is subject to the approval of members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. In respect of an associate and two joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, no dividend has been declared by them.

f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 01, 2023, reporting under this clause is not applicable

3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the Parent and associate company has paid remuneration to its directors during the year is in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act. In respect of two joint ventures companies, section 197 of the Companies Act, 2013 is not applicable since none of the Company is a Public Company as per definition given under section 2(71) of the Act.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number: 083689
UDIN: 23083689BGWOCT9010

Place of Signature: New Delhi
Date: May 18, 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENT OF SHARDA MOTOR INDUSTRIES LIMITED

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

In conjunction with our audit of the consolidated financial statements of Sharda Motor Industries Limited (hereinafter referred to as “the Parent”) as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of the Parent, its associate companies, and joint venture which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Parent’s internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls With reference to financial statements

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

Opinion

In our opinion, the Parent, its associate companies and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Parent, in so far as it relates to two associate companies and one joint venture, which are companies incorporated in India, is based on the corresponding report of the auditor of such associates companies and joint venture incorporated in India.

For S.R. Dinodia & Co. LLP
Chartered Accountants,
Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN: 23083689BGWOCU6264

Place of Signature: New Delhi
Date: May 18, 2023

SHARDA
MOTOR INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	Note No	As At March 31, 2023	As At March 31, 2022
I. Assets			
Non-current assets			
(a) Property, plant and equipment	4	18,663.64	14,545.49
(b) Capital work in progress	5	3.41	5.00
(c) Right-of-use assets	39A	2,206.04	1,016.82
(d) Other Intangible assets	6	1,223.67	68.39
(e) Financial assets			
(i) Investment in Associate & Joint Venture	7A	2,402.39	2,111.52
(ii) Other investments	7B	2.73	3.85
(iii) Other financial assets	8	386.76	199.72
(f) Deferred tax assets (net)	9	675.50	519.50
(g) Non-current tax asset (net)	10	731.42	617.38
(h) Other non-current assets	11	603.53	287.62
Total non-current assets		**26,899.09**	**19,375.29**
Current assets			
(a) Inventories	12	20,407.11	13,141.20
(b) Financial assets			
(i) Investments	7C	570.74	5,645.72
(ii) Trade receivables	13	33,147.59	27,604.91
(iii) Cash and cash equivalents	14	15,725.80	19,340.22
(iv) Bank balances other than (iii) above	15	445.36	20,415.76
(v) Other financial assets	8	40,570.60	409.80
(c) Other current assets	11	1,126.24	539.70
(d) Asset held for sale	16	-	100.66
Total current assets		**1,11,993.44**	**87,197.97**
Total assets		**1,38,892.53**	**1,06,573.26**
II. Equity and liabilities			
Equity			
(a) Equity share capital	17	594.63	594.63
(b) Other equity	18	75,190.89	56,694.74
Total equity		**75,785.52**	**57,289.37**
Liabilities			
Non- current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19	2,358.75	1,184.55
(ii) Other financial liabilities	20	12.79	22.79
(b) Provisions	21	866.81	780.61
Total non- current liabilities		**3,238.35**	**1,987.95**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19	105.48	61.10
(ii) Trade payables	22		
- Total outstanding dues of micro and small enterprises		2,163.16	384.77
- Total outstanding dues of creditors other than micro and small enterprises		49,416.00	41,158.75
(iii) Other financial liabilities	20	1,369.08	671.97
(b) Other current liabilities	23	6,052.61	4,393.25
(c) Provisions	21	762.33	626.10
Total current liabilities		**59,868.66**	**47,295.94**
Total liabilities		**63,107.01**	**49,283.89**
Total equity and liabilities		**1,38,892.53**	**1,06,573.26**
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these Consolidated financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689
UDIN : 23083689BGWOCT9010

Date : May 18, 2023
Place : New Delhi

For & on behalf of Board of Directors of Sharda Motor Industries Limited

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

(Puru Aggarwal)
President &
Group Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

SHARDA
MOTOR INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ lakh, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	24	2,69,993.58	2,25,531.32
II	Other income	25	4,173.65	2,953.61
III	**Total income (I+II)**		**2,74,167.23**	**2,28,484.93**
IV	**Expenses**			
	(a) Cost of materials consumed	26	2,09,941.01	1,77,135.53
	(b) Purchases of stock-in-trade	27	6,485.26	4,721.37
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	28	(41.55)	(1,247.54)
	(d) Employee benefits expense	29	9,844.82	9,236.64
	(e) Finance costs	30	191.22	147.50
	(f) Depreciation and amortization expense	31	4,627.19	4,065.09
	(g) Other expenses	32	15,588.03	12,906.55
	Total expenses		**2,46,635.98**	**2,06,965.14**
V	**Profit before share of profit/(loss) of associate and joint Ventures and exceptional items and tax (III-IV)**		**27,531.25**	**21,519.79**
VI	Share of profit/(loss) of associate (net of tax)		11.46	(17.85)
VII	Share of profit/(loss) of joint venture (net of tax)		279.41	(1,210.13)
VIII	**Profit before exceptional items and tax (V+VI+VII)**		**27,822.12**	**20,291.81**
IX	**Exceptional items**		-	-
X	**Profit before tax (VIII-IX)**		**27,822.12**	**20,291.81**
XI	**Tax expense:**	9		
	(a) Current tax		7,205.00	5,672.00
	(b) Deferred tax		(184.89)	(169.58)
	(c) Income tax for earlier Year		(31.39)	(132.12)
	Total tax expense		**6,988.72**	**5,370.30**
XII	**Profit for the year (X-XI)**		**20,833.40**	**14,921.51**
XIII	**Other comprehensive income**			
A.	**Items that will not be reclassified to profit or loss**	**33**		
	- Re-measurement gains/ (losses) on defined benefit plans		114.77	86.57
	- Income tax on items that will not be reclassified to profit or loss		(28.89)	(21.79)
(B)	**Items that will be reclassified to proflt or loss and taxes thereon**		-	-
	Total other comprehensive income for the year, net of tax		**85.88**	**64.78**
XIV	**Total comprehensive income for the year, net of tax (XII+XIII)**		**20,919.28**	**14,986.29**
XV	**Earnings per share: (Face value ₹ 2 per share)**	**34**		
	1) Basic (amount in ₹)		70.07	50.19
	2) Diluted (amount in ₹)		70.07	50.19
	Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these Consolidated financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

For & on behalf of Board of Directors of Sharda Motor Industries Limited

(Sandeep Dinodia)
Partner
Membership No. 083689
UDIN : 23083689BGWOCT9010

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 18, 2023
Place : New Delhi

(Puru Aggarwal)
President &
Group Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

SHARDA
MOTOR INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ lakh, unless otherwise stated)

A. Equity Share Capital*	Amount
Balance as at April 01, 2021	594.63
Changes during the year	-
Balance as at March 31, 2022	594.63
Changes during the year	-
Balance as at March 31, 2023	**594.63**

B. Other Equity**

	Reserve & Surplus			
	Capital Reserve	**General Reserve**	**Retained Earnings**	**Total**
Balance as at April 01, 2021	**0.20**	**21,025.68**	**21,464.51**	**42,490.39**
Profit for the year	-	-	14,921.51	**14,921.51**
Add : Other comprehensive income for the year, net of tax ***	-	-	64.78	**64.78**
Payment of Final Dividend for the F/Y 2020-21	-	-	(781.94)	**(781.94)**
Balance as at March 31, 2022	**0.20**	**21,025.68**	**35,668.86**	**56,694.74**
Profit for the year	-	-	20,833.40	**20,833.40**
Add : Other comprehensive income for the year, net of tax ***	-	-	85.88	**85.88**
Payment of Final Dividend for the F/Y 2021-22	-	-	(2,423.13)	**(2,423.13)**
Balance as at March 31, 2023	**0.20**	**21,025.68**	**54,165.01**	**75,190.89**

*** For details, refer note no. 17**

**** For details, refer note no. 18**

Summary of Significant Accounting Policies 3

The accompanying notes form an integral part of these Consolidated financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689
UDIN : 23083689BGWOCT9010

Date : May 18, 2023
Place : New Delhi

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

(Puru Aggarwal)
President &
Group Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

SHARDA MOTOR INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	27,822.12	20,291.81
Adjustments for:		
Share of (Profit)/loss in Associate and joint ventures	(290.87)	1,227.98
Depreciation and amortization expense	4,627.20	4,065.09
Finance cost	168.00	147.50
Interest income	(2,573.45)	(1,323.90)
Loss / (Gain) on lease termination	(9.41)	-
Loss / (Gain) on sale of Investments	(331.13)	34.03
Provision for doubtful debts	(6.75)	87.11
Loss / (Gain) on disposal of property, plant and equipment (net)	(854.00)	(911.54)
Assets Written off	9.88	-
Fair value Loss/ (gain) on investments at FVTPL (Net)	24.77	7.43
Unrealized loss/(gain) on foreign exchange (net)	(1.84)	(84.62)
Operating profit / (loss) before adjustments	**28,584.52**	**23,540.89**
Movement in working capital:		
Decrease/(increase) in inventories	(7,265.91)	715.59
Decrease/(increase) in trade receivables	(5,522.97)	4,882.37
Decrease/(increase) in other financial assets	(40,160.80)	193.23
Decrease/(increase) in other assets	(1,089.49)	2.50
Increase/(decrease) in trade payables	10,024.52	(5,473.49)
Increase/(decrease) in other liabilities	1,659.36	737.14
Increase/(decrease) in other financial liabilities	687.11	10.02
Increase/(decrease) in provisions	368.59	278.09
Cash generated from operating activities	**(12,715.07)**	**24,886.34**
Income Tax (paid)/ refund	(7,319.04)	(5,708.40)
Net cash from operating activities - (A)	**(20,034.11)**	**19,177.94**
B CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of PPE including capital work-in-progress, & Intangible Assets	(10,265.54)	(3,569.76)
Proceeds from disposal of property, plant and equipment, and Intangible Assets	1,416.35	2,199.19
Payments for purchase of investments	-	(22,363.00)
Proceeds from sale of investments	5,354.67	17,389.74
Bank deposits (made)/realised	19,970.40	(1,413.19)
Interest received	2,573.45	1,548.44
Net cash used in investing activities - (B)	**19,049.33**	**(6,208.58)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(168.00)	(46.78)
Cash payments of lease liability	(66.30)	(100.72)
Dividend paid (including taxes)	(2,423.13)	(781.94)
Net cash used in financing activities - (C)	**(2,657.43)**	**(929.44)**
Effect of fair Value changes on Cash & Cash Equivalents (investment in Liquid Fund) - (D)	**27.79**	**-**
Net increase / (decrease) in cash and cash equivalents - (A+B+C+D)	**(3,614.42)**	**12,039.92**
Cash and cash equivalents at the beginning of the year	19,340.22	7,300.30
Cash and cash equivalents at the end of the year [refer note 14]	**15,725.80**	**19,340.22**

The accompanying notes form an integral part of these Consolidated financial statements

Note:

i) The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7-"Statement of cash flow".

ii) Cash and cash equivalents consist of cash in hand and balances with scheduled banks in current accounts or deposits with original maturity of three months or less (refer note 14).

iii) For components of cash and cash equivalents refer note no.14.

iv) Cash flows from operating activities include ₹ 269.15 lakh (March 31, 2022: ₹ 206.94 lakh) being expenses towards Corporate Social Responsibility initiatives.

