



**SHARDA MOTOR  
INDUSTRIES LIMITED**

39<sup>th</sup>

# ANNUAL REPORT

2023-24





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## Sharda Motor | Well-positioned to take advantage of strong tailwinds

### Multiple Industry Growth Catalysts



- Emission norms continue to tighten across vehicle segments – new norms such as TREM V to present a huge opportunity for Sharda Motor
- RDE Norms have enabled Sharda Motor to increase content per vehicle between 10-15%

### Market leadership enabled through best-in-class technology



- Market share of ~30% for emissions control systems in India for passenger vehicles
- One of the few players with technology for advanced emission systems in line with global standards has enabled empanelment with marquee customers

### Modern Infrastructure Geared for growth



- Best-in-class manufacturing facilities located at the heart of India's auto clusters
- Dedicated R&D facility in Chennai and a Design & Development Facility at Namyang, South Korea
- Future ready manufacturing capabilities

### Diverse product portfolio



- Consistently evolving product portfolio to keep up with changing emission norms
- Growing lightweighting business to aid in diversification efforts

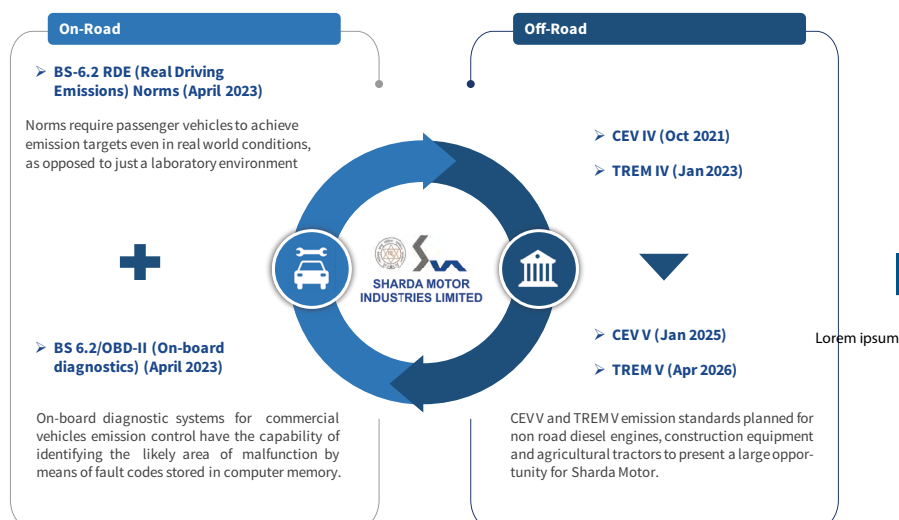
### Attractive Financial Metrics



- Demonstrated strong revenue growth CAGR of >30% between FY20-FY24
- Steady state EBITDA margins >10%
- High return ratios and capital efficiency ratios

## Sharda Motor is well poised to capitalize on-road as well as off-road emerging norms

On-road and off-road legislations have opened up a plethora of opportunities for Sharda Motor leading to increase in content per vehicle



SHARDA MOTOR  
INDUSTRIES LIMITED

- Increased content per vehicle by ~10-15% because of RDE emission norms
- Plan to capitalize on CEV V and TREM V norms for farm equipment and off-road vehicle segments

## GROWTH DRIVERS - INNOVATION IN EVERY MILE

Sharda Motor Industries Limited has a well-rounded strategy for growth. This approach not only helps the Company to optimize operations and innovate but also ensures that it stay competitive and responsive to market and customer needs. As a global leader in emission control systems, the Company is dedicated in providing cutting-edge solutions that enhance vehicle performance, reduce environmental impact, and ensure regulatory compliance



## UNLOCKING THE BENEFITS AND EXPLORING THE POSSIBILITIES OF BACKWARD INTEGRATION

This section discusses the benefits of backward integration, a type of vertical integration where a corporation takes over functions previously handled by suppliers farther up the supply chain. Expanding a company's role gives it greater control over its supply chain, resulting in improved quality control and efficiency. Backward integration can lower costs by eliminating intermediaries and improving negotiating strength. This strategic strategy provides various benefits for organisations seeking to increase competitiveness and market presence.

### Fully-backward integrated manufacturing facilities ready for incremental growth without capex



#### Tube Mill Manufacturing - ( Backward Integration )

- Wide product range of ERW tubes in the industry conforming to national / global standards & customer specific requirements.
- Centralized manufacturing unit at SMIL-MWC for the ERW Tubes for serving national market with two facilities with diverse diametrical manufacturing capabilities.

#### Stamping Facilities

- Stamping facilities spread across Chennai, Nashik and Sanand
- 53 stamping machines located across India

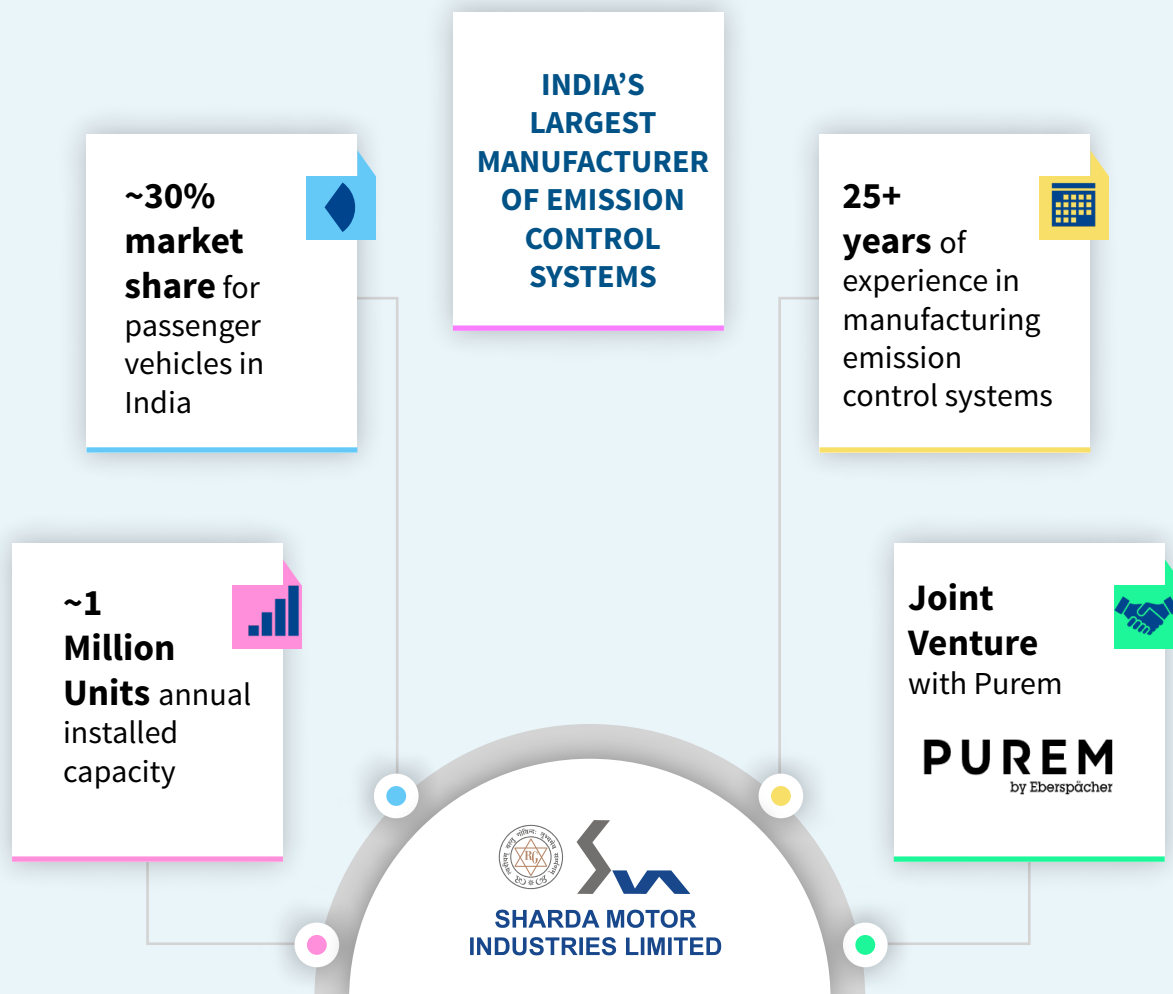
#### Welding Capabilities

- DC Welding, DC Pulse Welding, CMT Welding and Micro MIG welding capabilities
- Improved quality to meet transition requirements to BSVI standards

#### Testing & Prototyping Facilities

End-to-end testing capabilities, fully equipped with hot vibration lab, flow lab, semi anechoic chamber, thermal lab, engine testing lab and prototyping shop

## SHARDA MOTOR AT A GLANCE - SHAPING THE FUTURE OF AUTOMOTIVE INNOVATION



### Catering to a customer base across segments

Emission control systems, suspension systems, Specialized Roof systems



PVs



Farm  
Equipment



CVs



Gensets

Catered to both marquee domestic as well as international customers

## BEST-IN-CLASS MANUFACTURING FACILITIES

### Sharda Motor Domestic Presence



Manufacturing facilities across locations in four states of India at the heart of India's auto clusters



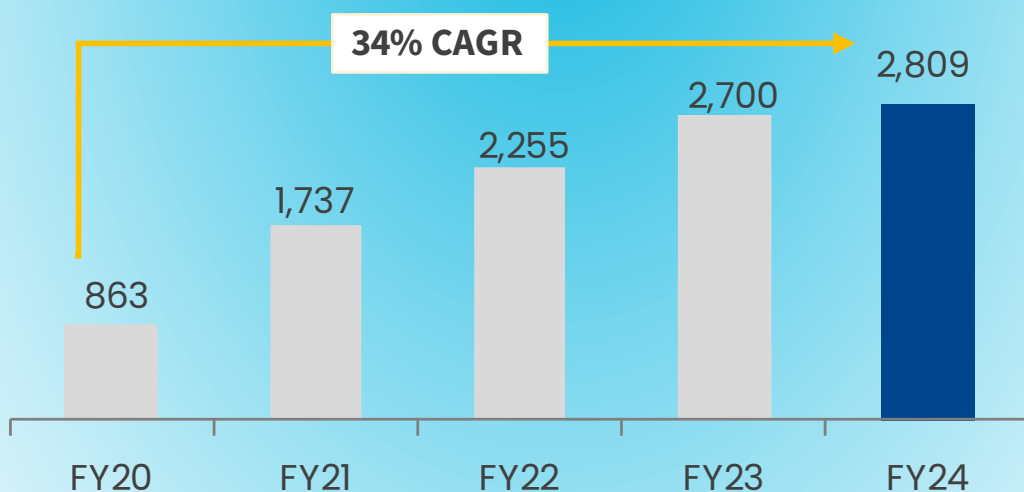
'State-of-the-Art' R&D center located at Mahindra World City, Chennai, TN