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689
UDIN : 23083689BGWOCT9010

Date : May 18, 2023
Place : New Delhi

For & on behalf of Board of Directors of Sharda Motor Industries Limited

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

(Puru Aggarwal)
President &
Group Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

SHARDA
MOTOR INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

Note 1: Corporate Information

Sharda Motor Industries Limited ("the Parent Company") was incorporated on January 29, 1986 under the Companies Act, vide Current Registration Number L74899DL1986PLC023202. The Parent Company is currently listed with Bombay Stock Exchange and National Stock Exchnage. It is primarily engaged in the manufacturing and assembly of Auto Components. The Parent Company serves as a 'Tier I' vendor for some of the major Automobiles and Electronics Original Equipment Manufacturers (OEMs). It has got manufacturing facilities across various locations in four states of India. The Parent Company's production range includes Exhaust Systems, Catalytic Convertors, Suspension Systems and Sheet metal components for the Automotive.

Note 2: Basis of preparation of Consolidated Financial statements

2.1 Statement of Compliance:

Statement of Compliance: The Consolidated Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

The Consolidated financial statements were authorized for issue by the Parent Company's Board of Directors on May 18, 2023.

2.2 Basis of preparation and presentation:

Basis of Preparation and presentation: The Consolidated financial statements are comprises of the financial statement of the parent company and its 1 associate and 2 joint ventures as follows:

Name of Company	Relationship	% of Holding
Relan Industrial Finance Limited	Associate	47.12%
Exhaust Technology India Private Limited	Joint Ventures	50%
Uddipt Mobility India Private Limited	Joint Ventures	74%

These consolidated financial statements are prepared based on Equity Method and under the historical cost convention except for certain financial assets and liabilities that are measured at fair value or amortised cost.

All assets and liabilities have been classified as current or non-current according to the Parent Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the parent company has ascertained its operating cycle as twelve months for the purpose of current, non-current classification of assets and liabilities.

Functional and Presentation Currency

The Consolidated financial statements are presented in ₹ which is its functional & presentational currency and all values are rounded to the nearest lakh upto two decimal places except otherwise stated.

2.3 Basis of Consolidation and Equity Accounting:

(i) Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (iii) below), after initially being recognised at cost.

(ii) Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures are accounted for using the equity method of accounting (see note(iii) below), after initially being recognised at cost in the consolidated balance sheet.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

(iv) To the extent possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s individual financial statements. Inconsistency, if any, between the accounting policies of the associates and joint ventures have been disclosed in the notes to accounts.

2.4 Going concern:

The board of directors have considered the financial position of the parent company at March, 31 2023 and the projected cash flows and financial performance of the parent company for at least twelve months from the date of approval of these consolidated financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the parent company's operations.

The principal accounting policies are set out below.

2.5 Use of estimates and judgments:

The preparation of consolidated financial statements is in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the consolidated financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The parent company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the parent company. Such changes are reflected in the assumptions when they occur. Also, the parent company has made certain judgements in applying accounting policies which have an effect on amounts recognized in the consolidated financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements:

- useful life of Property, plant and equipment
- useful life of Intangible assets
- provisions and contingent liabilities
- income taxes
- lease classification and judgement regarding whether an arrangement contain a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023:

- measurement of defined benefit obligations: key actuarial assumptions
- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources
- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate.

2.6 Measurement of fair values:

A number of the parent company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The parent company has an established control framework with respect to measurement of fair values. The directors are responsible for overseeing all significant fair value measurements, including Level 3 fair values. Directors regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the parent company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The parent company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

2.7 Operating cycle:

All assets and liabilities have been classified as current or non-current according to the parent company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the parent company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.8 Recent accounting pronouncements notified by Ministry of Corporate Affairs are as under:-

Ministry of Corporate Affairs ("MCA") notifies amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, which are as below. The effective date for adoption of this amendment are from annual periods beginning on or after April 01, 2023:

- **Amendment to Ind AS 1- Presentation of Financial Statements :** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The parent company does not expect this amendment to have any significant impact in its consolidated financial statements.
- **Amendment to Ind AS 8- Accounting Policies, Change in Accounting Estimates and Errors:** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The parent company does not expect this amendment to have any significant impact in its consolidated financial statements.
- **Amendment to Ind AS 12- Income Taxes:** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The parent company is evaluating the impact, if any, in its consolidated financial statements.

2.9 Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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Note 3: Summary of Significant accounting policies

3.1 Revenue from Contract with Customer

The parent company manufactures and trades variety of auto components products. Revenue from contract with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding the amount collected on behalf of third parties(for example, taxes and duties collected on behalf of government) and net of returns & discounts.

Revenue is recognised either at a point in time or over time, when (or as) the parent company satisfies performance obligations by transferring the promised goods or services to its customers.

The parent company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the parent company considers the effect of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer (if any).

The parent company assesses its revenue arrangements against specific recognition criterion like exposure to significant risks & rewards associated with the sale of goods or services. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the parent company and its customers are reviewed to determine each party's respective role in the transaction.

Revenue from Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. The sales are accounted for net of trade discount, sales tax and sales return. Export sales are recognized at the time of the clearance of goods and approval of Goverment authorities. Sale includes revision in prices received from customers with retrospective effect.

Rendering of Services

Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

Variable consideration

If the consideration in a contract includes a variable amount as per Ind AS 115, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Warranty obligations

The Company generally provides for warranties for general repair of defects that existed at the time of sale. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets).

Dividend and Interest Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

3.2 Property, Plant and Equipment (PPE):

Items of PPE are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress includes cost of property, plant and equipment (including related expenditure) under installation/under development and that are not ready for their intended use as at the consolidated balance sheet date.

An items of property, plant and equipment is derecognised upon disposal or when no future economic benifits are expected to arise from continous use of assets. Any gain or loss on disposal or retirement of an item of property, plant and equipment determined as the difference between the sale proceeds and the carrying amount of assets are recognised in consolidated profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company, its cost can be measured reliably with the carrying amount of the replaced part getting derecognised and there is increase of future benefits from the existing asset beyond previously assessed standard of performance. The cost for day-to-day servicing of property, plant and equipment are recognised in consolidated statement of profit and loss as and when incurred.

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset, if any, after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. (as applicable)

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS.

Depreciation: Depreciation is provided on pro-rata basis using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II based on the technical estimate made by the management in order to reflect the actual usage of assets.

Asset	Estimated Useful Life (Years)	Useful Life as per Companies Act, 2013 (Years)
Plant & Machinery	20	15
Electrical Fittings	15	10
Tools & Dies	10	Not Specified

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%.

3.3 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware), Technical Know-How and Guidance Fee. Computer software which is acquired separately, is recognized initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the consolidated balance sheet date.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

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

Amortisation method and useful lives: Intangible assets other than Technical Know-How and Guidance Fee are amortized on a straight line basis over the estimated life of three years and Technical Know-How and Guidance Fee is amortised on straight line method over the estimated life of 6 years from the date of capitalisation.

3.4 Research & Development Costs:

a) The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. However, expenditure on development activities, whereby research findings are applied to a future plan or design for the production of new or substantially improved products and process and has got future benefits is capitalized. Such capitalization includes cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the assets for its intended use.

b) Capitalized development expenditure is stated at cost less accumulated depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company’s Policy.

3.5 Non- Current Assets Held for Sale;

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognized immediately in the consolidated statement of profit and loss.

Non-current assets or disposal groups comprising of assets and liabilities are classified as ‘held for sale’ when all of the following criteria’s are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Non-current assets held for sale are not depreciated or amortised.

3.6 Borrowing costs:

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Consolidated Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to acquisition or construction or production of qualifing assets, which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

3.7 Foreign currencies translations:

Functional and presentational currency

The Company's consolidated financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. The consolidated financial statements are presented in (₹) Rupees, which is the functional currency of the Company and all values are rounded to the nearest lakh with two decimals except otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the year are recognised in consolidated statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in consolidated statement of profit or loss on net basis.

The parent company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were those of parent company itself. Monetary assets and liabilities denominated in foreign currencies as at the Consolidated Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in consolidated statement of profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.8 Inventories:

Raw material, Consumable Stores and spare parts are valued at lower of cost or net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the enterprise from the Concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Work in progress, manufactured finished goods and traded goods are valued at lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Stock in transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. The comparison of cost and net realizable value is made on an item-by-item basis.

3.9 Leases:

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. However, If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expensesin the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to consolidated profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.10 Employee Benefits:

Short Term Employee Benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in consolidated statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Post-Employment Benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund and employee state insurance are a defined contribution scheme and contributions paid/payable towards these funds are recognised as an expense in the consolidated statement of profit and loss during the year in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

The liability or asset recognised in the consolidated balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in consolidated profit or loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in consolidated statement of profit or loss as past service cost.

Other Long Term Employee Benefits

Liabilities for leave encashment / compensated absences which are not expected to be settled wholly within the operating cycle after the end of the year in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the consolidated statement of profit or loss.

3.11 Provisions, Contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the consolidated balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Litigations: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the consolidated statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the consolidtaed statement of profit and loss as a finance cost.

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

Contingent assets are neither recognised nor disclosed. However,when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each consolidated balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

3.12 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Initial Recognition and Classification

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. A financial asset is initially recognised at fair value, however, trade receivables that do not contain a significant financing component are measured at transaction price. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the consolidated statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit and loss (FVTPL)

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

Financial Asset carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Impairment of financial assets

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

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows "simplified approach" for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss.

Write-off: The gross carrying amount of a financial asset is written off or written down appropriately when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's consolidated Balance Sheet) when: (i) The contractual rights to receive cash flows from the asset has expired, or (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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(b) Financial liabilities and equity instruments

Classification of Debt and Equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and in accordance with Ind AS 109 "Financial Instruments" read with Ind AS 32 "Financial Instruments Presentation".

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liability- Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

Subsequent Measurement

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

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

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

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference (if any) in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.13 Impairment of Non-Financial Assets:

The carrying amounts of the Company's non-financial assets, are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the higher of its value in use or its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of consolidated profit and loss except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Impairment losses recognised in prior periods are assessed at end of each reporting date for any indications that the impairment loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal is recognised in the statement of consolidated profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.14 Income Taxes:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any. Income tax expense represents the sum of current tax and deferred tax.