Dedicated Design & Development center at Namyang, South Korea

## Strong Financials enabled by operational excellence

### Consolidated Revenue from Operations (INR crs)



**13%**

FY24 EBITDA Margin

**10%**

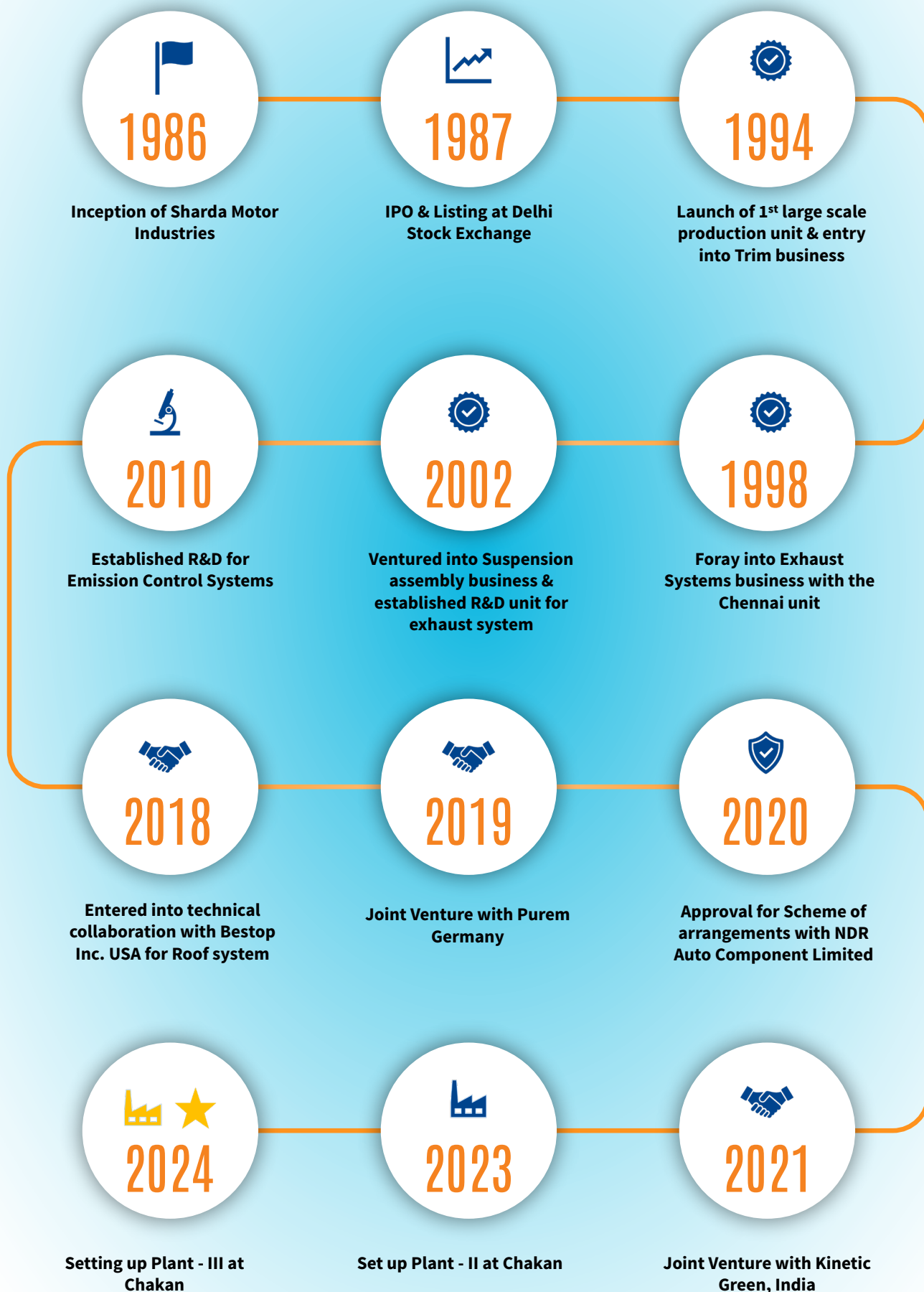
FY24 PAT Margin

**39%**

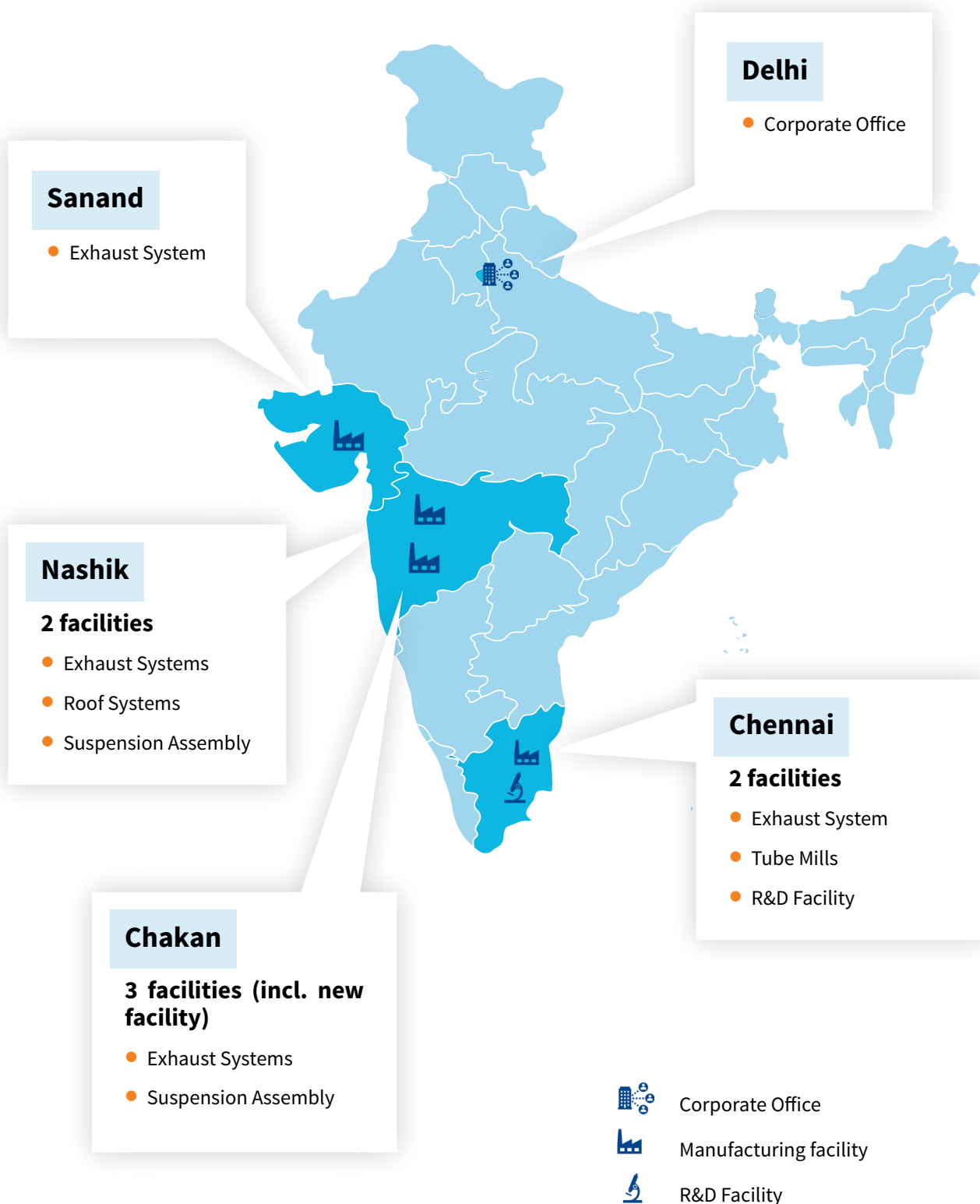
FY24 ROCE



## KEY MILESTONES



## MANUFACTURING INFRASTRUCTURE - WHERE TECHNOLOGY AND EXPERTISE CONVERGE TO CREATE HIGHLY ENGINEERED PRODUCTS



## RESEARCH & DEVELOPMENT - DISCOVER THE FUTURE OF AUTOMOTIVE EXCELLENCE



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



A state-of-the-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**

## Design & Development Center at Namyang



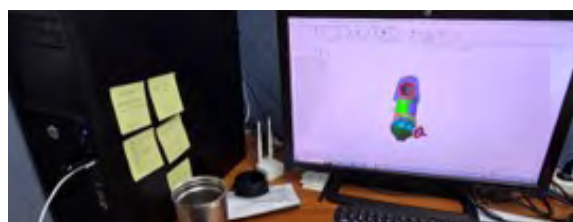
Siemens SCADAS Mobile  
(Acoustic test machine)



DAQ  
(RLDA test machine)



CATIA (design tool)



PRO-E (design program)



Established for exhaust systems in Hwaseong-si, Gyeonggi-do in 2011 and **working with HMC/ HMI Research Institute and Sharda Motor's INDIA R&D for exhaust systems.**

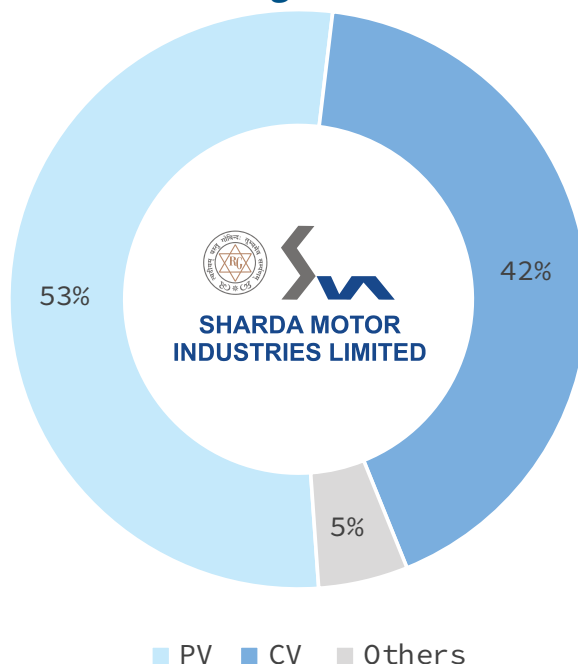


4 trained and experienced engineers with **over 20 years of design, CFD and testing experience**

## AWARDS & ACCOLADES - RELATIONSHIPS WITH MARQUEE OEMS

Catering to customers across vehicle segments

FY24 Consolidated  
Revenue from  
Operations split by  
end-user vehicle  
segment (%)



Even split in revenues  
between passenger  
vehicles and  
commercial vehicles  
insulates business  
from cyclicity specific  
to vehicle segments

Sharda Motor is well recognized by its customers for its quality and reliability





## 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/alliances, joint ventures and new ventures in the automotive industry. Through our partnerships with technology pioneers, startups and other industry leaders, we aim to accelerate the development of innovative solutions for exhaust systems and its components, light weighting products and 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 faster 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 into a technical partnership with Bestop Inc. USA for manufacturing of roof systems



#### Joint Venture Exhaust systems



- Eberspacher and SMIL entered into a JV to manufacture commercial vehicle exhaust systems in >4 litres category in India.
- Eberspacher brings in Global know-how and technical expertise for the local market.



#### Lithium Battery Manufacturing

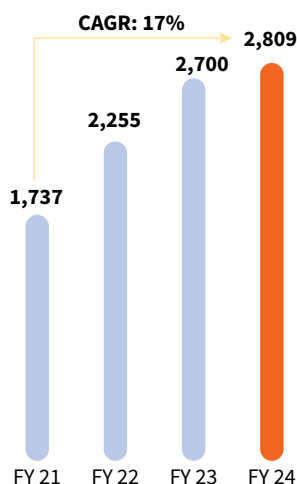


- Kinetic Green and SMIL entered a JV to manufacture Lithium batteries along with BMS for EVs – 2W, 3W and stationary application

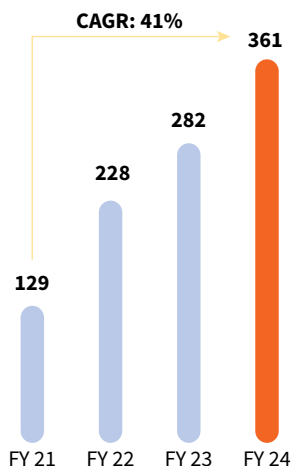


## Consolidated Financial Highlights

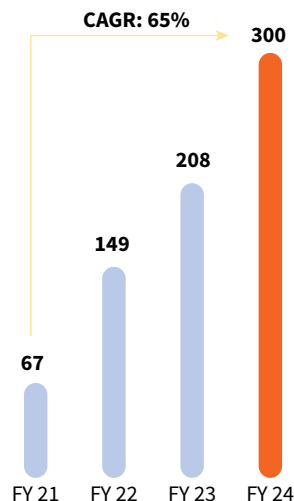
### Revenue



### EBITDA



### PAT



\* all figures are Rs. in crores

## Corporate Social Responsibility – Empowering Communities



Establishment of "Sharda CSR Medical Clinic" at Nashik



Prosthetic Empowerment camp - Jaipur



Providing financial assistance to school for promoting education

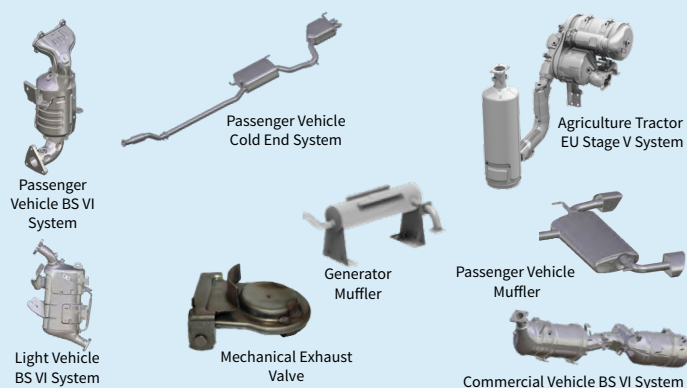
## OUR DYNAMIC PORTFOLIO

Our comprehensive range of products, including advanced exhaust systems, high-performance suspension components, and efficient roof systems, are engineered to meet the diverse needs of our customers worldwide. Our commitment to quality, sustainability, and cutting-edge technology ensures that each product not only meets but exceeds the expectations of our global customers. Discover the future of automotive excellence with our diverse range of products designed to drive progress and performance.