Current tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

3.15 Operating segment:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company's CODM.

3.16 Cash and cash equivalents:

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

3.17 Dividends

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.18 Earnings per share (EPS):

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

3.19 New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

a) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Below is a summary of such amendments :

Ind AS 16, Property, Plant and Equipment	Proceeds before intended use of property, plant and equipment The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).
Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets	Onerous Contracts - Cost of fulfilling a contract The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.
Ind AS 103, Business combinations	References to the conceptual framework The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.
Ind AS 109, Financial Instruments	Fees included in the 10% test for derecognition of financial liabilities The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
Ind AS 101, First-time adoption	Subsidiary as a first-time adopter Simplifies the application of Ind AS 101 by a subsidiary that becomes a first time adopter after its parent in relation to the measurement of cumulative translation differences.
Ind AS 41, Agriculture	Taxation in fair value measurements The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

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Note 4 : Property, Plant and Equipment

Particulars	Land-Freehold	Land-Leasehold	Plant & Machinery	Building	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount:										
As at April 01, 2021	**650.47**	**530.63**	**27,241.40**	**4,566.39**	**254.68**	**350.11**	**88.56**	**981.99**	**821.52**	**35,485.75**
Add: Additions made during the year	-	-	2,401.64	15.45	15.38	100.39	2.96	56.62	367.43	**2,959.87**
Less: Disposals / adjustments during the year	-	-	2,169.94	58.17	6.40	6.88	0.70	55.98	34.38	**2,332.45**
As at March 31, 2022	**650.47**	**530.63**	**27,473.10**	**4,523.67**	**263.66**	**443.62**	**90.82**	**982.63**	**1,154.57**	**36,113.17**
Add: Additions made during the year	-	-	7,627.16	27.05	56.32	150.03	64.86	210.27	844.28	**8,979.97**
Less: Other Adjustments	-	-	1,727.72	390.63	59.47	15.25	28.66	174.23	19.78	**2,415.74**
Less: Disposals / adjustments during the year	79.89	16.05	621.75	-	1.47	13.07	0.26	0.06	18.22	**750.77**
As at March 31, 2023	**570.58**	**514.58**	**32,750.79**	**4,160.09**	**259.04**	**565.33**	**126.76**	**1,018.61**	**1,960.85**	**41,926.63**
Accumulated depreciation and amortization										
As at April 01, 2021	**-**	**36.73**	**14,976.83**	**1,929.30**	**202.18**	**249.72**	**71.75**	**672.78**	**550.20**	**18,689.49**
Add: Depreciation/Amortization for the year	-	6.25	3,438.96	253.63	19.91	70.88	3.83	54.09	75.44	**3,922.99**
Less: On disposals / adjustments during the year	-	-	944.85	25.21	5.09	3.97	0.44	41.39	23.85	**1,044.80**
As at March 31, 2022	**-**	**42.98**	**17,470.94**	**2,157.72**	**217.00**	**316.63**	**75.14**	**685.48**	**601.79**	**21,567.68**
Add: Depreciation/Amortization for the year	-	5.42	3,744.47	246.75	21.47	104.27	11.87	63.39	192.61	**4,390.25**
Less: Other Adjustments	-	-	1,727.72	390.63	59.47	15.25	28.66	174.23	19.78	**2,415.74**
Less: On disposals / adjustments during the year	-	6.17	247.05	-	1.07	11.15	0.24	0.04	13.48	**279.20**
As at March 31, 2023	**-**	**42.23**	**19,240.64**	**2,013.84**	**177.93**	**394.50**	**58.11**	**574.60**	**761.14**	**23,262.99**
Net carrying amount										
As at March 31, 2023	**570.58**	**472.35**	**13,510.15**	**2,146.25**	**81.11**	**170.83**	**68.65**	**444.01**	**1,199.71**	**18,663.64**
As at March 31, 2022	**650.47**	**487.65**	**10,002.16**	**2,365.95**	**46.66**	**126.99**	**15.68**	**297.15**	**552.78**	**14,545.49**

Notes:

a) Hypothecation of movable assets including Plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for their working capital facilities.

b) Refer note no. 40, for disclosure of capital comittment for acquisition of property, plant and equipment.

c) All the title deeds of immovable properties are held in the name of the parent company.

d) The Lease agreement of the leasehold land is in the name of the parent company.

Note 5 : Capital Work In Progress

	As At March 31, 2023	As At March 31, 2022
Balance at the beginning of the year	5.00	10.65
Add: Addition made during the year	-	3.48
Less: Capitalised/adjustments during the year	1.59	9.13
Balance at the end of the year	**3.41**	**5.00**

a) **Breakup of capital work in progress is as follows:**	As At March 31, 2023	As At March 31, 2022
Plant & Machinery	3.41	5.00
	3.41	**5.00**

(All amounts are in ₹ lakh, unless otherwise stated)

b) Ageing schedule of CWIP as at March 31, 2023 and as at March 31, 2022:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	-	3.41	-	-	3.41
	(3.48)	(1.52)	-	(-)	(5.00)
(ii) Projects temporarly Suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

Figures in bracket represents figures for the year ended March 31, 2022.

c) There are no capital-work-in progress as at March 31, 2023 and as at March 31, 2022 whose completion is overdue or has exceeded its cost as compared to its original plan.

Note 6 : Other Intangible Assets

Particulars	Computer Software	Technical Knowhow	Total
Gross carrying amount:			
As at April 01, 2021	**359.30**	**1,201.74**	**1,561.04**
Add: Additions during the year	23.97	-	23.97
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2022	**383.27**	**1,201.74**	**1,585.01**
Add: Additions during the year	43.27	1,183.43	1,226.70
Less: Other Adjustments	9.01	-	9.01
Less: Disposals / adjustments during the year	6.55	-	6.55
As at March 31, 2023	**410.98**	**2,385.17**	**2,796.15**
Accumulated Amortisation and impairment			
As at April 01, 2021	**268.94**	**1,201.74**	**1,470.68**
Add: Amortisation for the year	45.94	-	45.94
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2022	**314.88**	**1,201.74**	**1,516.62**
Add: Amortisation for the year	48.18	23.24	71.42
Less: Other Adjustments	9.01	-	9.01
Less: On disposals / adjustments during the year	6.55	-	6.55
As at March 31, 2023	**347.50**	**1,224.98**	**1,572.48**
Net carrying amount			
As at March 31, 2023	**63.48**	**1,160.19**	**1,223.67**
As at March 31, 2022	**68.39**	**-**	**68.39**

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(All amounts are in ₹ lakh, unless otherwise stated)

Note 7A : Investments (Non-Current)

Investment in Associates and Joint Ventures		As At March 31, 2023	As At March 31, 2022
I - Investment in Associate			
(Investment Measured at cost)			
In equity shares of Associate (Unquoted, Fully paidup)			
Relan Industrial Finance Limited: 490,000 (March 31, 2022: 490,000) having face value of ₹ 10 each*		324.48	313.02
	(I)	**324.48**	**313.02**
II - Investment in Joint Venture			
(Investment Measured at cost)			
In equity shares of Joint Venture (Unquoted, Fully paidup)			
Unquoted			
Exhaust Technology Private Limited: 47,500,000 (March 31, 2022: 47,500,000) having face value of ₹ 10 each*		2,077.91	1,798.50
Uddipt Mobility India Private Limited: 740 (March 31, 2022: 740) having face value of ₹ 10 each*		-	-
	(II)	**2,077.91**	**1,798.50**
	(I+II)	**2,402.39**	**2,111.52**

** The number of shares in note above represents absolute numbers.*

Information about Associate & Joint Ventures

Name of the Company	Country of Incoporation	Principal Activities	Proportion (%) of equity interest	
			As At March 31, 2023	As At March 31, 2022
Associate				
Relan Industrial Finance Limited	India	Service provider of investments	47.12	47.12
Joint Ventures				
Exhaust Technology India Private Limited	India	Manufacturing of exhaust systems	50.00	50.00
Uddipt Mobility India Private Limited	India	Manufacturing of batteries	74.00	74.00

Note 7B : Investments (Non-Current)

Investment in Others	As At March 31, 2023	As At March 31, 2022
Investment in Equity Shares of other		
Unquoted, fully paid up		
27,300 (March 31, 2022: 38,500) Equity shares of ₹ 10 each of Windage Power Company Private Limited*	2.73	3.85
	2.73	**3.85**

** The number of units in note above represents absolute numbers.*

(All amounts are in ₹ lakh, unless otherwise stated)

Note 7C : Investments (Current)

Investment in Others	As At March 31, 2023	As At March 31, 2022
(Measured at fair value through profit or loss)		
Investment In Tax Free Bond (Quoted)		
- 50 (March 31,2022: 50) units NHAI 2030 - Tax free Bond*	570.74	623.30
Investment In Mutual Fund (Quoted)		
- Nil units (March 31,2022: 4,492,582.847) units ICICI Pru Equity Arbitrage Fund Reg (G)*	-	1,000.65
- Nil units (March 31,2022: 4,969,913.962) units Kotak Equity Arbitrage Fund (G)*	-	1,501.40
- Nil units (March 31,2022: 3,668,275.907) units SBI Arbitrage Opp Fund Reg (G)*	-	1,000.65
- Nil units (March 31,2022: 14,975,355.700) units TATA Arbitrage Fund (G)*	-	1,501.31
- Nil units (March 31,2022: 98,966.537) units Kotak equity Saving Fund Reg (G)*	-	18.41
	570.74	**5,645.72**

** The number of units in note above represents absolute numbers.*

Aggregate book value of unquoted investments	2,405.12	2,115.37
Aggregate book value of quoted investments	570.74	5,645.72
Aggregate Market value of quoted investments	570.74	5,645.72
Aggregate value of impairment in the value of investment	-	-

Note 8 : Other Financial Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Security deposits *(Refer to note 'a' below)*	266.70	199.72	-	-
Bank Deposits with original maturity of more than 12 months *(refer to note 15)*	115.00	-	39,834.18	-
Interest accrued on fixed deposits	5.06	-	719.93	367.47
Staff Advance	-	-	-	29.99
Interest accrued others	-	-	3.05	3.28
Receivable from related parties *(Refer to note 'b' below)*	-	-	13.44	9.06
	386.76	**199.72**	**40,570.60**	**409.80**

a) Security deposits are not in the nature of loans hence classified as part of other financial assets.

b) For detailed related party disclosures, refer note 38.

(All amounts are in ₹ lakh, unless otherwise stated)

Note 9 : Income Tax

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Consolidated Statement of profit and loss:

Profit or loss section

	As At March 31, 2023	As At March 31, 2022
Tax Expense:		
a) Current tax	7,205.00	5,672.00
b) Adjustments in respect of relating to earlier years	(31.39)	(132.12)
c) Deferred tax	(184.89)	(169.58)
Income tax expense reported in the consolidated statement of profit or loss	**6,988.72**	**5,370.30**

OCI section

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

	As At March 31, 2023	As At March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	28.89	21.79
Income tax charged to OCI	**28.89**	**21.79**

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022.

	As At March 31, 2023	As At March 31, 2022
Accounting profit before income tax	**27,822.12**	**20,291.81**
At India's statutory income tax rate of 25.168% (March 31, 2022: 25.168%)	7,002.27	5,107.04
Adjustments in respect of current income tax of previous years	(31.39)	(132.12)
Tax effect of the amounts which are Non-deductible/ (taxable) for tax purposes:		
Expenses not deducted for tax purposes	7.33	66.85
Income exempted from income tax	(9.14)	(40.18)
Impact of tax at different tax rate and Others	(6.13)	-
Income deductable from income tax	19.30	-
Investment in Associate	(2.88)	4.49
Investment in Joint Ventures	(70.32)	304.57
Others	79.68	59.65
At the income tax rate of 25.168% (March 31, 2022: 25.168%)	**6,988.72**	**5,370.30**
Income tax expense reported in the consolidated statement of profit and loss	**6,988.72**	**5,370.30**
Variance	-	-

(All amounts are in ₹ lakh, unless otherwise stated)

b) Deferred tax:

		Balance Sheet	
		As At March 31, 2023	As At March 31, 2022
Deferred tax assets relates to the following:			
Property, plant and equipment		425.31	257.93
Provision for employee benefits		207.76	184.29
Right to use assets		-	1.37
Lease Liabilities		620.20	70.25
Fair valuation of mutual fund		-	1.94
Others		-	3.72
	(A)	**1,253.27**	**519.50**
Deferred tax liability relates to the following:			
Right to use assets		555.22	-
Fair valuation of mutual fund		12.32	-
Others		10.23	-
	(B)	**577.77**	**-**
Total deferred tax assets/(liabiities) (Net)	(A-B)	**675.50**	**519.50**

c) The movement between net deferred tax assets /(liabilities) is as under :

	As At April 01, 2022	Recognised in Consolidated Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2023
Deferred tax assets relates to the following:				
Property, plant and equipment	257.93	167.38	-	425.31
Provision for employee benefits	184.29	52.36	(28.89)	207.76
Right to use assets	1.37	(1.37)	-	-
Lease Liabilities	70.25	549.95	-	620.20
Fair valuation of mutual fund	1.94	(1.94)	-	-
Others	3.72	(3.72)	-	-
	519.50	**762.66**	**(28.89)**	**1,253.27**
Deferred tax liability relates to the following:				
Right to use assets	-	555.22	-	555.22
Fair valuation of mutual fund	-	12.32	-	12.32
Others	-	10.23	-	10.23
	-	**577.77**	**-**	**577.77**
Total deferred tax assets/ (liabities) (Net)	**519.50**	**184.89**	**(28.89)**	**675.50**

(All amounts are in ₹ lakh, unless otherwise stated)

	As At April 01, 2021	Recognised in Consolidated Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2022
Deferred tax assets relates to the following:				
Property, plant and equipment	84.94	172.99	-	257.93
Provision for employee benefits	231.94	(25.86)	(21.79)	184.29
Lease Liabilities	44.91	25.34	-	70.25
Right to use assets	7.74	(6.38)	-	1.37
Fair valuation of mutual fund	-	1.94	-	1.94
Others	5.66	(1.93)	-	3.72
	375.19	**166.10**	**(21.79)**	**519.50**
Deferred tax liability relates to the following:				
Right to use assets	-	-	-	-
Fair valuation of mutual fund	3.48	(3.48)	-	-
Others	-	-	-	-
	3.48	**(3.48)**	**-**	**-**
Total deferred tax assets/(liabiities) (Net)	**371.71**	**169.58**	**(21.79)**	**519.50**

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

Note 10 : Non-Current Tax Asset

	As At March 31, 2023	As At March 31, 2022
Advance Tax	731.42	617.38
[Net of provision for income tax of ₹ 22,204.72 lakh (March 31, 2022 : ₹ 19,398.95 lakh)]		
	731.42	**617.38**

Note 11 : Other Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2023	**As At March 31, 2022**	**As At March 31, 2023**	**As At March 31, 2022**
Capital advances (refer note 'b' below)	537.01	273.16	-	-
Balance with Government Authorities	-	-	67.44	184.07
Advances to Suppliers	-	-	324.92	59.63
Advances to Employees	-	-	32.96	-
Prepaid Expenses	66.52	14.46	245.17	288.90
Other Receivable (refer note 'a' below)	-	-	455.75	7.10
	603.53	**287.62**	**1,126.24**	**539.70**

Notes:

a) Other Receivables of ₹ 455.75 lakh (March 31, 2022 ₹ 7.10 lakh) includes GST Recoverable on accrual basis of ₹ 450.47 lakh (March 31, 2022 ₹ Nil) and balance pertains to staff impreset account etc.

(All amounts are in ₹ lakh, unless otherwise stated)

b) Details of Capital commitment is as follows:

Particulars	As At March 31, 2023	As At March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts, net of capital advance.	589.74	1,874.42
	589.74	1,874.42

Note 12: Inventories

	As At March 31, 2023	As At March 31, 2022
Raw Materials	15,717.06	8,930.99
Raw Materials - In Transit	545.13	194.80
Work In Progress	2,984.24	3,646.75
Finished Goods	661.39	-
Finished Goods in Transit	42.67	-
Stores and Spares	456.62	368.66
	20,407.11	**13,141.20**

Notes:

a) The mode of valuation of inventories has been stated in note 3.8.

b) Inventories have been pledged to secure cash credit facilities from banks. Parent Company is not allowed to pledge these assets as security for other borrowings.

Note 13 : Trade Receivables

	As At March 31, 2023	As At March 31, 2022
Secured, Considered Good	-	-
Unsecured, Considered Good	33,147.59	27,604.91
Unsecured, Considered credit impaired	82.87	87.11
	33,230.46	27,692.02
Less: Impairment allowance (allowance for bad and doubtful debts)		
Considered credit impaired	82.87	87.11
	33,147.59	**27,604.91**

a) Trade Receivables Ageing as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Outstanding but not due	Less than 6 months	6 months - to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	30,338.39	2,777.89	-	31.31	-	-	33,147.59
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	17.13	37.45	10.15	18.14	82.87
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**30,338.39**	**2,777.89**	**17.13**	**68.76**	**10.15**	**18.14**	**33,230.46**
Less: Impairment allowance for trade receivable - credit impaired	-	-	17.13	37.45	10.15	18.14	82.87
Net Trade Receivables	**30,338.39**	**2,777.89**	**-**	**31.31**	**-**	**-**	**33,147.59**

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(All amounts are in ₹ lakh, unless otherwise stated)

b) Trade receivables ageing schedule as at March 31, 2022:

Particulars	Outstanding for following periods from due date of payment						Total
	Outstanding but not due	Less than 6 months	6 months - to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	26,074.89	630.28	897.52	-	-	2.22	27,604.91
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	31.34	32.62	22.61	0.54	87.11
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**26,074.89**	**630.28**	**928.86**	**32.62**	**22.61**	**2.76**	**27,692.02**
Less: Impairment allowance for trade receivable - credit impaired	-	-	31.34	32.62	22.61	0.54	87.11
Net Trade Receivables	**26,074.89**	**630.28**	**897.52**	**-**	**-**	**2.22**	**27,604.91**

c) Trade receivables have been pledged to secure cash credit facilities from banks.

d) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

e) The parent company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 45.

f) The above includes amount due from related parties is ₹ 33.95 lakh (March 31, 2022: ₹ 268.52 lakh) (Refer note 38).

g) No trade or other receivables are due from directors or other officers of the Parent Company either severally or jointly with any other persons.

Note 14 : Cash and Cash Equivalents

	As At March 31, 2023	As At March 31, 2022
Balances with banks:		
- on current accounts	1,195.52	1,759.54
- on EEFC accounts	0.28	0.55
- deposits with original maturity of less than 3 months (Refer note 'a' below)	1,700.00	17,580.00
Cash on hand	0.33	0.13
Liquid Mutual Fund		
- 25,253.524 units (March 31,2022: NIL) units HDFC Liquid Fund-Regular Plan (G)*	1,107.11	-
- 6,98,150.903 units (March 31,2022: Nil) units ICICI Pro. liquid fund (G)*	2,308.46	-
- 137496.224 units (March 31,2022: Nil) units SBI liquid fund regular (G)*	4,806.98	-
- 130945.462 units (March 31,2022: Nil) units TATA liquid fund regular (G)*	4,607.12	-
	15,725.80	**19,340.22**

* The number of shares in note above represents absolute numbers.

a) Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Parent Company, and earn interest at the respective short-term deposit rates.

(All amounts are in ₹ lakh, unless otherwise stated)

Note 15 : Bank Balances Other Than Cash and Cash Equivalents

	Non- Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Balances with banks:				
Earmarked balance with banks				
Unpaid dividend account	-	-	45.31	31.04
Deposits with original maturity of more than 3 months but less than 12 months (refer note 'a' below)	-	-	400.05	10,239.72
Deposits with original maturity of more than 12 months (refer note 'a' below)	115.00	-	39,834.18	10,145.00
	115.00	**-**	**40,279.54**	**20,415.76**
Less: Amount disclosed in "Other Financial Assets" (refer note 8)	115.00	-	39,834.18	-
	-	**-**	**445.36**	**20,415.76**

a) The above deposits includes ₹ 210.04 lakh (March 31, 2022 : ₹ 90.53 lakh) which is given against Bank Guarantee to Various Authorities.

Note 16 : Asset Held for Sale

	As At March 31, 2023	As At March 31, 2022
Assets held for sale	-	100.66
	-	**100.66**

Note 17 : Equity Share Capital

	As At March 31, 2023	As At March 31, 2022
Authorised Share Capital		
250,000,000 (March 31, 2022: 250,000,000) equity shares of ₹ 2 each*	5,000.00	5,000.00
Issued, subscribed and fully paid up		
29,731,630* (March 31, 2022: 29,731,630) equity shares of ₹ 2 each*	594.63	594.63
	594.63	**594.63**

*Number of Shares are given in absolute numbers

a) Reconciliation of share capital:

	As At March 31, 2023		As At March 31, 2022	
	No. of Shares*	Amount	No. of Shares*	Amount
Balance as at the beginning of the year	**2,97,31,630**	**594.63**	**2,97,31,630**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2022	**2,97,31,630**	**594.63**	**2,97,31,630**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at the end of the year	**2,97,31,630**	**594.63**	**2,97,31,630**	**594.63**

*Number of Shares are given in absolute numbers

Notes:

(i) The company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per share. The company declares and pays dividends in Indian rupees. Dividend of ₹ 17.27 per equity share was proposed by the Board of Directors during the year (March 31, 2022: ₹ 8.15 per equity share). In the event of liquidation of the company, the holders of equity shares will be entitled

(All amounts are in ₹ lakh, unless otherwise stated)

to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) During the year, no interim dividend (March 31, 2022: ₹ Nil per share) has been recognized as distributions to equity shareholders.