### Exhaust Systems

- Indian Market Share of ~30% for passenger vehicle segment
- Serving PV, CV and Off-road segment.
- Catering to Domestic & International customers
- Annual Production of ~1 million units
- Plants strategically located across India and present in all automotive hubs
- Catering to most of the OEMs in PV segment
- 3 stamping plants managing all critical stamping in house
- 2 tube mills producing stainless steel and aluminized steel tubes for exhaust systems
- Joint Venture with Purem\* (Formerly known as Eberspaecher)
- Most of manufacturing units strategically located close to customer location

**From an idea to its manufacturing, Sharda Motor leads the market in this category**



### Suspension Systems

- Indian Market Share of ~10% in control arms for passenger vehicle segment
- Annual Production of ~1.8 lakh units
- Strategically located manufacturing facilities
- Concept, Design and Digitizing
- Development, Project planning, Testing & Validation

**Expertise in this arena with its world-class manufacturing processes**



Arm Lower Control  
Comp RH 2WD



Front Suspension  
Assembly



Upper Arm Assy



Assy. Lower Link  
Complete RH



Front Axle Assy 4WD



Rear Suspension

## BOARD OF DIRECTORS - CORE OF CORPORATE GOVERNANCE PRACTICE



**SHRI KISHAN PARIKH**  
Chairman, Non-Executive  
Independent Director

- 33+ years of experience in the field of Business Management
- Holds Bachelor's Degree in commerce and has been associated with Jamshedpur Beverages, Pebco Motors Limited and implemented ISO 9001-2000 in favour of Pebco Motors Limited



**SMT. SHARDA RELAN**  
Co-Chairperson, Non-Executive Director

- 38+ years of experience in management in the automobile components sector and financial services
- Holds Bachelor's Degree in commerce and has been associated with the Company since its inception



**SHRI AJAY RELAN**  
Managing Director

- Dynamic entrepreneur contributing vast experience in manufacturing automobile components, setting up new projects and their successful implementation
- Completed his B.Com (Hons.) & took three years of training from Harvard Business School, U.S.A.



**SHRI NITIN VISHNOI**  
Executive Director & Company Secretary

- 32+ years of experience and expertise in Corporate Restructuring, Compliance Management and Corporate Governance
- Fellow member of the Institute of Company Secretaries of India and also holds a Bachelor's degree in Commerce with Honours



**SHRI NAVIN PAUL**  
Independent Non-Executive Director

- Has over 23 years of work experience in Bosch and has held varied and key responsibilities in the Automotive and Industrial Divisions of Bosch.
- Eminent Expert on Automotive Components in the Expert Advisory Group (EAG) to Minister & Ministry of Road Transport & Highways (Govt of India).



**SHRI ASHOK KUMAR  
BHATTACHARYA**  
Independent Non-Executive Director

- 43+ years of experience in the field of Research in Process Engineering, Physics and Chemistry of solids and their surfaces
- Holds a degree in BSc (Hons), Chemistry, M.Sc., Physical Chemistry, from Indian Institute of Technology, Kharagpur and Ph.D. from Churchill College, University of Cambridge



**SMT. SARITA DHUPER**  
Independent Non-Executive Director

- 38+ years of experience in the field of Medicine and specialisation in the fields of Pediatrics & obstetrics/ Gynecology and Cardiology
- Holds Bachelor of Medicine & Bachelor of Surgery (MBBS) & Doctorate in Medicine from Maulana Azad Medical School, Delhi University



**SHRI UDAYAN BANERJEE**  
Independent Director

- Led several teams for successful setting up of Manufacturing Units of Automobile Components
- 50+ years of experience with various reputed organizations including Bata Shoes Limited, Stepwel Industries Limited
- Holds Master's Degree in Earth Science from IIT Kharagpur and also holds a diploma in work-study from Work Factor Co. of USA



## LEADERSHIP TEAM - COMPLIMENTED BY EXPERIENCED SENIOR MANAGEMENT



**SHRI AJAY RELAN**  
Managing Director

- Dynamic entrepreneur contributing vast experience in manufacturing automobile components, setting up new projects and their successful implementation
- Completed his B.Com (Hons.) & took three years of training from Harvard Business School, U.S.A.



**SHRI AASHIM RELAN**  
Chief Executive Officer

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



**SHRI PURU AGGARWAL**  
President and Group CFO

- 31+ years of experience and 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
- Qualified CA, CS & Cost Accountant



**SHRI NITIN VISHNOI**  
Executive Director & Company Secretary

- 32+ years of experience and expertise in Corporate Restructuring, Compliance Management and Corporate Governance
- Fellow member of the Institute of Company Secretaries of India and also holds a Bachelor's degree in Commerce with Honours



**SHRI VIEKAS K KHOKHA**  
Sr. Vice President & Chief Human Resource Officer

- Brings experience from Management Consulting & P&L/Business Leadership roles across prominent MNCs & leading Indian organizations
- PGDBM from LBSIM, Delhi, Global Fellow in Talent Management from Wharton School, US & BE in Mechanical Engineering from Nagpur University



**SHRI DNYANESH DANDEKAR**  
Senior Vice President- Research And Development

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



**SHRI KK SHARMA**  
Chief Manufacturing Officer

- Seasoned specialist in cost-saving strategies and plant operations
- Expertise spans across Customer Relationship Management, Project Management, Industrial Relations, Cost Saving Strategies and Plant Operations
- Hold's a Bachelor's Degree in Commerce from Delhi University



**SHRI PARAMJEET SINGH**  
Senior Vice President- Sales & Business Development

- Diverse skillset includes Quality Control, Customer Service and Business Development
- He is a Graduate of Commerce from CCS University, Meerut, and holds an MBA from ICAI University, Tripura

## FROM THE MD'S DESK



### Navigating through the Dynamic Automotive Landscape

*“As I reflect upon your company’s progress, achievements, and vision for the future, I would like to start with the fact that, this year has been marked by significant transformations and growth. I am proud of the strides we have taken while **Doing Great Things Together!**”*

### Dear Valued Stakeholders,

As we close the financial year 2023-24, it is my pleasure to present an overview of our journey and accomplishments. This year has been a transformative period marked by rapid advancements and a steadfast commitment to sustainability.

Your company has a keen focus on driving innovation & imbibing sustainable practices in a strategic manner. We are also steadfast in our commitment to continuously evolve and adapt to the dynamics of the global market. Your unwavering support has been instrumental in Sharda Motor Industries Limited’s success, and I am confident that together, we will continue to thrive in this dynamic landscape.

Sharda Motor Industries Limited is a strong company with excellent market potential and people committed to its mission. Talking about financials, I am delighted to share that our company has reached notable PAT and EBITDA growth of 43.55% and 28.3%, respectively, in the financial year 2023-24 compared to the last year. This continued progress underpins our confidence that we will continue to grow in future as well. These unique traits of staying ahead of the curve, and showcasing robust financial growth year on year with the most advanced business practices have

been our cornerstone over the years. I would like to highlight that your company’s success stems from the steadfast confidence of its customers and our continuous endeavour towards pioneering & state-of-the-art solutions.

### Global Trends and Market Dynamics

The automotive component industry has witnessed significant shifts in FY 2024-25, influenced by several global trends and market dynamics. These changes are reshaping the industry, presenting both challenges and opportunities for growth and innovation. It was another year of big changes for the mobility sector as regulation, investment patterns, consumer preferences, and technology continued to evolve. On one hand, the diversification of global supply chains away from China, often referred to as China +1 strategy, has opened up tremendous opportunities for the automobile ancillary market in India. And on the other, innovations in the field of light weighting and advancement in emission norms have opened new frontiers of growth.

Besides the above, other areas such as penetration of alternative power trains such as hybrids, electric etc and adoption of new technologies of AI have been changing the landscape of the industry in general.

## Scope & Highlights of the Indian Automotive Market

The Indian automotive market presents a dynamic and promising landscape, characterized by Growing Consumer Demand, Government Initiatives and Technological Advancements.

With plans to reduce auto components' import dependence, domestic players are expected to witness a demand surge. India is emerging as a global hub for auto component sourcing in the post COVID era and the industry exports over 25% of its production annually. Auto component exports are expected to surge in coming years as Indian auto industry aims to make significant investments to boost localization and reducing imports, thereby leveraging 'China+1' trend.

Production Linked Incentive (PLI) schemes for automobile and auto components are expected to bring in a capex of Rs. 74,850 crore (US\$ 9.58 billion) in the next five years. By 2026, the automobile component sector will contribute 5-7% of India's GDP. The Automotive Mission Plan (2016-26) projects to provide direct incremental employment to 3.2 million by 2026. Manufacturers in the industry are focusing on developing sustainable solutions, lightweight materials, and efficient production processes to meet the evolving needs of the automotive sector.

As the automotive industry continues to evolve, the auto components sector will play a crucial role in shaping the future of mobility. Collaboration with automakers, investment in research and development, and adaptation to changing regulations will be key factors for success in this dynamic and competitive market.

## Financial Performance & Highlights

- **Revenue Growth:** Our total revenue for the financial year 2023-24 stood at INR 2,89,711.65 Lakhs, representing a growth of 5.67% compared to the previous year. This growth was driven by increased demand for our products, expansion into new markets, and strategic partnerships with leading OEMs.
- **Profitability:** We achieved a net profit of INR 29,489.73 Lakhs, reflecting a robust increase of 43.55% over the previous year. This success is a testament to our operational efficiencies, cost optimization, and focus on high-margin products.
- **Investment in R&D:** We invested INR 1836.25 Lakhs in research and development,

underscoring our commitment to innovation. Our R&D efforts are focused on innovation, ensuring we stay ahead of industry trends. The company has already bagged few patents and more are expected in future.

## Key Areas of Growth

Looking ahead over the next few years, we will be leveraging global trends and domestic market opportunities to drive sustainable growth and innovation. Our ongoing focus areas include:

- **New Market Segments:** With stringent emissions norms coming up in the tractor, construction equipments & off highway segment in the domestic market over next couple of years, our focus will be to gain new business from emission system and adjacent products catering to these segments.
- **Global Business (Exports):** To seize growth opportunities in the global market complimented by the mega trend of China +1, we plan to focus on increasing exports to the CV, off highway, Tractor & genset market in Europe & USA, in the coming years.
- **Lightweighting Products:** Given the major requirements of lightweighting of passenger vehicle due to emission norms, electrification & multiple powertrains, we will dedicate efforts towards strengthening our suspension business & adding new products to cater to this agreement.
- **Strategic Partnerships, Collaborations & Acquisitions:** We will forge strategic partnerships, joint ventures, and collaborations with leading technology companies and OEMs to co-develop innovative solutions for products which are growth oriented, technology focused and power-train agnostic. These alliances will help further diversify our product portfolio & increase our content per vehicle.

In the end, I extend my heartfelt gratitude to the employees, customers, partners, and shareholders for their unwavering support and dedication. Your trust and commitment have been the cornerstone of our success. Together, we are poised to achieve new milestones and drive the future of mobility.

Thank you for your continued support.

Regards

**Ajay Relan**

# 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

### PROF ASHOK KUMAR BHATTACHARYA

Independent Director

### SHRI UDAYAN BANERJEE

Independent Director

### SHRI NAVIN PAUL

Independent Director

### DR. SARITA DHUPER

Independent Director

## CHIEF EXECUTIVE OFFICER

SHRI AASHIM RELAN

## PRESIDENT & GROUP CFO

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,  
NEW DELHI - 110 020, INDIA  
Website: [www.shardamotor.com](http://www.shardamotor.com)  
E-mail: [investorrelations@shardamotor.com](mailto:investorrelations@shardamotor.com)  
Tel.: +91 11 4733 4100  
CIN: L74899DL1986PLC023202



# NOTICE

## SHARDA MOTOR INDUSTRIES LIMITED

(CIN: L74899DL1986PLC023202)

Registered Office: D-188, Okhla Industrial Area, Phase I, New Delhi-110020

Tel.: +91 11 4733 4100

Email: investorrelations@shardamotor.com

Website: www.shardamotor.com

**NOTICE** is hereby given that the **39<sup>th</sup> Annual General Meeting (39<sup>th</sup> AGM)** of the members of Sharda Motor Industries Limited ("the Company") will be held on **Thursday, September 26, 2024 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:

- the audited standalone financial statement of the company for the financial year ended March 31, 2024 along with the reports of the Board of Directors and Auditors thereon; and**
- the audited consolidated financial statement of the Company for the financial year ended March 31, 2024 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:

- "RESOLVED THAT** the audited standalone financial statement of the company for the financial year ended March 31, 2024 along with the reports of the Board of Directors and auditors thereon laid before this meeting, be and are hereby considered and adopted."
- "RESOLVED THAT** the audited consolidated financial statement of the company for the financial year ended March 31, 2024, along with the report of auditors thereon laid before this meeting, be and are hereby considered and adopted."

#### 2. To declare a final dividend for the financial year 2023-24.

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. 9.92 per equity share of the face value of Rs. 2 each i.e., 496 percent on the paid-up share capital be and is hereby declared for the financial year 2023-24."

### SPECIAL BUSINESS:

#### 3. To retire Smt. Sharda Relan (DIN:00252181) by rotation, who does not seek re-election.

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

**"RESOLVED THAT** in accordance with the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013, Smt. Sharda Relan (DIN: 00252181), a director of the company who retires by rotation and who does not offer herself for re-appointment, be not re-appointed as a director of the company and the vacancy, so caused on the board of the company, be not filled up for the time being".