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

Name of Party	As At March 31, 2023		As At March 31, 2022	
	No. of Shares*	Holding %	No. of Shares*	Holding %
Mr. Ajay Relan	1,73,71,380	58.43%	1,73,71,380	58.43%
Mrs. Mala Relan	26,04,130	8.76%	26,04,130	8.76%
Mr. Aashim Relan	15,22,200	5.12%	15,22,200	5.12%

*Number of Shares are given in absolute numbers

d) Disclosure of Shareholdings of Promoter's

Promoter's Name	As at March 31, 2023		As at March 31, 2022		'% Change during the year *
	No. of Shares*	Holding %	No. of Shares*	Holding %	
Mr. Ajay Relan	1,73,71,380	58.43%	1,73,71,380	58.43%	0.00%
Mrs. Mala Relan	26,04,130	8.76%	26,04,130	8.76%	0.00%
Mr. Aashim Relan	15,22,200	5.12%	15,22,200	5.12%	0.00%
Mrs. Indira Chowdhry	2,65,185	0.89%	2,65,185	0.89%	0.00%
Promoter's Name	**As at March 31, 2022**		**As at March 31, 2021**		**'% Change during the year ***
	No. of Shares*	**Holding %**	**No. of Shares***	**Holding %**	
Mr. Ajay Relan	1,73,71,380	58.43%	1,73,71,380	58.43%	0.00%
Mrs. Mala Relan	26,04,130	8.76%	26,04,130	8.76%	0.00%
Mr. Aashim Relan	15,22,200	5.12%	15,22,200	5.12%	0.00%
Mrs. Indira Chowdhry	2,65,185	0.89%	2,65,185	0.89%	0.00%

*Number of Shares are given in absolute numbers

Note 18 : Other Equity

	As At March 31, 2023	As At March 31, 2022
Capital Reserve	0.20	0.20
General Reserve	21,025.68	21,025.68
Retained Earnings	54,165.01	35,668.86
	75,190.89	**56,694.74**

Notes:

I. For Movement during the period in Other Equity, refer "Consolidtaed Statement of Changes in Equity".

II. Nature and purpose of reserves

a) Capital Reserve

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	0.20	0.20

The parent company recognise profit & loss on sale, purchase, cancellation and forfeiture of the parent company's own equity instruments to capital reserve.

(All amounts are in ₹ lakh, unless otherwise stated)

b) General Reserve

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	21,025.68	21,025.68

The Parent Company has transferred a portion of the net profit of the parent company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.Mandatory transfer to general reserve is not required under the Companies Act, 2013.

c) Retained Earnings

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	54,165.01	35,668.86

Retained earnings are the profits that the Parent Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Note 19 : Lease Liabilities

	Non- Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Lease liabilities*	2,358.75	1,184.55	105.48	61.10
	2,358.75	**1,184.55**	**105.48**	**61.10**

* for movement during the year, refer note 39B

Note 20 : Other Financial Liabilities

	Non- Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Security deposit	12.79	22.79	-	-
Unclaimed dividends (refer note (a) below)	-	-	45.31	31.04
Capital Creditors	-	-	1,323.77	640.93
	12.79	**22.79**	**1,369.08**	**671.97**

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2023 (March 31, 2022 : Nil)

Note 21 : Provisions

	Non- Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Provision for Employee Benefits				
Provision for Compensated Absences (refer note 37)	260.98	285.40	197.86	155.14
Provision for Gratuity (refer note 37)	-	-	35.33	85.76
Others				
Provision for Warranty (refer note below)	605.83	495.21	529.14	385.20
	866.81	**780.61**	**762.33**	**626.10**

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(All amounts are in ₹ lakh, unless otherwise stated)

Note: Movement for Provision for Warranty	As At March 31, 2023	As At March 31, 2022
Provision for warranty claim		
Opening Balance	880.41	623.95
Add : Provision made during the year	639.78	535.30
Less : Paid/reversed during the year	385.22	278.84
Balance at the end of the year	**1,134.97**	**880.41**

Note 22 : Trade Payables

	As At March 31, 2023	As At March 31, 2022
- Total outstanding dues of micro and small enterprises	2,163.16	384.77
- Outstanding dues of creditors other than micro and small enterprises	49,416.00	41,158.75
	51,579.16	**41,543.52**

Trade Payables ageing schedule as at March 31, 2023:

Particulars	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 year	>3 year	Total
(i) MSME	2,162.05	-	-	0.17	0.94	-	2,163.16
(ii) Others	32,131.86	7,094.02	7,934.78	-	317.39	1,937.95	49,416.00
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Trade Payables ageing schedule as at March 31, 2022:

Particulars	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 year	>3 year	Total
(i) MSME	384.77	-	-	-	-	-	384.77
(ii) Others	26,871.15	5,692.82	3,455.28	347.95	3,845.19	946.36	41,158.75
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

a) Trade payables are non-interest bearing and are normally settled on 60-day terms (except for MSME). The Parent Company's exposure to currency and liquidity risk related to trade payables is disclosed in note no 41 & note no 45.

b) Trade payable to related parties amount to ₹ 202.12 lakh (March 31, 2022: ₹ 315.99 lakh)

c) The parent company's exposure to currency and liquidity risk related to trade payables is disclosed in note 45.

Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006

	Capital Creditors		Trade Payables		Total Payables	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
- Principal amount due	132.51	640.93	2,146.09	349.72	2,278.60	990.65
- Interest accrued and due on above	5.81	-	17.07	35.05	22.88	35.05
	138.32	**640.93**	**2,163.16**	**384.77**	**2,301.48**	**1,025.70**

		As At March 31, 2023	As At March 31, 2022
(i)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil

(All amounts are in ₹ lakh, unless otherwise stated)

		Capital Creditors		Trade Payables		Total Payables	
		As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
(ii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006				0.03		Nil
(iii)	The amount of interest accrued and remaining unpaid at the end of each accounting year				22.85		71.33
(iv)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006				Nil		Nil

Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Parent Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Parent Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Consolidated Balance Sheet date except disclosed above.

Note 23 : Other Current Liabilities

	As At March 31, 2023	As At March 31, 2022
Advance from customers	1,744.80	967.94
Statutory dues	3,681.17	3,016.78
Provision for Unspent on CSR activities	551.58	337.52
Other Liabilities*	75.06	71.01
	6,052.61	**4,393.25**

* Other Liabilities primarily includes payable on account of reimbursement to employees.

Note 24 : Revenue from Operations

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sale of Product		
- Finished goods	2,59,941.17	2,18,122.33
- Traded goods	6,905.06	4,993.08
	2,66,846.23	2,23,115.41
Sale of services	439.39	228.69
Other Operating Revenues		
- Sale of scrap	2,707.96	2,187.22
- Other		
	2,69,993.58	**2,25,531.32**

Notes:

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

Revenue based on Geography	For the year ended March 31, 2023	For the year ended March 31, 2022
India	2,62,787.66	2,14,420.01

(All amounts are in ₹ lakh, unless otherwise stated)

Outside India	7,205.92	11,111.31
Revenue from operations	**2,69,993.58**	**2,25,531.32**

Revenue by time	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Revenue recognised at point in time	2,69,993.58	2,25,531.32
Revenue recognised over time	-	-
Revenue from operations	**2,69,993.58**	**2,25,531.32**

Revenue based on Customer-wise	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Related Party	24.33	2,924.52
Non- Related Party	2,69,969.25	2,22,606.80
Revenue from operations	**2,69,993.58**	**2,25,531.32**

c) Trade Receivables, Contract Balances

For Trade Receivables, Refer note no. 13.

Further, the Parent Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2023.

Further, the parent company doesn't have any contract liabilities as at March 31, 2023 and March 31, 2022

Unsatisfied performance obligations:

Information about the Parent Company's performance obligations are summarised below:

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer.

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of products and services as at 31 March 2023 and as at March 31, 2022 and expected time to recognise the same as revenue is as follows:

	As At March 31, 2023	**As At March 31, 2022**
Within one year	1,744.80	967.94
More than one year	-	-

(All amounts are in ₹ lakh, unless otherwise stated)

Note 25 : Other Income

		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest Income			
- Fixed deposits with banks		2,531.13	1,132.92
- Income tax refund		-	27.81
- Interest on tax free bond		36.30	159.63
- Others *		6.02	3.54
Profit on sale of current investments designated at FVTPL		331.13	-
Net gain on disposal of property, plant and equipments		854.00	911.54
Net profit on foreign exchange fluctuation		-	84.60
Allowance for Expected Credit Loss written Back	32.16		
Less: Allowance for Expected Credit Loss	(25.41)	6.75	-
Miscellaneous income		408.32	633.57
		4,173.65	**2,953.61**

* Others comprises of interest received on deposits with electricity boards etc.

Note 26 : Cost of Raw Material Consumed

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Raw Material		
Balance at the beginning of the year	8,930.99	10,890.29
Add:- Purchases during the year	2,16,727.08	1,75,176.23
Less:- Balances of raw material at the end of the year	15,717.06	8,930.99
Total Raw Material Consumption	**2,09,941.01**	**1,77,135.53**

Note 27 : Purchase of Stock in Trade

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Purchase of stock in trade	6,485.26	4,721.37
	6,485.26	**4,721.37**

Note 28 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade

		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Inventories at the beginning of the year			
Finished goods		-	-
Work- in- progress		3,646.75	2,399.21
	(A)	**3,646.75**	**2,399.21**
Inventories at the end of the year			
Finished goods		704.06	-
Work- in- progress		2,984.24	3,646.75
	(B)	**3,688.30**	**3,646.75**
(Increase) / Decrease			
Finished goods		(704.06)	-
Work- in- progress		662.51	(1,247.54)
Traded goods		-	-
(Increase) / Decrease in Inventories (A-B)		**(41.55)**	**(1,247.54)**

(All amounts are in ₹ lakh, unless otherwise stated)

Note 29 : Employee Benefits Expense

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries, wages & other benefits	8,563.47	8,075.69
Contribution to provident and other funds (refer note below & note 37)	438.13	420.62
Gratuity (refer note 37)	136.24	172.58
Staff welfare expenses	706.98	567.75
	9,844.82	**9,236.64**
Note: Defined contribution plans		
Amount recognised in consolidated statement of profit & loss*		
Employee state insurance	21.72	26.83
Provident fund	416.03	393.46
Welfare fund	0.38	0.33
	438.13	**420.62**

*This excludes the amount of ₹ 57.95 lakh (March 31, 2022: ₹ 56.15 lakh) on account of research and development which is debited under head "Other Expenses" in Consolidated Statement of profit and Loss.

The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the Group believes the impact of the change will not be significant.