#### 4. To re-appoint Shri Nitin Vishnoi as a Whole Time Director of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V, Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and schedules thereto (including any statutory modifications or re-enactment thereof, for the time being in force) and other applicable provisions of the Companies Act, 2013 {“Act”}, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {Listing Regulations}, as amended and Article of Association of the company, subject to the such consent, approvals and permission as may be needed in this regards, consent of the members of the company be and is here by accorded for the appointment of Shri Nitin Vishnoi (DIN:08538925), as a Whole-Time Director (Designated as Executive Director) of the company for a period of 5 (Five) years with effect from September 03, 2024 on payment of such remuneration as set out in the explanatory statement forming part of this notice.

**FURTHER RESOLVED THAT** no further permission or consent of the members shall be required for altering, varying the remuneration of Shri Nitin Vishnoi as Whole-time Director of the Company, provided that such alteration, variation shall be within the permissible ceiling limits as specified by the Act, and/or Listing Regulations as the case may be.

**FURTHER RESOLVED THAT** approval of the Company be accorded to the Board of Directors of the company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

**5. To appoint Shri Navin Paul (DIN: 00424944) as Non-Executive Independent Director of the company.**

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

**“RESOLVED THAT** Shri Navin Paul (DIN: 00424944), who was appointed as an additional director of the company with effect from August 02, 2024 by the board of directors, based on recommendation of the Nomination and Remuneration Committee (“NRC”), and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (‘the Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the company, who is eligible for appointment and consented to act as a director of the company and in respect of whom the company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of director of the company, be and is hereby appointed as a director of the company with effect from August 02, 2024.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17, 25 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations’), as amended from time to time, the appointment of Shri Navin Paul (DIN: 00424944), who had submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years, i.e., from August 02, 2024 to August 01, 2029 (both days inclusive), be and is hereby approved.”

**6. To appoint Shri Kishan N Parikh (DIN: 00453209) as Non-Executive 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 provisions of Sections 149 and 152 of the Companies Act, 2013, and other applicable provisions, if any, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable rules, if any (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015, and based on the recommendation of the Nomination and Remuneration Committee, Shri Kishan N Parikh (DIN 00453209), who was appointed as an additional director of the company with effect from September 03, 2024 and who holds office as additional director upto the date of this Annual General Meeting and being eligible offered himself for appointment and in respect of whom the company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as Non-Executive Director of the company with effect from September 03, 2024, liable to retire by rotation.”

## 7. 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 2024-25.

**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  
DIN: 08538925  
M. No.: F3632

Date : August 02, 2024  
Place : New Delhi

## Notes for Members' Attention:

1. The Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020, and subsequent related circulars in this regard, the latest being General Circular No. 09/2023 dated September 25, 2023 in relation to “Clarification on holding of Annual General Meeting (“AGM”) through video conferencing (“VC”) or Other Audio Visual Means (“OAVM”)” (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular no. SEBI/HO/CFD/ PoD-2/P/ CIR/2023/4 dated January 5, 2023 and Circular No. SEBI/HO//CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015” (collectively referred to as “SEBI Circulars”) permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the Members of the Company is being held through VC / OAVM. The corporate office of the Company shall be deemed to be the venue for the AGM.
2. 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 39<sup>th</sup> AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

3. 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-II and Regulation 36(3) of Listing Regulations pertaining to the Directors proposed to be appointed/ re-appointed/ as Director is annexed forming part of this notice.
4. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 39<sup>th</sup> AGM through VC/ OAVM facility.
5. Institutional 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 [vk.pcs@gmail.com](mailto:vk.pcs@gmail.com) with a copy marked to Company at [investorrelations@shardamotor.com](mailto:investorrelations@shardamotor.com) and Voting Agency (CDSL) at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or upload on the VC portal.
6. 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.
7. In line with the MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report for the financial year 2023-24 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](mailto:investorrelations@shardamotor.com).
8. The Notice convening the 39<sup>th</sup> AGM along with the Annual Report for the financial year 2023-24 has been uploaded on the website of the Company at [www.shardamotor.com](http://www.shardamotor.com) under the 'Investor Relations' section 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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. The Notice alongwith the Annual Report for the financial year 2023-24 is also available on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com). Members who intend to receive physical copy of Annual Report may send e-mail to [investorrelations@shardamotor.com](mailto:investorrelations@shardamotor.com).
9. 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.
10. Members may note that pursuant to General Circular No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021 & 10/2022 dated December 28, 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](mailto: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.
11. 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](mailto:investorrelations@shardamotor.com), or to the Registrar & Share Transfer Agent at [rtalankit.com](mailto:rtalankit.com).
12. 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 Thursday, September 26, 2024). Members seeking to inspect such documents can send an email to investorrelations@shardamotor.com.

13. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 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.
14. SEBI vide its notification dated January 24, 2022 has amended Regulation 40 of 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.
15. 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](mailto:lalitap@alankit.com) or [rta@alankit.com](mailto:rta@alankit.com) in case the shares are held in physical form, quoting their folio number. Further, 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/RTA.
16. 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.
17. 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.
18. 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.
19. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 20, 2024 to Thursday September 26, 2024 (both days inclusive).
20. 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 Thursday, September 19, 2024, 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 Thursday, September 19, 2024. The final dividend shall be paid within the prescribed time from the date of its declaration.
21. The Record Date for payment of Dividend will be Thursday, September 19, 2024. Payment of dividend shall be made ONLY through electronic mode to those Shareholders who have updated their bank account details.

Pursuant to SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 issued to the Registrar and Transfer Agents and SEBI Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, as amended, SEBI has mandated that, with effect from April 1, 2024, dividend to the security holders holding shares in physical mode shall be paid only through electronic mode. Such payment to the eligible shareholders holding physical shares shall be made only after they have furnished their PAN, Contact Details (Postal Address with PIN and Mobile Number), Bank Account Details, Specimen Signature, etc., for their corresponding physical folios with the Company or its RTA. Relevant FAQs have been published by SEBI in this regard. The FAQs and the abovementioned SEBI Master Circular and SEBI Circular are available on SEBI's website and on the website of the Company at <https://www.shardamotor.com/investor-relations/investor-forms/>.

#### Procedure to update bank account details

- i. Shares held in physical form: Members are requested to send the following details/documents to the Company's RTA, viz. Alankit Assignments Limited, at Alankit Heights, 1E/13 Jhandewalan Extension, New Delhi-110055.

Form No. ISR-1 duly filled and signed by the holders, stating their name, folio number, complete address with pin code, and the following details relating to the bank account in which the dividend is to be received: (i) Name of Bank and Bank Branch; (ii) Bank Account Number; (iii) 11-digit IFSC Code; and (iv) 9-digit MICR Code.

Cancelled cheque in original, bearing the name of the Member or first holder (in case shares are held jointly).

Self-attested copy of the PAN Card; and

Self-attested copy of any document (such as Aadhar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company. The PAN Card shall be linked to the Aadhar Card.

- ii. Shares held in electronic form : Members may please note that their bank details as furnished by the respective Depository Participants to the Company will be considered for remittance of dividend as per the applicable regulations of the Depository Participants and the Company will not be able to accede to any direct request from such Members for change/addition/ deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to ensure that their Electronic Bank Mandate is updated with their respective DPs

22. Mandatory updation of PAN, KYC, Bank details, Specimen signature and Nomination details prior to processing the payment of Dividend:

The forms for updation of PAN, KYC, Bank details and Nomination viz. Forms ISR-1, ISR-2, ISR-3 and SH-13 are available on our website at <https://www.shardamotor.com/investor-relations/investor-forms/>. In view of the above, we urge Members holding shares in physical form to submit the required forms duly filled up and signed, along with the supporting documents at the earliest to the RTA at [info@alankit.com](mailto:info@alankit.com). Towards this, the Company has sent letters to the Members holding shares in physical form, in relation to applicable SEBI Circular(s). Members who hold shares in dematerialised form and wish to update their PAN, KYC, Bank details and Nomination, are requested to contact their respective DPs. Further, Members holding shares in physical form are requested to ensure that their PAN is linked to their Aadhaar card.

23. **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 after 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 (financial year) 2024-25 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) along with 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. For Non-resident Shareholders

### 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 the year 2024 or Financial Year April 1, 2024 to March 31, 2025) 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.
- iv. **Self-declaration** by shareholder of meeting treaty eligibility requirement and satisfying **beneficial ownership requirement**. (for the year 2024 or Financial year April 1, 2024 to March 31, 2025).
- 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](mailto:investorrelations@shardamotor.com) on or before Thursday, September 26, 2024. No communication would be accepted from members after the date of AGM i.e. Thursday, September 26, 2024 regarding tax-withholding matters. Shareholders may write to [investorrelations@shardamotor.com](mailto: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](mailto: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](https://www.incometax.gov.in/iec/foportal) or “View Your Tax Credit” on [https:// www.tdscpc.gov.in](https://www.tdscpc.gov.in).

24. 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:

Financial year ended	Date of declaration of dividend	Proposed due date for transfer to IEPF
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
31.03.2023	26.09.2023	24.10.2030

\* 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.

25. 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.

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

- a) The remote e-voting period will commence on Monday September 22, 2024 9:00 am (IST) and ends on Wednesday September 25, 2024 05:00 pm (IST) ). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on Cut-Off date i.e. Thursday September 19, 2024, (the “Cut-Off Date”) may cast their vote electronically, and the e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the Member, he/she shall not be allowed to change it subsequently.
- b) The facility for voting during the AGM shall also be made available. Members present in the AGM through VC and who 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 facility provided at the AGM.
- c) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2021/242 dated December 9, 2021, under Regulation 44 of Listing Regulations and 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.
- d) 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.

**(i) 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 <b>CDSL</b>	<p>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <ol style="list-style-type: none"> <li>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 &amp; 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.</li> <li>2) If the user is not registered for Easi/Easiest, an option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>



Type of shareholders	Login Method
	<p>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/ EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</p>
Individual Share-holders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, an option to register is available at <a href="https://eservices.nsdl.com">https:// eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices. nsdl.com/SecureWeb/ IdeasDirectReg. jsp</a></li> </ol> <p>Visit the e-voting website of NSDL. Open a web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https:// www.evoting.nsdl.com/</a> 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</p> <p>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 &amp; voting during the meeting.</p>
Individual Share-holders (holding securities in Demat mode) login through their <b>Depository Participants</b>	<p>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 &amp; voting during the meeting.</p>

**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.

**HELPPESK 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 <b>CDSL</b>	Members facing any technical issue in login can contact the CDSL helpdesk by sending a request at <a href="mailto:evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact the NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll-free no.: 1800 1020 990 and 1800 22 44 30

**(ii) 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 Enter 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.  
If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on earlier voting of any Company, then your existing password is to be used.
- (v) If you are a first-time user follow the steps given below:
- (vi) 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.

- (viii) After entering these details appropriately, click on the “SUBMIT” tab.
- (ix) 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) 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.
- (xvii) 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.
- (xviii) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
- (iii) LOGIN METHOD FOR EVOTING AND JOINING VIRTUAL MEETINGS.

**Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://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](mailto: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](mailto: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](mailto: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](http://www.evotingindia.com), under the help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](mailto:helpdesk.evoting@cdslindia.com) or 022-23058542/43.

26. Only those share holders of the Company who are holdings hares either in physical form or in dematerialized form, as on the cut-off date (i.e. Thursday, 19<sup>th</sup> September, 2024), 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.
27. 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.
28. **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](mailto:investorrelations@shardamotor.com) or [rta@alankit.com](mailto:rta@alankit.com) / [lalitap@alankit.com](mailto: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.
29. **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](mailto: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](mailto: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.

30. **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.
31. 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](http://www.shardamotor.com) and will also be available on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com) and will be communicated to the stock exchanges, where the shares of the company are listed.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 READ WITH RULE 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CIRCULARS ISSUED THEREUNDER.**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF ITEM NOS. 3, to 7 IS GIVEN HEREUNDER AND THE SAME FORMING PART OF THE NOTICE**

**Item No. 3**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Smt. Sharda Relan (00252181), Director retires by rotation at the ensuing Annual General Meeting. Smt. Sharda Relan (00252181) has indicated to the Company that she is not seeking reappointment.

Smt. Sharda Relan (00252181), has been on the board of the company since inception. The Board places on record its sincere appreciation and recognition for valuable contribution and guidance provided by Smt. Relan during her tenure as a director on the board of the company.

The Board proposes that the vacancy caused by her retirement be not filled-up for the time being.

Shri Ajay Relan, who is son of Smt. Sharda Relan, may be deemed to be interested in the resolution in the capacity of Managing Director of the company and to the extent of his shareholding in the company. Except him, none of the Directors, Key Managerial Personnel(s) or their relative(s) are either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution.

The Board recommends passing of the resolution set out at Item no. 3 of this notice as ordinary resolution.

**Item No. 4**

In view of the provision of Section 196, 197, 198 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Listing Regulations), the Shareholders of the Company at its 34<sup>th</sup> Annual General Meeting of the Company has appointed Shri Nitin Vishnoi as Whole-Time Director (Designated as Executive Director) of the Company from September 03, 2019 for a period of five years till September 02, 2024.

Shri Nitin Vishnoi is a commerce graduate with Honours and a fellow member of the Institute of Company Secretaries of India. He has been associated with the company since 1998 and during his association with the company has worked through and headed various divisions the company including finance, accounts,



taxation, IT and import planning besides heading the corporate governance and secretarial. Keeping in view of contribution made by him in the growth of the company and on the recommendation of Nomination and Remuneration Committee, the board of directors has elevated him as wholetime director of the company and the member has approved his appointment in their 34th Annual General Meeting of the company.

Further based on his performance evaluation during his tenure of as a whole time director, recommendation of Nomination & Remuneration Committee and considering his qualification, experience and contribution made to the Company, the Board of Directors of the Company at its meeting held on August 02, 2024 has approved the re-appointment of Shri Nitin Vishnoi as Whole-Time Director (Designated as Executive Director) of the Company w.e.f. September 03, 2024 for a period of five years i.e. till September 02, 2029 at remuneration as given below:-

Salary : Basic: Rs. 4,95,000 per month, in the range of Rs. 3,00,000 to Rs. 10,00,000 per month

HRA/Other allowance in lieu of HRA : 50% of Basic Salary per month

#### Other Entitlements

1. Special Allowance : Subject to a maximum of 50% of Basic Salary per month.
2. Reimbursement of Expenses : Reimbursement of Expenses including Books & Periodicals, Entertainment and Driver's Salary as per Company Policy in the cadre of Executive Directors
3. Leave Encashment : Encashment of earned leave as per Rules of the Company shall not be included in the computation of ceiling on remuneration
4. Other perquisites : Mobile, Medical Insurance/ reimbursement, leave travel concession for self and family, use of Company car (amount of Fuel & Maintenance, Driver Reimbursement) personal accidental & medical insurance or other benefits as per policy of the company for Directors and Senior Management.
5. Retirement Benefits : Contribution to Provident Fund, Superannuation Fund, National Pension System, Gratuity as per rules of the Fund/ Scheme in force from time to time would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
6. Performance Incentive : Based on the performance parameters and as may be recommended by the Nomination & Remuneration Committee
7. Others : Such other perquisites, allowances and benefits in accordance with the rules/ policies of the Company or as may be approved by the Nomination & Remuneration Committee / Board of Directors of the Company or as may be delegated by NRC/Board to any other Committee/Managing Director of the Company.
8. Minimum remuneration in case of inadequacy of profit : Notwithstanding anything to the contrary herein contained, where in any financial year in the currency of the remaining tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay to the Executive Director remuneration, as agreed between the Executive Director and the Company, in line with the remuneration specified above, subject to compliance with the requirements of Schedule V to the Act and other applicable legislations, for the time being in force.
9. Termination of employment : the appointment may be terminated by either party by giving, in writing, to other party, three calendar months' notice or lesser notice as may be agreed mutually.

The Company has received from Shri Nitin Vishnoi (i) consent in writing to act as Director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8, pursuant to Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. (iii) Further, Shri Nitin Vishnoi, has also confirmed that he is not debarred from holding the office of Director by virtue of any order of SEBI or any other such Authority.

The detailed profile of Shri Nitin Vishnoi, as required under Regulation 36(3) of Listing Regulations and Secretarial Standards-II on General Meetings issued by the Institute of Company Secretaries of India, are enclosed herewith as Table A which forms part of this Notice.

Accordingly, the approval of members is sought for appointment of Shri Nitin Vishnoi, as a whole-time director (designated as executive director) on the Board of the Company.

The Board recommends passing of the Resolution set out at Item no. 4 of this notice as Ordinary Resolution.

Except the appointee, none of the Directors, Key Managerial Personnel(s) or their relative(s) are either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution.

#### Item No. 5

The Board of Directors of the Company, based on the recommendations of the Nomination and Remuneration Committee (NRC) had appointed Shri Navin Paul, as an Additional Director (Independent) of the Company, not liable to retire by rotation for a period of 5 years from August 02, 2024 to August 01, 2029 subject to the approval of Members.

The Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member signifying his candidature as an Independent Director of the Company.

Shri Navin Paul has given his declaration to the Board, *inter alia*, that (i) he meets the criteria of independence as provided under Section 149(6) of the Act and the rules made thereunder, and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act and (iv) he is not aware of any circumstance which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgement and without any external influence. He has also given his consent to act as a Director of the Company.

Brief profile of Shri Navin Paul including nature of his expertise is given in Table A.

In the opinion of the Board, Shri Navin Paul is a person of integrity, possesses relevant expertise, experience and fulfils the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and he is independent of the Management of the Company.

Accordingly, the approval of members is sought for appointment of Shri Navin Paul as a Non –Executive Independent Director on the Board of the Company.

The Board recommends passing of the Resolution set out at Item no. 5 of this notice as Special Resolution.

Except the appointee, none of the Directors, Key Managerial Personnel(s) or their relative(s) are either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution.

#### Item No. 6

Shri Kishan N Parikh has been serving on the Board since December 2005. During the tenure of his directorship, he was designated as independent director of the Company under the then newly enacted Companies Act, 2013 and revised Listing Regulations from September 2014 and he shall be completing his two consecutive terms of five years each as Independent Director on September 02, 2024. He is also chairperson on the Board since 2014.

Shri Kishan N. Parikh has more than 33 years of experience in the field of Business Management and Automobile Industry. Under his stewardship as Chairperson of the Company, the company's revenues have grown multifold with higher returns to stakeholders. Since his association with the company as a director, the

Company has benefited significantly from his expertise and experience across multiple disciplines like risk management and corporate governance.

The appointment of Shri Kishan N Parikh as Non-Executive Director is in the best interests of the company due to his relevant skills, experience, knowledge, and competencies.

The Company has received from Shri Kishan N. Parikh (i) consent in writing to act as Director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8, pursuant to Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. (iii) Further, Shri Kishan N Parikh has also confirmed that he is not debarred from holding the office of Director by virtue of any order of SEBI or any other such Authority.

The Company has also received notice from a member of the company, in writing pursuant to the provisions of Section 160 of the Act, proposing his candidature for the office of Director.

The detailed profile of Shri Kishan N Parikh, as required under Regulation 36(3) of Listing Regulations and Secretarial Standards-II on General Meetings issued by the Institute of Company Secretaries of India, are enclosed herewith as Table A which forms part of this Notice.

Accordingly, the approval of members is sought for appointment of Shri Kishan N Parikh, as a Non –Executive Non-Independent Director on the Board of the Company.

The Board recommends passing of the Resolution set out at Item no. 6 of this notice as Ordinary Resolution.

Except the appointee, None of the Directors, Key Managerial Personnel(s) or their relative(s) are either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution.

#### Item No. 7

On the recommendation of the Audit Committee, the Board of Directors of the Company at its Meeting held on May 23, 2024 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 2024-25. 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 2024-25 by way of an ordinary resolution is being sought from the members as set out at item no.7 of the Notice.

The Board recommends passing of the Resolution set out at Item no. 7 of this notice as Ordinary Resolution none of the Directors, Key Managerial Personnel(s) or their relative(s) are either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution.

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

Date : August 02, 2024  
Place : New Delhi

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

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

**TABLE A**

Particulars	Description		
Name	Shri Nitin Vishnoi	Shri Kishan N Parikh	Shri Navin Paul
Date of Birth (as on date)	January 18, 1970 (54 Years)	April 15, 1967 (57 Years)	October 24, 1957 (66 Years)
Nationality	Indian	Indian	Indian
DIN	08538925	00453209	00424944
Date of First Appointment on the Board of the Company	September 03, 2019	December 16, 2005	August 02, 2024
Qualification	B. Com (Hons.) & Fellow Member of Institute of Company Secretaries of India	Commerce Graduate	B.E., MBA
Experience, Expertise & Brief Profile	He is a fellow member of Institute of Company Secretaries of India and also holds a Bachelor's degree in Commerce with Honours. He has an overall work experience of more than 33 Years and expertise in the field of Corporate Restructuring, Compliance Management and Corporate Governance. He is also heading the Corporate Secretarial Department of Company and has substantially contributed to various other operational areas like finance, accounts, taxation, various financial tools and other financial projects including the successful implementation of the Microsoft NAV (ERP) in the Company.	He is a commerce graduate with over 33 years of experience in business management. He worked with Jamshedpur Beverages and Pebco Motors Limited.  During his tenure with Pebco Motors, he worked on the adoption of ISO 9001-2000, which stands for Quality Management System. He is also involved with the Singhbhum Chamber of Commerce and Industry. He is involved in various philanthropic organisations, including the Rotary Club of Jamshedpur, Jamshedpur Vaishnav Samaj, and Gujarati Sanatan Samaj.	He holds a bachelor's degree in Science in Mechanical Engineering (with Honors) from National Institute of Technology, Kurukshetra, Haryana and a master's degree in Business Administration from Faculty of Management Studies, Delhi. He is also a Director in IP Rings Limited, Pricol Limited and Amalgamations Repco Limited. He served as an elected Member of the Executive Committee of ACMA from Sep 2015 to Aug 2021.  He is an Eminent Expert on Automotive Components in the Expert Advisory Group (EAG) to Minister & Ministry of Road Transport & Highways (Govt of India). He was the Former Executive Vice President Sales and Marketing of Mobility Solutions with BOSCH, India from 2011-2017 reporting to BOSCH Board of Management in Germany.
Shareholding in the Company including shareholding as beneficial owner	Nil	750	NIL

Particulars	Description		
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	None
Terms and conditions of appointment/ re- appointment	As per the resolution item no. 4 of the 39 <sup>th</sup> Annual General Meeting Notice	As per the resolution item no. 6 of the 39 <sup>th</sup> Annual General Meeting Notice	As per the resolution item no. 5 of the 39 <sup>th</sup> Annual General Meeting Notice
Remuneration received from the Company in the financial year 2023-24	Rs. 136.04 Lakhs	Sitting Fees: Rs. 7.20 Lakhs	Not Applicable
Number of meetings of the Board held and attended during the financial year 2023-24	Board Meeting held: 4 attended: 4	Board Meeting held: 4 attended: 4	Not Applicable
Directorships held in Companies in India (including this listed entity)	1. Sharda Motor Industries Limited	1. Sharda Motor Industries Limited 2. Pebco Motors Limited	1. Sharda Motor Industries Limited 2. Pricol Limited 3. IP Rings Limited 4. Amalgamation Repco Limited
Chairman/ Member of Committee of the Board of listed entities in which they are director	None	1. Sharda Motor Industries Limited a) Audit Committee (Chairperson) b) Nomination and Remuneration Committee (Member) c) CSR Committee (Chairperson) d) Risk Management Committee (Chairperson) 2. Pebco Motors Ltd. a) Audit Committee (Member) b) Stakeholders Relationship Committee (Member)	1. IP Rings Limited a) Audit Committee (Member) b) Nomination and Remuneration Committee (Chairperson) 2. Amalgamation Repco Limited a) Audit Committee (Member) b) Nomination and Remuneration Committee (Member) 3. Pricol Limited a) Audit Committee (Member) b) Nomination and Remuneration Committee (Member)



# DIRECTORS' REPORT

Dear Members

Your's directors have pleasure in presenting the Thirty-Ninth (39)<sup>th</sup> Board Report on the business and operations of the Company together with the financial statements for the financial year ended on 31<sup>st</sup> March, 2024

## Financial Summary

Rs. In Lakhs

Particular	Standalone		Consolidated	
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023
Revenue from operations	2,80,926.24	2,69,993.58	2,80,926.24	2,69,993.58
Other Income	8,785.41	4,173.65	8,785.41	4,173.65
Total Revenue	2,89,711.65	2,74,167.23	2,89,711.65	2,74,167.23
Profit before Financial Charges, Depreciation	44,928.85	32,349.66	44,928.85	32,349.66
Less: Financial Costs	220.76	191.22	220.76	191.22
Profit before Depreciation, Exceptional Items & Taxes	44,708.09	32,158.44	44,708.09	32,158.44
A. Depreciation	5,255.66	4,627.19	5,255.66	4,627.19
B. Exceptional items	-	-	-	-
Taxation				
– Current Tax	9,809.25	7,173.61	9809.25	7,173.61
– Deferred Tax Charged/ (Released)	153.45	(184.89)	153.46	(184.89)
Profit for the year before share of profit/ (loss) of associates and joint venture	29,489.73	20,542.53	29,489.72	20,542.53
Share of profit/(loss) of associate (net of tax)	-	-	33.58	11.46
Share of profit/(loss) of Joint venture (net of tax)	-	-	435.78	279.41
Profit for the year	29,489.73	20,542.53	29,959.08	20,833.39
Other comprehensive income (net of tax)	(25.08)	85.88	(21.08)	85.88
Add: Profit brought forward from previous year	56,561.69	38,356.41	54,165.00	35,668.86
Profit available for appropriation	86,026.34	58,984.82	84,103.01	56,588.13
<b>Appropriations</b>				
Dividend	5134.65	2,423.13	5,134.65	2,423.13
Transferred to General Reserves	-	-	-	-
Balance carried forward to Balance Sheet	80,891.69	56,561.69	78,968.36	54,165.00
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 including other income stands to Rs. 2,89,711.65 Lakhs as against Rs. 2,74,167.23 Lakhs of previous year. Profit before taxation was Rs. 39,921.79 Lakhs as against Rs. 27,822.12 Lakhs of previous year (i.e., Increased by 43.49%). Net Profit after taxes of the Company has Increased by 43.55% year on year basis.