Note 30 : Finance Cost

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest on :		
- lease liabilities	168.00	100.72
- Others	23.22	46.78
	191.22	**147.50**

Note 31 : Depreciation and Amortization Expenses

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation on property, plant and equipment	4,390.25	3,923.00
Amortization of intangible assets	71.41	45.94
Amortisation on right-of-use assets	165.53	96.15
	4,627.19	**4,065.09**

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(All amounts are in ₹ lakh, unless otherwise stated)

Note 32 : Other Expenses

		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Consumable tools		159.63	156.49
Power & fuel		1,130.90	861.41
Hire labour charges		6,012.27	4,437.69
Manufacturing expenses		470.07	428.83
Rent, rates & taxes		110.28	160.21
Repair & maintenance			
-Repair to building		95.66	99.09
-Repair to plant & equipments		669.49	499.06
-Repair others		185.55	168.44
Net loss on foreign exchange fluctuation		355.45	-
Loss/(gain) on sale of current investments designated at FVTPL		-	34.03
Fair value loss/(gain) on current investments designated at FVTPL		24.77	7.43
Royalty fees		154.93	165.98
Research & development expenses (refer note 36)		1,899.80	1,908.55
Travelling & conveyance		685.16	575.48
Insurance		175.47	158.62
Communication cost		57.26	58.45
Director's sitting fee		24.30	17.80
Legal & professional expenses		581.06	448.19
Auditor's remuneration (refer details 'a' below)		30.61	19.82
Corporate Social Responsibility expenses (refer note 35)		269.15	206.94
Provision for Warranty	639.78		
Less: Warranty Provision written back	(362.04)	277.74	535.30
Selling expenses		2.09	1.97
Packing material		399.86	328.69
Freight outward		814.69	687.14
Allowance for Expected Credit Loss		-	87.11
Miscellaneous expenses		1,001.84	853.83
Total		**15,588.03**	**12,906.55**

a) Details of payment made to auditors is as follows:

Payment to Auditors*	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
As Auditor:		
- Statutory audit fee	13.00	13.35
- Tax audit fee	5.00	6.00
- Certification Fees	0.85	-
- Other Service	11.00	-
In Other Capacity:		
- Reimbursement of expenses	0.76	0.32
- Other services	-	0.15
	30.61	**19.82**

* Includes ₹ 2.67 lakh (March 31, 2022: ₹ Nil) pertains to predecessor auditor of the parent company

(All amounts are in ₹ lakh, unless otherwise stated)

Note 33: Components of Other Comprehensive Income

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Items that will not be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	114.77	86.57
Income tax expense on items that will not be reclassified to profit or loss	(28.89)	(21.79)
	85.88	**64.78**

Note 34: Earnings per share (EPS)

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit attributable to the equity shareholders **(A)**	20,833.40	14,921.51
Number/Weighted average number of equity shares outstanding at the end of the year **(B)**	**2,97,31,630**	**2,97,31,630**
Nominal value of Equity shares	₹ 2	₹ 2
Basic/Diluted Earning per share (A/B) (in ₹)	70.07	50.19

Note: 35 Details of Corporate Social Responsibility (CSR) expenditure is as follows:

i) Gross amount required to be spent by the Parent Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 269.15 lakh (March 31, 2022: ₹ 206.94 lakh)

ii) Amount spent during the year

Purpose for which expenditure incurred	Remarks	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
- Construction/acquisitions of any asset		-	-
- On purpose other than (i) above	Payment to 'Sharda CSR Foundation Trust' for incurring CSR Expenditure	55.09	7.00
Amount transferred to unspent account *		214.06	199.94
Amount yet to be spent		-	-
Total		**269.15**	**206.94**

* The Parent Company has created a provision for unspent amount of ₹ 214.06 lakh in FY 2022-23 (March 31, 2022: ₹ 199.94 lakh) and transferred the same in separate bank account on April 21, 2023 and April 27, 2022 respectively as per notification no. G.S.R. 40(E) and January 22, 2021 issued by the ministry of corporate affairs (MCA).

Note: 36 Details of Research & Development Expenses is as follows:

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Research & development expenses include:		
- Purchases	187.40	167.47
- Salary, wages and other allowance	1,098.84	1,041.61
- Contribution to Provident Fund and other Fund	57.95	56.15
- Travelling expenses	68.97	37.26
- Design, development and other expenses	486.64	606.06
	1,899.80	**1,908.55**

(All amounts are in ₹ lakh, unless otherwise stated)

Note 37 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Parent Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Employee Welfare Fund. Under the rules of these schemes, the parent company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the parent company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The parent company during the year recognised the following amount in the Consolidated Statement of profit and loss account under Company's contribution to defined contribution plan:

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Employer's Contribution to Provident Fund/ Pension Fund	416.03	393.46
Employer's Contribution to Employee State Insurance	21.72	26.83
Employer's Contribution to Employee Welfare Fund	0.38	0.33
Total	**438.13**	**420.62**

Note : Employers contribution towards various Defined Contribution Plans of ₹ 438.13 lakh (March 31, 2022 : ₹420.62 Rs. lakh) has been recognised in Consolidated Statement of Profit & Loss and ₹ 57.95 lakh (March 31, 2022 : ₹ 56.15 lakh) in R&D expenditure.

The contribution payable to these schemes by the parent company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

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

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

ii) Compensated absences

The parent company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 45 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the consolidated statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

These plans typically expose the Parent Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

(All amounts are in ₹ lakh, unless otherwise stated)

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Parent Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

c) The following tables summarize the components of net benefit expense recognised in the Consolidated Statement of profit and loss and the funded status and amounts recognised in the consolidated balance sheet for the defined benefit plan (viz. gratuity and compensated absences).Leave encashment include earned leaves and sick leaves. These have been provided on accrual basis, based on year end actuarial valuation.

Partculars	**As at March 31, 2023**	**As at March 31, 2022**
	Gratuity (Funded)	**Gratuity (Funded)**
Present value of obligation as at the beginning of the year	1,609.67	1,481.50
Acquisition adjustment	-	-
Add: Interest cost	101.98	89.24
Add: Current service cost	148.39	162.08
Add: Past service cost	-	-
Less: Benefits paid	(67.87)	(93.50)
Add: Actuarial (gain) / loss	(107.15)	(29.65)
Present value of obligation as at the end of the year	**1,685.02**	**1,609.67**

d) Components of expenses recognised in the consolidated statement of profit or loss in respect of:

Partculars	**As at March 31, 2023**	**As at March 31, 2022**
	Gratuity (Funded)	**Gratuity (Funded)**
Current service cost	148.39	162.08
Past service cost	-	-
Interest cost	1.70	10.42
Return on plan assets	-	-
Actuarial (gain) / loss	-	-
Expenses recognised in consolidated profit/loss (Refer Note Below)	**150.09**	**172.50**

Note : Gratuity expense of ₹ 150.10 lakh (March 31, 2022 : ₹ 172.50 lakh) includes ₹ 13.86 lakh (March 31, 2022 : ₹ Nil) on account of R&D expenditure which is debited under "Other Expenses".

(All amounts are in ₹ lakh, unless otherwise stated)

e) Components of expenses recognised in the other comprehensive income in respect of:

Partculars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
Actuarial (gains) / losses	-	-
- changes in demographic assumptions	(42.33)	-
- changes in financial assumptions	(52.16)	(28.93)
- experience variance	(12.66)	(0.73)
Return on plan assets, excluding amount recognised in net interest expense	(7.62)	(56.92)
Component of defined benefit costs recognised in other comprehensive income	**(114.77)**	**(86.58)**

Note:

(i) The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the consolidated profit or loss.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income

f) Changes in the fair value of the plan assets are as follows:

Partculars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
Fair value of plan assets at the beginning	1,523.91	1,271.34
Acquisition adjustment	-	-
Add: Investment income	100.27	78.82
Add: Expected return on plan assets	-	56.92
Add: Employer's contribution	85.76	210.33
Add: Employee's contribution	-	-
Less: Benefits paid	(67.87)	(93.50)
Add: Actuarial gains / (losses) on the plan assets	7.62	-
Fair value of plan assets at the end	**1,649.69**	**1,523.91**

g) The principal assumptions used for the purpose of the actuarial valuations were as follows:

Partculars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
Economic assumptions		
1 Discount rate	7.26%	6.58%
2 Rate of increase in compensation levels	10.00%	10.00%
Demographic assumptions		
1 Expected average remaining working lives of employees (years)	20.43	21.79
2 Retirement Age (years)	58	58
3 Mortality Rate	**Indian Assured Lives Mortality (2012-14) (modified) ultimate**	
Withdrawal Rate		
1 Ages up to 30 Years	20.00%	29.00%
2 Ages from 30-44	20.00%	29.00%
3 Above 44 years	20.00%	29.00%

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

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(All amounts are in ₹ lakh, unless otherwise stated)

h) Net (assets) / liabilities recognized in the Consolidated Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

Partculars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
Present value of obligation	1,685.02	1,609.67
Fair value of plan assets	1,649.69	1,523.91
Net (assets) / liability	**35.33**	**85.76**
Classification into long term and short term:		
- Classified as long term	-	-
- Classified as short term	35.33	85.76
Total	**35.33**	**85.76**

i) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

Partculars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
A. Discount rate		
Effect on defined benefit obligation due to 1% increase in Discount Rate	(51.96)	(71.67)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	55.61	78.29
B. Salary escalation rate		
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	54.30	67.71
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(53.01)	(67.00)

C. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Further, there are no changes in current year from the previous corresponding period in the methods and assumptions used in preparing the sensitivity analysis.

j) Maturity profile of defined benefit obligation is as follows:

	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
1 year	253.88	253.88
2 to 5 years	1,057.47	879.49
More than 5 years	723.77	1,171.81

Enterprise best estimate of contribution during next year is ₹ 151.35 lakh (March 31, 2022: ₹ 147.07 lakh). There is no change in the method used in the preparing the sensitive analysis from prior years.

Note 38 : Related Party Transactions

(a) List of Related Parties

Nature of Relationship	Name of the Related Party
Associate Company	a) Relan Industrial Finance Limited
Joint Ventures	a) Exhaust Technology Private Limited
	b) Uddipt Mobility India Private Limited

(All amounts are in ₹ lakh, unless otherwise stated)

Nature of Relationship	Name of the Related Party
Key Managerial Personnel	a) Shri Kishan N Parikh (Chairman)
	b) Smt Sharda Relan (Co-Chairperson)
	c) Shri Ajay Relan (Managing Director)
	d) Shri Aashim Relan (Chief Executive Officer)
	e) Shri Ashok Kumar Bhattacharya (Director)
	f) Shri Satindar Kumar Lambah (Director)
	g) Shri Udayan Banerjee (Director)
	h) Shri Nitin Vishnoi (WTD & Company Secretary)
	i) Smt Sarita Dhuper (Director)
	j) Shri Srinivasan Narasimhan (CFO) up to 14.11.22
	k) Shri Puru Aggarwal (President & Group CFO) w.e.f 01.09.22
	l) Shri Vivek Bhatia (President & Group CFO) (up to 30-03-21)
Relatives of Key Managerial Personnel	a) Smt Mala Relan (spouse of Managing Director)
	b) Smt Aashita Relan (Daughter of Managing Director)
	c) Smt Indira Chowdhry (mother in law of Managing Director)
Entities where Directors/Close family members of Directors having control	a) Sharda Enterprises
	b) Sharda Auto Solutions Private Limited
	c) A.N.I Hospitality LLP
	d) Sharda CSR Foundation Trust
	e) AMR AI Digital Private Limited

(b) Disclosures of Related Parties

(i) Joint Ventures

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sale of Finished Goods	31.14	3,437.99
Purchase of Goods	29.06	233.36
Investment in Equity Shares	-	1,000.07

Closing Balances

Particulars	As At March 31, 2023	As At March 31, 2022
Trade Receivable	33.95	268.52
Other Receivable	13.44	9.06
Trade Payable	36.59	273.23

(ii) Entities over which KMP has significant influence

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Purchase of Fixed Assets	1.21	-
CSR Expenditure paid	55.09	7.00

(All amounts are in ₹ lakh, unless otherwise stated)

(iii) Key Management Personnel

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Remuneration Paid	844.09	635.47
Salary Paid	317.35	265.18
Reimbursement of Expenses	12.42	23.66
Sitting Fee Paid	24.30	17.80
Dividend Paid	1,539.83	496.91