### Reserves

During the year under review, the company has not transferred any amount to the reserves. However, after closure of the financial year, the company created the Capital Redemption Reserve by transferring of Rs. 20.55 Lakhs pursuant to extinguishment of 10,27,777 equity shares of the company of face value of Rs. 2 each on June 28, 2024. The shares were bought back by the company under SMIL Buy Back – 2024 Scheme.

### 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, pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“Listing Regulations”) and SEBI Notification no. SEBI/ LAD-NRO/GN/2022/66 dated January 24, 2022 and related circulars thereafter, during the year under review, there were no securities which are required to be transferred into demat suspense account or unclaimed suspense account and disclosure is not applicable for the period ended March 31, 2024. However, after the closure of financial year 2023-24, the company bought back 10,27,777 fully paid-up equity shares each having face value of INR 2/- representing 3.46% of total equity shares of the company, at a price of INR 1800/- per equity share payable in cash for an aggregate consideration of INR 18499.98 Lakhs (“Buyback Size”) in accordance with the approval of the shareholders of the company through tender offer route of Stock Exchanges.

Consequently, the issued, subscribed and paid up share capital of the company reduced to Rs. 5,74,07,706 comprising of 2,87,03,853 equity shares of INR 2/- each as on June 28, 2024 pursuant to extinguishment of shares bought back by the company.

### Subsidiary, Joint Arrangements and Associate Companies

During the year under review, no company has become or ceased to be subsidiary, joint venture or associate the Company. The details of Subsidiary, Joint Venture and Associate Companies are 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 financial year 2023-24 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 May 23, 2024, has recommended a final dividend of Rs. 9.92/- per equity of face value of Rs. 2 each i.e. 496 percent on the paid-up share capital, for the financial year 2023-24.

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. During the year under review there was no change in the Directorship & Key Managerial Personnel(s) of the company. The detail composition of the Board and Committees thereof as on March 31, 2024 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.

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. In the opinion of the board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the condition's specified in the Act as well as the Rules made thereunder.

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

During the year under review, the shareholders of the company at its 38<sup>th</sup> Annual General Meeting have approved the following:

- Shri Nitin Vishnoi, director of the company liable to retire by rotation was re-appointed as a director of the company.

Smt. Sharda Relan, Director of the company is liable to retire by rotation at the ensuing AGM and has not offered herself for re-appointment. The Board places on record its appreciation towards the valuable guidance provided by Smt. Sharda Relan during her tenure as the director of the company.

Shri Kishan N Parikh and Shri Ashok Kumar Bhattacharya, Independent Directors of the company shall be completing their 2<sup>nd</sup> consecutive term on September 02, 2024 as Independent Director of the company. The Board places on records its sincere appreciation for their contributions and extends gratitude to them for their invaluable guidance as Independent Directors on the Board. Their insightful contributions have played a pivotal role in steering the company's strategic direction and fostering growth.

Further, keeping in the view of substantial growth under the Chairmanship of Shri Kishan N Parikh and on the recommendation of NRC committee, the Board has approved his appointment, as Additional Director

designated as Non-Executive Director of the company with effect from September 03, 2024 subject to the approval of members at this AGM. He shall hold office as Additional Director upto the date of this AGM and is eligible for appointment as Non-Executive Director, liable to retire by rotation in terms of section 152 of the Companies Act, 2013.

The Board on the recommendation of Nomination and Remuneration Committee and in accordance with provisions of the Companies Act and Listing Regulations, has Appointed Shri Navin Paul (DIN 00424944) as an Additional and Non-Executive Independent Director on the Board for a tenure of 5 years from August 02, 2024 to August 01, 2029 (both days inclusive), subject to the approval of Members at this AGM, He shall hold office as an Additional Director upto the date of this AGM and is eligible for the appointment as an Independent Director.

Based on recommendation of Nomination and Remuneration Committee & in accordance with provisions of the Act and Listing Regulations, Shri Nitin Vishnoi (DIN:08538925) was re-appointed as a Whole-time Director of the Company, for another term of 5 years with effect from September 03, 2024 subject to the approval of Members. The resolution seeking members' approval for his appointment forms part of the Notice.

A brief profile of the directors seeking appointment/ re-appointment at the ensuing 39<sup>th</sup> Annual General Meeting (39<sup>th</sup> 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/her is eligible and not disqualified from being appointed / re- appointed / continued as director was duly received from him/her.

### Board-Level Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations and other applicable provisions, if any, the Nomination and Remuneration Committee of the Board at its meeting held on May 23, 2024 has carried out the performance evaluation of its own and that of its committees and individual directors.

A suggestive evaluation 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. The same was discussed in the next board meeting held after the meeting of the independent directors held on May 23, 2024 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 Act, the nomination remuneration and evaluation policy of the company lays down the criteria for determining qualifications, competencies, positive attributes for the employees of the company. It also lays down the criteria for independence for appointment of directors and policies of the company relating to remuneration of directors, Key Managerial Personnel(s) ("KMP") and other employees. The policy is available on the website of the company at <https://www.shardamotor.com/wp-content/uploads/2018/08/NRC-policy.pdf>

## Audit Committee

During the year under review the audit committee comprised of four members out of which three are independent directors. The Committee is chaired by Shri Kishan N Parikh who is an Independent Director. 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. are 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 financial year 2023-24.

## Auditors

### Statutory Auditors & Auditors Reports

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 pursuant to the provisions of Section 139 and other applicable provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, for a term of 5 (five) consecutive years, from the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company held on September 20, 2022, till the conclusion of 42<sup>nd</sup> 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 by the Statutory Auditors of the Company as required under section 143(12) of the 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 clarifications.

### Secretarial Auditors & Auditors Reports

M/s.VKC & Associates, Company Secretaries in practice, bearing CP. No. 4548 were appointed as Secretarial Auditors of the Company pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, to conduct the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024 is annexed as [Annexure II](#) to this Report. The Secretarial Audit Report does not contain any qualification, reservation, observation or adverse remarks.

Further, the Board of Directors of the Company at its Meeting held on May 23, 2024, 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 financial year 2024-25.

### 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 financial year 2023-24, considering that the remuneration has also been approved by the members at the 38<sup>th</sup> 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 May 23, 2024, 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 financial year 2024-25 subject to the ratification of remuneration by the members that is being placed before the ensuing 39<sup>th</sup> Annual General Meeting.

The cost accounts and records of the Company are duly prepared and maintained as required u/s 148 of the Companies Act, 2013.

## Employees Stock Option Scheme

Pursuant to the approval of Members through postal ballot on July 08, 2022, the Company adopted “Sharda Motor Industries Limited stock option scheme 2022” {ESOP Scheme}, in order to retain and incentivize key talent for driving long term objectives of the Company whilst simultaneously fostering ownership behavior and collaboration amongst employees. 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 shares 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 financial year 2023-24, “No option” was granted therefore disclosure required under Rule of the Companies (Share Capital and Debentures) Rule 2014 is not applicable..

In terms of Regulation 13 of SEBI ESOP Regulations 2021, the Certificate from VKC Associates, Company Secretaries, Secretarial Auditors shall be made available for members at the forthcoming AGM.

## 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.

## Details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the banks or financial institutions along with the reasons thereof

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 financial year 2023-24.
- Opening of “Sharda Motor Industries Limited - Unspent CSR Account financial year 2023-24”.
- Transferring Unspent CSR Amount that remains unspent for the financial year 2023-24 for the utilization of funds over the identified ongoing project.

- Devising of Annual Action Plan for carrying out the CSR activities for the financial year 2024-25.

Further, the company has transferred an amount of Rs. 365.33 Lakhs to “Sharda Motor Industries Limited – Unspent CSR Account financial year 2023-24, to the accomplishment of the CSR Obligations as identified by the CSR Committee & Board of Directors as ongoing project i.e. Sharda Unnati. The said amount shall be utilized in a period of three years for such activities as identified under the aforesaid ongoing projects for the financial year 2023-24 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 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 given as **Annexure III** to the Director’s report.

## Annual Return

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for financial year March 31, 2024 is uploaded on the website of the company and the same is available on <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 Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure-IV**.

The statement containing details of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **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 Section 134(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 Act 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/wp-content/uploads/2016/07/RPT-Policy.pdf>.

Further, the transactions entered with the persons belonging to the promoter and promoter group of the company and holding 10 Percent or more shareholding in the company is provided in the Related Party Disclosures in relevant section of Notes to Financial Statements for the year ended March 31, 2024, forming 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 Regulations. 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 Regulations, 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**

There were no material changes and commitments subsequent to close of the financial year which could affect 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 were passed by the Regulators, Courts or Tribunals which would impact the going concern status of the company and its operations in the future.

## **Risk Management**

The Board of the company has constituted a Risk Management Committee to frame, implement, monitor and review the Risk Management plan and to ensure its effectiveness. The company has framed Risk Management Policy to identify the risks and place the procedures to mitigate the same. The Risk Management Committee of 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.

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 Internal Complaints Committee (ICC) 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 Listing Regulations, the company has prepared 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) and (5) of the Act, it is hereby stated that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed;
- 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 March 31, 2024 and of the profit and loss of the company for the year ended on that date;
- 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;
- The annual accounts have been prepared on a going concern basis;
- 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;
- 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.

## 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**  
Co-Chairperson  
DIN 00252181

**Ajay Relan**  
Managing Director  
(DIN:00257584)

Date : August 2, 2024  
Place : New Delhi



## 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

(Rs. in Lakhs except otherwise specified)

1. Name of the subsidiary	Uddipt Mobility India Private Limited*
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period 01/04/2023 till 31/03/2024	Not Applicable
3. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not Applicable
4. Share capital:	0.10
5. Reserves & surplus:	(4.72)
6. Total assets :	0.988
7. Total Liabilities:	4.72
8. Investments :	NIL
9. Turnover:	NIL
10. Profit before taxation:	(1.70)
11. Provision for taxation:	NIL
12. Profit after taxation:	(1.70)
13. Proposed Dividend:	NIL
14. Percentage of shareholding	74%

\* includes JV

### Part “B”: Associates/Joint Venture

(Rs. in Lakhs except otherwise specified)

Name of associates/Joint Ventures	Relan Industrial Finance Limited	Exhaust Technology Private Limited*
1. Latest audited Balance Sheet Date	March 31, 2024	March 31, 2023
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
Amount of Investment in Associate/ Joint Venture	49	4,750
Extend of Holding (in percentage)	47.12 Percent	50 Percent

Name of associates/Joint Ventures	Relan Industrial Finance Limited	Exhaust Technology Private Limited*
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	409.08	4386.00*
7. Profit/Loss for the year		
i. Considered in Consolidation	33.58	435.78**
ii. Not Considered in Consolidation	37.69	435.78**

\*Based on the audited financial statements as on March 31, 2023

\*\*Based on the unaudited financial statement for the financial year 2023-24 as provided by Exhaust Technology Pvt. Limited.

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

**(Aashim Relan)**

Chief Executive Officer

**(Puru Aggarwal)**

President &  
Group Chief Financial Officer

**(Nitin Vishnoi)**

Executive Director &  
Company Secretary  
M.No. F3632

Date : May 23, 2024  
Place : New Delhi

### FORM NO. MR-3

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2024

[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. made available to us. 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.

## 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, 2024 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, 2024 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: **Not Applicable**
  - (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).

Based on our examination and verification of records produced to us and according to the information and explanations given to us by the Company, in our opinion, 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;

### During the period under review:

1. The company has paid a final Dividend of Rs. 17.27 per equity share of Face Value of Rs. 2/- each for the Financial Year 2022-23.
2. The Board on 10th August, 2023 has made an amendment to the Joint Venture Agreement dated 25th February, 2019, executed between Sharda Motor Industries Limited and Purem International GmbH (earlier known as Eberspacher Exhaust Technology International GmbH) to bring clarity over JV products.
3. The company has transferred Rs. 17.39 lakhs for the unspent CSR obligation for the Financial Year 2020-21 to "Schedule VII Fund" on dated 29.04.2024. Further, the Company has deposited the unspent CSR obligation for the Current Year's ongoing projects in separate account amounting to Rs. 365.33 lakhs.

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

**CS Ishan Khanna**  
Partner  
ACS No. 53517  
C P No. 24258

**UDIN:** A053517F000430531  
**Peer Review No.:**1955/2022

Date : May, 23, 2024  
Place : New Delhi



## Annexure to Directors' Report

## 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	Shri Kishan N. Parikh	Member/ Chairperson	Non-Executive - Independent Director	2	2
2	Smt. Sharda Relan	Member	Non-Executive Director	2	-
3	Shri Ajay Relan	Member	Executive Director	2	2
4	Shri Ashok Kumar Bhattacharya	Member	Non-Executive - Independent Director	2	2

#### 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 20,212.78 lakhs

#### b) Two percent of average net profit of the company as per sub-section (5) of section 135.

Rs. 404.26 lakhs

#### 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. 404.26 lakhs

6. a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).**

Rs. 38.93 lakhs

b) **Amount spent in Administrative Overheads.**

Nil

c) **Amount spent on Impact Assessment, if applicable.**

Nil

d) **Total amount spent for the Financial Year [(a)+(b)+(c)].**

Rs. 38.93 lakhs

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
38.93 lakhs	365.33 lakhs	29.04.2024	-	-	-

f) **Excess amount for set-off, if any:**

Sl. No.	Particular	Amount (Rs. in lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	404.26
(ii)	Total amount spent for the Financial Year	38.93
(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 previous Financial 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 to Unspent CSR Account under sub-section (6) of section 135 (Rs. in lakhs)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (Rs. in lakhs)	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 (Rs. in lakhs)	Deficiency, if any
					Amount (Rs. in lakhs)	Date of Transfer		
1	2022-23	214.06	214.06	-	-	-	214.06	Nil
2	2021-22	199.94	199.94	-	-	-	199.94	Nil
3	2020-21	137.58	-	120.18	17.40	29.04.24	-	Nil

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

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
-----	-------------------------------------	----	--------------------------

If Yes, enter the number of Capital assets created/ acquired

1

**Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

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	Amount of 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
1.	Two shops (5 & 6) for opening Sharda CSR Medical Clinic at Super Market apartment, Chunchale, Nashik	422010	2.01.2024	83.94 lakhs	CSR00003707	Sharda CSR Foundation Trust	D-188, Okhla Industrial Area Ph-1, New Delhi, 110020

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135**

As certain major ongoing CSR projects began in financial year 2023-24, specially in the field of Health, Education and other fields as identified by the CSR committee of the company. The amount reserved for these projects will be spent in a phased manner. Therefore, unspent amount of Rs. 365.33 Lakhs pertaining to our ongoing projects has been transferred to unspent CSR account 2023-24.

**For Sharda Motor Industries Limited**

**Ajay Relan**

Managing Director  
(DIN:00257584)

**Kishan N. Parikh**

Chairperson  
CSR Committee  
(DIN:00453209)

Date : August 02, 2024  
Place : New Delhi

**Annexure to Directors' Report**
**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, 2024:**

S. N	Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Date of commencement of employment	Age as on 31.03.2024	Last employment held
1	Ajay Relan	Managing Director	1033.42	B. Com (Hons.) OPM from Harvard Business School USA 37 Years	29-01-1986	62 Years	-
2	Aashim Relan	Chief Executive Officer	144.61	Graduate in Economics major from Emory University, Atlanta (U.S.A) 10 Years	28-06-2012	34 Years	-
3	Puru Aggarwal	President & Group CFO	271.96	CA, ICWA & CS 31 Years	01-09-2022	57 Years	Sandhar Technologies Limited
4	Ashish Shashikant Kulkarni	Chief Purchasing Officer	139.61	BE (Prod), EMBA 30 Year	21-09-2020	55 Years	Tenneco Automotive India Pvt. Ltd
5	Nitin Vishnoi	Executive Director & Company Secretary	131.89	B. Com Hon's, FCS 32 Years	01-07-1998	54 Years	Korin India Limited
6	Krishan Kumar Sharma	Chief Manufacturing officer	119.14	B. Com. 30 Years	14-06-1993	53 Years	-
7	Yong Hee Cho	Executive Director Sales & New Business	118.50	BBA 33 years	14-02-2022	59 years	OTO Industry Co. Ltd
8	Dnyaneshwar Pramod Dandekar	Senior Vice President R & D	109.73	BE (Mech), ME (Thermal Engg), EMBA 25 Years	27-11-2019	48 Years	Tenneco Automotive India Pvt. Ltd.
9	Suck Tae Ko	Senior Director - NPD and Process Engineering	94.27	B.Tech 31 years	06-10-2020	56 years	DGENX Co. Ltd
10	Paramjeet Singh	Senior Vice President Sale & Business Development	94.17	B.Com 25 years	08-10-2003	47 years	Ujala Pumps

**B. Employed for part of the year ended March 31, 2024:**

S. N	Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Date of commencement of employment	Age as on 31.03.2024	Last employment held
1	Deepak Bhasker	Chief People Officer	73.01	MBA – HR, NDA 31 Yrs	09-07-2020	53 years	Omax Auto
2	Vikas Khokha	Chief Human Resource Officer	30.29	PGDM 24 Years	27-11-2023	51 Years	Dhanuka Agritech
3	Gaurav Garg	Senior General Manager - Finance	35.31	CA 17 Years	16-10-2023	40 Years	IAC International Automotive
4	Sandeep Ruhela	Chief Strategy Officer	12.13	MBA 17 Years	01-02-2024	38 Years	Escorts Kubota
5	Ghan Shyam Dass	Vice President Transformation & Strategy	113.69	B Com, CA 27 Years	06-04-2023	48 Years	CK Birla Group

- The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- The nature of employment of Managing Director & Whole time Director is contractual, for the rest of the employees, it is other than contractual.
- Shri Aashim Relan is the son of Shri Ajay Relan.
- Except Shri Ajay Relan and Shri Aashim Relan, who are holding 58.42 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 March 31, 2024 as per Rule 5(3)(viii) of the Companies (Appointment and Remuneration) Rules, 2014.

Annexure to Directors' Report

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;	Shri Kishan N Parikh - NA Shri Ajay Relan – 90.81% Smt. Sharda Relan – NA Shri Nitin Vishnoi – 27.5% Shri Ashok Kumar Bhattacharya – NA Shri Udayan Banerjee – NA 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;	<b>Directors:</b> Shri Kishan N Parikh- NA Shri Ajay Relan – 15.78% Smt. Sharda Relan – NA Shri Nitin Vishnoi – 155.20% Shri Ashok Kumar Bhattacharya – NA Shri Udayan Banerjee – NA Smt. Sarita Dhuper – NA  <b>Key Managerial Personnel</b> Shri Puru Aggarwal (CFO) – NIL Shri Nitin Vishnoi (CS) – 155.20%
(iii) the percentage increase in the median remuneration of employees in the financial year;	15.08%
(iv) the number of permanent employees on the rolls of Company;	1183 Nos. employees as on March 31, 2024
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 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 15.08 percent against which the increase in average salary of key managerial personnel is 24.98 percent.
(vi) affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year ended March 31, 2024 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.



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

The disclosures to be made under sub-section (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 176<sup>th</sup> out of 180 countries with 27.6 points\* in the 2024 Environmental Performance Index (EPI) among the most polluting countries. The Country ranks 155<sup>th</sup> in the Air Quality issue categories with 55.3 points\*. 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. A socially 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 equipment's 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 harming 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 2023-24.

**A. 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 financial year)**

No Technology has been imported during the last three years.

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

- Capital Expenditure–Rs. 104.60.
- Revenue Expenditure–Rs. 443.84

**B. 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 financial year 2023-24.

Source: \*Environmental Performance Index 2024

**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 PROVISIO 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 March 31, 2024, which were not at arm's length basis.

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

<b>Name(s) of the related party and nature of relationship</b>	<b>Exhaust Technology Private Limited, Joint Venture Company</b>	<b>Relan Industrial Finance Limited, Associate Company</b>
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 arrangements or transactions including the value, if any	Up to a maximum of Rs. 100 Crore (Actual amount of transaction Rs. 0.16 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 Financial Year.
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 08, 2023 as per the Listing Regulations.	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 08, 2023 as per the Listing Regulations.
Amount paid as advances, if any	Nil	Nil

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

Date : August 2, 2024  
Place : New Delhi

**Sharda Relan**  
Co-Chairperson  
(DIN: 00252181)

**Ajay Relan**  
Managing Director  
(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 March 31, 2024, forming part of the Board Report.

### 1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Sharda Motor Industries Limited is committed to conducting business in a responsible, honest, and ethical manner. This commitment commences with the Board of Directors, which fulfills its corporate governance obligations by focusing on the Company's strategic and operational excellence in the best interest of all our stakeholders, specifically shareholders, employees, and customers, in a balanced manner.

The SMIL philosophy on corporate governance is rooted in the rich legacy of ethical governance practices, many of which were already in place before they were mandated. The Company has established internal governance policies and a formalized system of Corporate Governance, which establishes the structure, processes, and practices of governance within the Company.

The Company emphasizes the need for complete transparency and accountability in all its transactions in order to protect the interests of its stakeholders. The Board acknowledges its responsibility towards its shareholders for creating and safeguarding their wealth.

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

### 2. BOARD OF DIRECTORS

The Board of Directors consists of professionals drawn from diverse fields. As on March 31, 2024, 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 financial year 2023-24 on May 18, 2023, August 10, 2023, November 09, 2023 and February 8, 2024. 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 March 27, 2024 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 March 31, 2024 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 26 <sup>th</sup> September, 2023	Directorship of other public companies*		Name & Category of Directorship held in other Listed Entities	Committee position held in other public Companies#		Share-holding in the Company
						Chair-person	Director		Chair-person	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	Yes	-	-	-	-	-	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 Act.

\*\* 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.

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:**

- 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.
- Strategic and Planning:** Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
- Global Business:** Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
- 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 33 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 38 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 38 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 43 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 37 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 50 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 32 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.

### 3. Audit Committee

The 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-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

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 26<sup>th</sup> September, 2023 to address the members of the Company.

During the year ended March 31, 2024, the Audit Committee meetings were held on May 18, 2023, August 10, 2023, November 09, 2023 and February 08, 2024.

The Composition of Committee and attendance of Members at the meeting held during the financial year 2023-24 are tabulated hereunder:

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

The company Secretary of the Company acted as Secretary of the Committee.

#### 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, and Listing Regulations.

During the year under review, Nomination and Remuneration Committee met on May 18, 2023, August 10, 2023, November 9, 2023 and February 08, 2024.

The Composition of the Committee and attendance of Members at the meeting held during the financial year 2023-24 are tabulated hereunder:

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

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. Criteria for making the payment to Non-Executive Directors is disclosed in the Nomination, Remuneration and Evaluation 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 2023-24 is given hereinunder.

##### EXECUTIVE DIRECTORS

(Rs. in Lakhs)

Name of Director	Salary	Perks	Performance Incentive	Total
Shri Ajay Relan	425.04	17.74	590.64	1033.42
Shri Nitin Vishnoi	124.70	7.19	-	131.89
Total	549.74	24.93	590.64	1165.31

**NON-EXECUTIVE DIRECTORS**

(Rs. in Lakhs)

<b>Name of Director</b>	<b>Sitting fee</b>
Shri Kishan N Parikh	7.20
Shri Ashok Kumar Bhattacharya	7.20
Smt. Sharda Relan	0.75
Shri Udayan Banerjee	6.85
Smt. Sarita Dhuper	3.00
<b>TOTAL</b>	<b>25.00</b>

**Notes:**

1. The tenure of executive directors of the Company is 5 years from the date of their re-appointment at current designation;
2. The Company has an Employee Stock Option Scheme viz SMIL ESOP 2022;
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 governing the appointment of Executive Directors;
5. No commission was paid to non-executive directors during the year;
6. Performance incentive was 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

**5. 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 31<sup>st</sup> March, 2024

<b>S. No</b>	<b>Name of Employee</b>	<b>Designation</b>	<b>Change during Financial year 2023-24 (If any)</b>
1.	Shri Aashim Relan	Chief Executive Officer	-
2.	Shri Nitin Vishnoi	Executive Director & Company Secretary	-
3.	Shri Puru Aggarwal	President and Group CFO	-
4.	Shri Ashish Shashikant Kulkarni	Chief Procurement and Program Management Officer - Purchase	-
5.	Shri Deepak Bhasker	Chief People Officer	Cessation on December 01, 2023
6.	Shri Vikas Khokha	Chief Human Resource Officer	Appointed w.e.f. November 27, 2023
7.	Shri Krishan Kumar Sharma	Chief Manufacturing Officer	-
8.	Shri Paramjeet Singh	Senior Vice President - Sales & BD	-
9.	Shri Dnyaneshwar Dandekar	Senior Vice President-R&D	-
10.	Shri Ghan Shyam Dass	Vice President- Transformation & Strategy	-
11.	Shri Rajesh Kumar Malik	Vice President-Operations	-
12.	Shri Sriram Balaraman	Vice President- R&D	-
13.	Shri Sachidanand Mavinkurve	Vice President-JV-OPS	-
14.	Shri M Yuvaraja	Senior General Manager- Industrialization	-

**6. 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 financial year 2023-24 on May 18, 2023. 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 September 26, 2023. 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 / remit 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 March 31, 2024 are tabulated hereunder:

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

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 March 31, 2024, status of investor grievance is tabulated hereunder: -

<b>Description</b>	<b>Numbers</b>
Complaint pending as on April 1, 2023	Nil
Complaints received during the financial year 2023-24	Nil
Complaints disposed-off up to the satisfaction of shareholder during the financial year 2023-24	N.A.
Complaints pending as on March 31, 2024	Nil

Members may please note that SEBI vide its Circular dated January 25, 2022, as amended, has mandated the Listed Companies to issue securities in demat 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, Shareholders 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 website under the weblink at Investor Forms - <https://www.shardamotor.com>.

com/investor-relations/investor-forms/. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.