Closing Balances

Particulars	As At March 31, 2023	As At March 31, 2022
Trade Payable - Payable to KMP	165.36	42.59

(iv) Relative of Key Management Personnel

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salary Paid	15.36	15.36
Dividend Paid	241.50	77.93

Closing Balances

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Trade Payable - Payable to KMP	0.17	0.17

(c) Disclosures of Material Transactions : Related Parties having more than 10% interest in each transaction in the ordinary course of business

(i) Joint Ventures

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sale of Finished Goods		
Exhaust Technology Private Limited	31.14	3,437.99
Purchase of Goods		
Exhaust Technology Private Limited	29.06	233.36
Balance Payable		
Exhaust Technology Private Limited	36.59	273.23
Balance Receivable		
Exhaust Technology Private Limited	45.22	276.67

(ii) Entities over which KMP has significant influence

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Purchase of Fixed Assets		
AMR AI Digital Private Limited	1.21	-
CSR Expenditure Paid		
Sharda CSR Foundation Trust	55.09	7.00

(All amounts are in ₹ lakh, unless otherwise stated)

(iii) Key Management Personnel

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Remuneration Paid		
Ajay Relan	792.41	588.32
Nitin Vishnoi	51.68	46.43
Salary Paid		
Aashim Relan	144.61	144.60
Srinivasan Narasimhan	33.12	78.22
Puru Aggarwal	48.74	-
Puru Aggarwal*	90.88	-
Reimbursement of Expenses		
Puru Aggarwal	5.80	-
Srinivasan Narasimhan	6.62	8.62
Sitting Fee Paid		
Kishan N Parikh	6.85	4.00
Ashok Kumar Bhattacharya	6.50	3.80
Udayan Banerjee	6.50	4.40
Sarita Dhuper	3.00	1.20
Dividend Paid		
Ajay Relan	1,415.77	456.87
Aashim Relan	124.06	40.04
Balance Payable		
Ajay Relan	120.17	25.17
Puru Aggarwal	40.80	-

** After appointment as CFO as per Company's Act, 2013*

(iv) Relative of Key Management Personnel

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Dividend Paid		
Mala Relan	212.24	68.49

d) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free.

e) The remuneration of Key managerial Personnel does not include amount in repect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for parent company as whole on the basis of acturial valuation.

Note 39 : Lease Liabilities

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

(All amounts are in ₹ lakh, unless otherwise stated)

Note 39A : Right-of-Use Assets

Particulars	Land	Land & Building	Vehicle	Total
Gross Carrying Amount				
As at April 01, 2021	**1,049.84**	-	**119.03**	**1,168.87**
Add: Additions made during the year	-	-	66.88	**66.88**
Less: Disposals / adjustments during the year	-	-	-	**-**
As at March 31, 2022	**1,049.84**	**-**	**185.91**	**1,235.75**
Add: Additions made during the year	-	1,449.10	-	**1,449.10**
Less: Disposals / adjustments during the year	-	-	132.11	**132.11**
As at March 31, 2023	**1,049.84**	**1,449.10**	**53.80**	**2,552.74**
Accumulated depreciation and impairment				
As at April 01, 2021	**110.88**	-	**11.90**	**122.78**
Add: Depreciation charge for the year	55.36	-	40.79	**96.15**
Less: On disposals / adjustments during the year	-	-	-	**-**
As at March 31, 2022	**166.24**	**-**	**52.69**	**218.93**
Add: Depreciation charge for the year	56.67	93.37	15.49	**165.53**
Less: On disposals / adjustments during the year	-	-	37.76	**37.76**
As at March 31, 2023	**222.91**	**93.37**	**30.42**	**346.70**
Net carrying amount				
As at March 31, 2023	**826.93**	**1,355.73**	**23.38**	**2,206.04**
As at March 31, 2022	**883.60**	**-**	**133.22**	**1,016.82**

Notes:

a) Leasehold Land representing the properties taken on lease for plants having lease terms between 20 to 35 years.

b) Leasehold Land & Building representing the properties taken on lease for plant at chakan having lease terms of 10 years.

c) Leasehold vehicle representing the vehicles taken on lease for offices having lease terms of 5 years.

d) The parent company also has certain leases with lease terms of 12 months or less. The parent company has applied the 'short-term lease' recognition exemptions for these leases.

e) The parent company has not booked any impairement charges for Right of Use of Assets for the year ended as at March 31, 2023 and also as at March 31, 2022.

Note 39B : Lease Liabilities

Movements in carrying value of recognised liabilities

As at April 01, 2021	**1,189.95**
Add: Additions during the year	67.07
Add: Interest expense on lease liabilities	111.25
Less: (Disposals) / adjustments during the year	-
Less: Repayment of lease liabilities	121.49
As at March 31, 2022	**1,245.65**
Add: Additions during the year	1,400.92
Add: Interest expense on lease liabilities	168.00
Less: (Disposals) / adjustments during the year	116.04
Less: Repayment of lease liabilities	234.30
As at March 31, 2023	**2,464.23**

	As At March 31, 2023	As At March 31, 2022
Non-current lease liabilities	2,358.75	1,184.55
Current lease liabilities	105.48	61.10
Total lease liabilities	**2,464.23**	**1,245.65**

The maturity analysis of lease liabilities is given in Note 45 in the 'Liquidity risk' section.

Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flows from financing activities includes the payment of interest and the principal portion of lease liabilities on net basis.

There are no leases commited which have not yet commenced as on reporting date.

Note 40: Contingent Liabilities and Commitments

(a) Contingent Liabilities (to the extent not provided for)

I The Parent Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the parent company to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the parent company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Parent Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the parent company. Also, the parent company does not expect any reimbursements in respect of the below contingent liabilities.

Particulars	As At March 31, 2023	As At March 31, 2022
i) Disputed State Tax Matters	665.38	665.38
ii) Disputed Service Tax Matters	16.96	16.96
iii) Disputed GST Matters	24.37	24.37
iv) Disputed Income Tax Matters	385.00	397.61
v) Disputed Central Excise Matters	440.00	440.00
vi) Bill discounting	3,524.85	2,773.57
vii) Dispute with Vendor	132.25	6.96
viii) Disputed EPFA demand	18.31	-
ix) Others	-	6.86
II Irrevocable Letter of credit outstanding wiith Banks		
i) With Foreign LC	2,054.71	1,635.89
ii) With Inland LC	8,723.28	2,504.30

Note: Letter of Credit above includes amount relating to Bills for Collection,
LC with Foreign Banks - March 31, 2023 : ₹154.77 Lakh (March 31, 2022 : Nil)
LC with Indian Banks - March 31, 2023 : ₹654.60 lakh (March 31, 2022 : Nil)

Particulars	As At March 31, 2023	As At March 31, 2022
III Bank Guarantees		
i) Given to Governement Authorities (Net of Bank deposit of ₹ 173.13 lakh (March 31, 2022: ₹ Nil)	-	-
ii) Given to Vendors (Net of Bank deposit of ₹ Nil (March 31, 2022: ₹ Nil)	13.00	-
iii) Given to Others (Net of Bank deposit of ₹ Nil (March 31, 2022: ₹ Nil)	63.64	-

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(All amounts are in ₹ lakh, unless otherwise stated)

(b) Commitments

Particulars	As At March 31, 2023	As At March 31, 2022
Capital Commitment Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of March 31, 2023: ₹ 537.01 lakh (March 31, 2022 : ₹ 273.16 lakh))	589.74	1,874.42

The Parent Company does not have any other long term Commitments or material non cancellable contractual commitments, which may have a material impact on the Consolidated financial statement.

Note 41: Particulars of Unhedged Foreign Currency Exposure

	As At March 31, 2023		As At March 31, 2022	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivable	US$ 17.97 lakh	1,476.66	US$ 18.62 lakh	1,405.97
Trade Payables	US$ 35.76 lakh	2,938.20	US$ 45.96 lakh	3,471.14
Trade Payables	EURO 13.99 lakh	1,250.48	EURO 0.07 lakh	5.97
Trade Payables	JPY 0.25 lakh	0.16	JPY 0.25 lakh	0.16

Note 42 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Parent Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Parent Company's performance, allocates resources based on the analysis of the various performance indicator of the Parent Company as a single unit), the operations of the Parent Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.
2. Major Customer: Revenue from 3 customers (March 31, 2022, 3 customers) of the Parent Company's manufacturing & trading business are ₹ 225,337 lakh (March 31, 2022 ₹ 176,418 lakh) which is more than 10% of the Parent Company's total revenue. No other single customer contributed 10% or more to the Parent Company's revenue for both March 31, 2023 and March 31, 2022.

Note 43 : Fair value measurements

I Financial instruments

a) Financial instruments by category

Except Investment in tax free bond and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and advances, are measured at amortised cost.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the parent company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

(All amounts are in ₹ lakh, unless otherwise stated)

As at March 31, 2023

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment In tax free bond (Quoted)	-	570.74	-	-	570.74	570.74	-	-	570.74
Investment in mutual funds	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	2,405.12	-	2,405.12	-	-	-	-
Staff advance			-						
Security deposits	-	-	266.70	-	266.70	-	-	-	-
Interest accrued but not due on term deposits	-	-	724.99	-	724.99	-	-	-	-
Interest accrued others	-	-	3.05	-	3.05	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	39,949.18	-	39,949.18	-	-	-	-
Receivable from related parties	-	-	13.44	-	13.44	-	-	-	-
Trade receivables	-	-	33,147.59	-	33,147.59	-	-	-	-
Cash and cash equivalents	-	-	15,725.80	-	15,725.80	-	-	-	-
Other bank balances	-	-	445.36	-	445.36	-	-	-	-
	-	**570.74**	**92,681.23**	**-**	**93,251.97**	**570.74**	**-**	**-**	**570.74**
Financial liabilities not measured at fair value									
Lease Liabilities	-	-	2,464.23	-	2,464.23	-	-	-	-
Security Deposits	-	-	12.79	-	12.79	-	-	-	-
Unpaid dividends	-	-	45.31	-	45.31	-	-	-	-
Trade payables	-	-	51,579.16	-	51,579.16	-	-	-	-
Creditors for capital goods	-	-	1,323.77	-	1,323.77	-	-	-	-
	-	**-**	**55,425.26**	**-**	**55,425.26**	**-**	**-**	**-**	**-**

As at March 31, 2022

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment In tax free bond (Quoted)	-	623.30	-	-	623.30	623.30	-	-	623.30
Investment in mutual funds	-	5,022.42		-	5,022.42	5,022.42	-	-	5,022.42
Financial assets not measured at fair value									

(All amounts are in ₹ lakh, unless otherwise stated)

As at March 31, 2022

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Investment in equity shares (Unquoted)	-	-	2,115.37	-	2,115.37	-	-	-	-
Staff advance	-	-	29.99	-	29.99	-	-	-	-
Security Deposits	-	-	199.72	-	199.72	-	-	-	-
Interest accrued but not due on term deposits	-	-	367.47	-	367.47	-	-	-	-
Interest accrued others			3.28		3.28				-
Deposits with original maturity of more than 12 months	-	-	-	-	-	-	-	-	-
Receivable from related parties			9.06		9.06				-
Trade receivables	-	-	27,604.91	-	27,604.91	-	-	-	-
Cash and cash equivalents	-	-	19,340.22	-	19,340.22	-	-	-	-
Other bank balances	-	-	20,415.76	-	20,415.76	-	-	-	-
	-	**5,645.72**	**70,085.78**	**-**	**75,731.50**	**5,645.72**	**-**	**-**	**5,645.72**
Financial liabilities not measured at fair value									
Lease Liabilities	-	-	1,245.65	-	1,245.65	-	-	-	-
Security Deposits	-	-	22.79	-	22.79	-	-	-	-
Unpaid dividends	-	-	31.04	-	31.04	-	-	-	-
Trade payables	-	-	41,543.52	-	41,543.52	-	-	-	-
Creditors for capital goods	-	-	640.93	-	640.93	-	-	-	-
	-	**-**	**43,483.93**	**-**	**43,483.93**	**-**	**-**	**-**	**-**

c) The Parent Company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Parent Company's board of directors.

d) Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers in either direction for the year ended 31 March 2023 and 31 March 2022.

e) **Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

(All amounts are in ₹ lakh, unless otherwise stated)

For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.

f) Specific Valuation techniques used to value financial instruments include:

Type	Valuation technique	Significant unobservable data	Inter-relationship between fair valuation and significant unobservable data
Investments in mutual fund measured at FVTPL (quoted)	Net asset value ('NAV') technique, as stated by the issuers of these mutual fund units as at Consolidated Balance Sheet date	Not Applicable	Not Applicable
Fair Value of security deposits paid & received (Other than perpetual security deposits)	Based on the discounting factor as at reporting date.	Not Applicable*	Not Applicable

***Discount rate used in determining fair value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the parent company and in case of financial asset is the average market rate of similar credit rated instrument. The parent company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

Note 44 : Capital Management

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

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

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The parent company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure. During the year, parent company had paid ₹ 8.15 (March 31, 2021: ₹ 2.63) per equity share as final dividend for the year ended March 31, 2022. In addition to the above dividend, subsequent to year end the Directors have recommended the payment of a final dividend of ₹ 17.27 (March 31, 2022: ₹ 8.15) per equity share. The propose dividend is subject to the approval of share holders in the ensuing annual general meeting.

The Parent Company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of total lease liability less cash and cash equivalents. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of reporting periods were as follows:

	As At March 31, 2023	As At March 31, 2022
Lease Liability (Refer to note 19)	2,464.23	1,245.65
Less: Cash and cash equivalents (Refer to note 14)	15,725.80	19,340.22
Net debt (A)	(13,261.57)	(18,094.57)
Equity share capital (Refer to note 17)	594.63	594.63
Other equity (Refer to note 18)	75,190.89	56,694.74
Total Capital (B)	75,785.52	57,289.37
Capital and net debt (C=A+B)	**62,523.95**	**39,194.80**
Gearing ratio (A/C)	**-21.21%**	**-46.17%**

(All amounts are in ₹ lakh, unless otherwise stated)

Note 45 : Financial Risk Management objectives and policies

The Parent Company's principal financial liabilities other than derivatives comprise trade and other payables, employees related payables, interest accrued, unpaid dividend, security deposit, capital creditors and others. The main purpose of these financial liabilities is to finance the parent company's operations and to provide guarantees to support its operations.

The parent company's principal financial assets includes Investment in mutual funds, security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The parent company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The parent company's senior level management assess these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

A. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the parent company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The parent company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

(i) Trade Receivables

The parent company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the parent company based on credit approvals, establishing credit limits and continuosly monitoring the credit worthiness of the customers, to whom the company grants credit period in the normal course of business inlcuding taking credit insurance against export receivables. The parent company uses expected credit loss model to assess the impairement loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

(ii) Other Financial Assets: The parent company maintains exposure in cash & cash equivalents, term deposits with banks, investments, advances and security deposits etc. Credit risk from balances with banks and investment in mutual funds is managed by the Parent Company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Parent Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the parent company's finance committee. The parent company's maximum exposure to the credit risk as at March 31, 2023 and March 31, 2022 is the carrying value of each class of financial assets.

B. Liquidity risk

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

The Parent Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The parent company closely monitors its liquidity position and deploys a robust cash management system.

(All amounts are in ₹ lakh, unless otherwise stated)

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

As At March 31, 2023

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
Non derivative financial liabilities					
Creditors for capital goods	1,323.77	-	-	-	1,323.77
Trade payables	51,579.16	-	-	-	51,579.16
Lease Liabilities	68.36	22.52	545.48	1,827.89	2,464.24
Unclaimed dividends	45.31	-	-	-	45.31
Security deposit		-	-	12.79	12.79
	53,016.60	**22.52**	**545.48**	**1,840.68**	**55,425.27**

As At March 31, 2022

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
Non derivative financial liabilities					
Creditors for capital goods	640.93	-	-	-	640.93
Trade payables	41,543.52	-	-	-	41,543.52
Lease Liabilities	59.19	75.16	91.52	1,019.78	1,245.65
Unclaimed dividends	31.04	-	-	-	31.04
Security deposit	-	-	-	22.79	22.79
	42,274.68	**75.16**	**91.52**	**1,042.57**	**43,483.93**

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the parent company's income. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The objective of market risk management is to manage and control market risk exposures withing acceptables parameters, while optimising the return. The Board of Directors is responsible for setting up the policies and procedures to manage risks of the parent company.

i) Foreign Currency risk

The Parent Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's funactional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The following tables demonstrate the sensitivity (strengthening or weakening of Indian Rupee) to a reasonably possible change in exchange rates, with all other variables held constant.

Particulars	Changes in exchange rate	Decrease / (Increase) in profit before tax
March 31, 2022	+5%	209.44
	-5%	(209.44)
March 31, 2021	+5%	173.86
	-5%	(173.86)

Exposure to Currency Risk:

As At March 31, 2023	US$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)*	18.20	-	-	-
Foreign currency exposure not hedged (Buy)	35.76	13.99	0.25	-
Derivative contract outstanding	-	-	-	-

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(All amounts are in ₹ lakh, unless otherwise stated)

As At March 31, 2022	US$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)	18.62	-	-	-
Foreign currency exposure not hedged (Buy)	19.57	0.003	0.25	-
Derivative contract outstanding	-	-	-	-

*It includes foreign exposure on account of capital advance

Note 46: Sanctioned Working Capital Limits

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

Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
Inventories				
June 30, 2022	12,734.02	14,146.32	1,412.30	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of Goods in Transit.
September 30, 2022	19,034.83	18,484.62	-550.21	
December 31, 2022	18,682.40	18,398.93	-283.47	
March 31, 2023	20,407.11	19,847.94	-559.17	

Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
Trade receivables (Net of related party receivables)				
June 30, 2022	29,047.22	31,634.67	2,587.45	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of transactions not reported such as debit and credit note etc.
September 30, 2022	31,465.89	32,095.33	629.44	
December 31, 2022	30,183.45	30,996.77	813.32	
March 31, 2023	33,196.52	36,497.12	3,300.60	

Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
Trade Payables (Net of related party payables)				
June 30, 2022	47,775.94	42,331.14	-5,444.80	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of transactions not reported such as debit and credit note etc.
September 30, 2022	56,735.31	54,045.81	-2,689.50	
December 31, 2022	53,799.71	46,404.81	-7,394.90	
March 31, 2023	51,542.57	50,651.79	-890.78	

Note 47A : Investments In Associate & Joint Venture

S. No.	Name of Company and Principal Activities	Relationship	Ownership Interest*	Country of Residence
1	Relan Industrial Finance Limited	Associate	47.12% (47.12%)	India
2	Exhaust Technology Private Limited	Joint Venture	50.00% (50.00%)	India
3	Uddipt Mobility India Private Limited	Joint Venture	74.00% (74%)	India

*Ownership Interest in bracket represents for the year ended March 31, 2022.

(All amounts are in ₹ lakh, unless otherwise stated)

Note 47B : Disclosure of the additional information as required by the Schedule III:

a) As at and for the year ended March 31, 2023

Particulars	Net Assets (i.e.Total Assets minusTotal Liability)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company								
Sharda Motor Industries Limited	96.75%	73,321.50	98.60%	20,542.53	100.00%	85.88	98.61%	20,628.41
Indian Associates (Investment accounted for as per Equity Method)								
Relan Industrial Finance Limited	0.50%	375.50	0.06%	11.46	0.00%	-	0.05%	11.46
Indian Joint Ventures (Investment accounted for as per Equity Method)								
Exhaust Technology Private Limited	2.76%	2,089.05	1.34%	279.41	0.00%	-	1.34%	279.41
Uddipt Mobility India Private Limited	0.00%	(0.53)	0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**75,785.52**	**100.00%**	**20,833.40**	**100.00%**	**85.88**	**100.00%**	**20,919.28**

b) As at and for the year ended March 31, 2022

Particulars	Net Assets (i.e.Total Assets minusTotal Liability)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company								
Sharda Motor Industries Limited	96.20%	55,116.22	108.23%	16,149.49	100.00%	64.78	108.19%	16,214.27
Indian Associates (Investment accounted for as per Equity Method)								
Relan Industrial Finance Limited	0.64%	364.04	-0.12%	(17.85)	0.00%	-	-0.12%	(17.85)
Indian Joint Ventures (Investment accounted for as per Equity Method)								
Exhaust Technology Private Limited	3.16%	1,809.64	-8.11%	(1,210.06)	0.00%	-	-8.07%	(1,210.06)
Uddipt Mobility India Private Limited	0.00%	(0.53)	0.00%	(0.07)	0.00%	-	0.00%	(0.07)
Total	**100.00%**	**57,289.37**	**100.00%**	**14,921.51**	**100.00%**	**64.78**	**100.00%**	**14,986.29**

Note 48: Pursuant to transfer pricing legislations under the Income-tax Act, 1961, the parent company is required to use specified methods for computing arm's length price in relation to specified international transactions with its associated enterprises. Further, the parent company is required to maintain prescribed information and documents in relation to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The parent company is in the process of updating its transfer pricing documentation for the current financial year. Based on the preliminary assessment, the management is of the view that the update would not have a material impact on the tax expense recorded in these consolidated financial statements. Accordingly, these consolidated financial statements do not include any adjustments for the transfer pricing implications, if any.

Note 49 : 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 parent company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the parent company (Ultimate Beneficiaries).

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

Note 50: Disclosure of transactions with struck off companies

The parent company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial years.

Note 51:

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

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Registration of charges or satisfaction with Registrar of Companies except charges mentioned in note 21(ii) of the Consolidated financial statements.

(d) Relating to borrowed funds:

i) Wilful defaulter

ii) Utilisation of borrowed funds & share premium

iii) Borrowings obtained on the basis of security of current assets

iv) Discrepancy in utilisation of borrowings

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

(Puru Aggarwal)
President &
Group Chief Financial Officer

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

Date : May 18, 2023
Place : New Delhi

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