## 7. 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 Act.

During the financial year 2023-24, CSR Committee meetings were held on August 10, 2023 and March 27, 2024. The Composition of the Committee along with the attendance of its Members are as under:

Name of Director	Category	Position	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Shri Kishan N. Parikh*	Non-Executive - Independent Director	Chairperson	2	2
Smt. Sharda Relan**	Non-Executive - Non-Independent Director	Member	2	-
Shri Ajay Relan	Executive Director	Member	2	2
Shri Ashok Kumar Bhattacharya	Non-Executive - Independent Director	Member	2	2

\* Shri Kishan N Parikh was member of the committee till November 9, 2023, thereafter, designated as chairperson to the committee.

\*\* Smt. Sharda Relan was chairperson of the committee till November 9, 2023, thereafter, she stepped-down as member of the committee.

The Corporate Social Responsibility Report for the year ended March 31, 2024 is annexed to the Director's Report.

## 8. 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 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 Listing Regulations. 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 Listing Regulations are as 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 financial year 2023-24, Risk Management Committee meetings were held on July 26, 2023 and January 20, 2024. 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	-
Shri Ashok Kumar Bhattacharya	Non-Executive Independent Director	Member	2	2
Shri Udayan Banerjee	Independent, Non-Executive Director	Member	2	2

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>

## 9. General Body Meetings

### A. Annual General Meeting:

AGM No.	Year	Venue	Date	Time	No. of Special Resolutions
38	2022-23	Video Conferencing / Other Audio Visual Means Deemed Venue – Registered Office of the Company	26.09.2023	12:00 noon	None
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

### B. Extraordinary General Meetings

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

### C. Special resolutions passed by Postal Ballot

During the year under review, no postal ballot was conducted.

## 10. Disclosures

- a) The particular of the related party transactions as per the terms of IND AS 24 "Related Party Disclosure" specified u/s 133 of the Act read with rule 7 of Companies (Accounts) Rules, 2014 and regulation 23 of Listing Regulations are disclosed in the relevant note of the notes to the financial statement. However these transactions are not likely to conflict with the company's interest. All related party transactions were entered in the ordinary course of business and at arm's length basis. A confirmation as to the compliance to the related party transaction as per the Listing Regulations is sent to the stock exchanges along with the quarterly compliance report on Corporate Governance.

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](http://www.shardamotor.com).

- b) Board has considered and accepted all the recommendations of the Committees of the Company whenever made.
- 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) 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.
- f) 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>
- g) The Company has constituted the Risk Management Committee and has also devised the Risk Management Policy for understanding of Risk factors / parameters and its process of monitoring and mitigation of the potential risk associated with the business of the company. These process are periodically revised by the risk management committee. 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.
- h) Disclosure of certain types of agreements binding listed entities.  
There is no Agreement exist as on March 31, 2024 which is required to be disclosed as per clause 5A of paragraph A of Part A of Schedule III of Listing Regulations.
- i) 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:
  - i) The Company has appointed separate persons to the post of Chairperson, Managing Director and Chief Executive Officer.
  - ii) The Company is in the regime of unqualified financial statements.
  - iii) 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.
  - iv) 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.
  - v) The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-para (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.

### 11. 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 financial year ended March 31, 2024 obtained from Smt. Jaya Yadav, Practising Company Secretary (C.P. No.: 12070) has been enclosed as **Annexure - IX** to this Report.

### 12. 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.

### 13. 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.

**14. 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.**

S. No.	Particular	Financial Year 2023-24	Financial Year 2022-23
<b>As Auditor</b>			
1.	Statutory Audit Fees	14.50	13.00
2.	Tax audit fee	5.50	5.00
3.	Certification Fees	1.63	0.85
4.	Other Services	12.00	11.00
<b>In Other Capacity</b>			
5	Reimbursement of expenses	0.49	0.76
<b>Total</b>		<b>34.12</b>	<b>30.61</b>

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

During the financial year, 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:

- number of complaints filed during the financial year - NIL
- number of complaints disposed of during the financial year - NIL
- number of complaints pending as on end of the financial year - NIL

**16. 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.

The periodical results are published within the stipulated time period in two Newspapers, generally in financial express (in English) and vir arjun (in hindi), and are also simultaneously displayed on the website of the Company [www.shardamotor.com](http://www.shardamotor.com).

The Company has made presentation to Institutional investors / Analysts for all the 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/>

**17. General Shareholders' Information:**

39<sup>th</sup> Annual General Meeting:

**Date:** September 26, 2024

**Day :** Thursday, Time : 12:00 Noon

**Venue :** Through Video Conferencing (VC)/ Other Audio Video Means (OVAM) financial year : April 1 to March 31

**Date of Book Closure:** Friday, September 20, 2024 to Thursday, September 26, 2024 (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 financial year 2024-25 has been paid in respect of both the stock exchanges.

**Stock Code and ISIN No:**

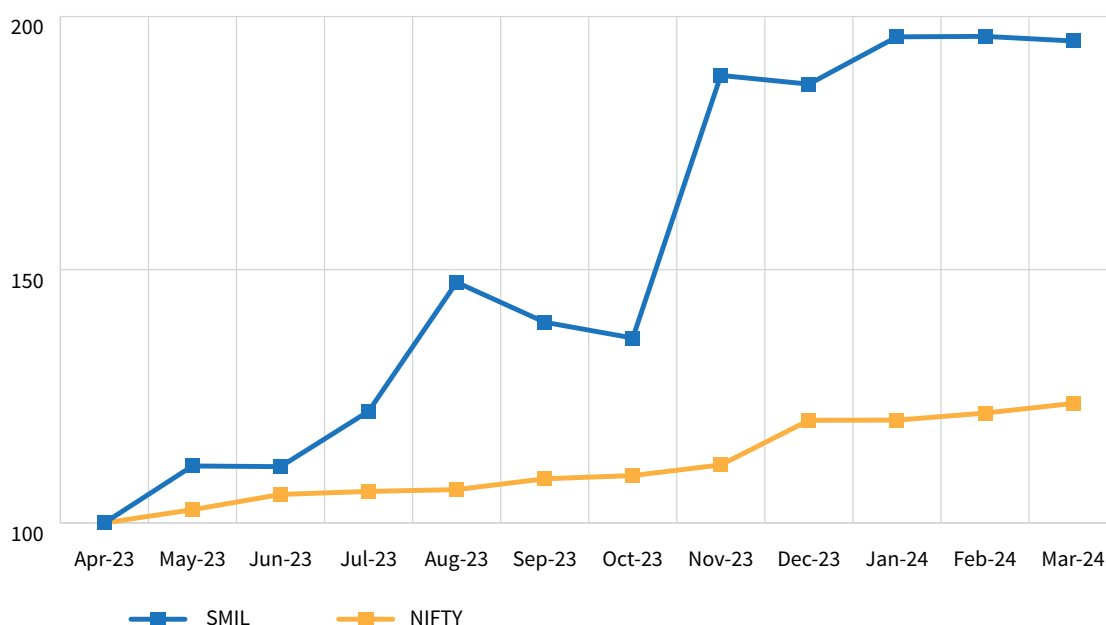
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	535602 (Scrip Code)
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Mumbai- 400051	SHARDAMOTR (Symbol)
ISIN No. prior to the Split of Face Value of Equity Share (Valid upto April 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 2023-24**

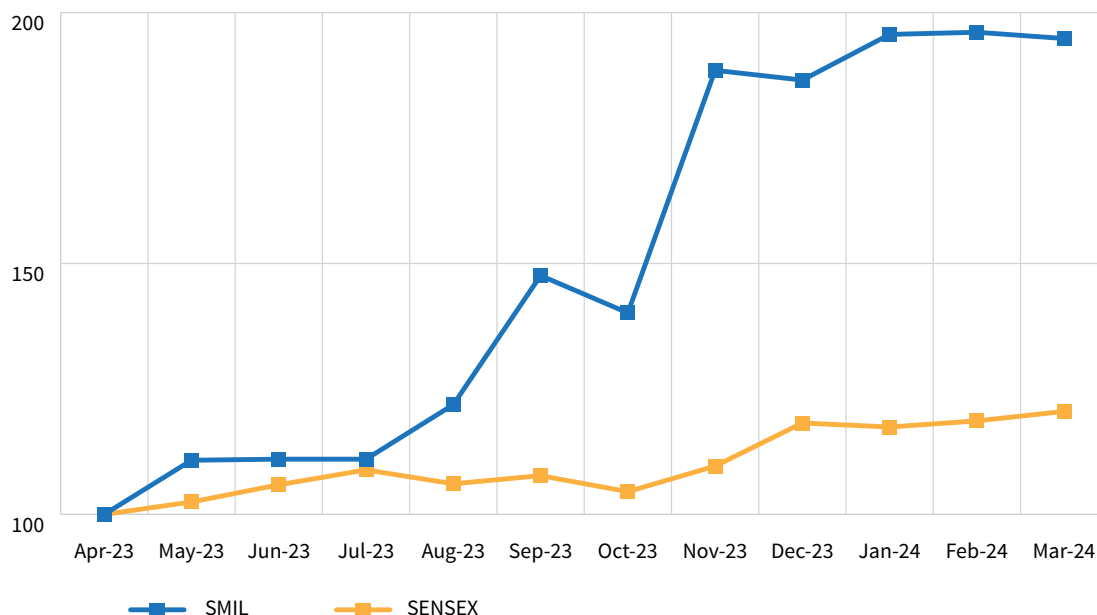
Month	BSE		NSE	
	High	Low	High	Low
Apr-23	739.80	566.25	735.00	562.00
May-23	914.20	686.05	918.00	699.50
Jun-23	872.05	753.60	859.80	759.95
Jul-23	878.00	780.05	880.00	780.10
Aug-23	1,065.00	804.20	1,066.20	805.00
Sep-23	1,097.50	970.45	1,101.85	972.00
Oct-23	1,082.95	864.75	1,005.00	864.60
Nov-23	1,379.00	945.65	1,378.90	945.10
Dec-23	1,379.00	1,136.00	1,379.75	1,120.00
Jan-24	1,493.60	1,286.00	1,494.40	1,285.05
Feb-24	1,571.00	1,311.80	1,571.90	1,308.15
Mar-24	1,438.00	1,167.05	1,462.50	1,165.05

Source: [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://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, 2023 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 March 31, 2024

Category (No. of shares)	No. of shareholders	Percent of shareholders	No. of Shares	Percent of equity shares
1-500	20622	99.07	2615924	8.80
501-1000	84	0.40	612928	2.06
1001-2000	43	0.21	627863	2.11
2001-3000	20	0.10	504235	1.70

Category (No. of shares)	No. of shareholders	Percent of shareholders	No. of Shares	Percent of equity shares
3001-4000	11	0.05	373784	1.26
4001-5000	4	0.02	184131	0.62
5001-10000	18	0.09	1337655	4.50
10001-99999999999	14	0.07	23475110	78.96
<b>Total</b>	<b>20816</b>	<b>100.00</b>	<b>29731630</b>	<b>100.00</b>

#### Shareholding Pattern as on March 31, 2024

Category Code	Category	Total No. of shares	Percent of total no. of Shares
<b>(A)</b>	<b>Promoters and Promoter Group</b>		
	(i) Resident Individual	21762895	73.20
<b>(B)</b>	<b>Public Shareholding</b>	-	-
	Individuals	5721831	19.25
	Mutual Funds/ UTI	12075	0.04
	Foreign Portfolio Investors	461315	1.54
	Alternate Investment Funds	112866	0.38
	Bodies Corporate	1103381	3.71
	Non Resident Indians	231975	0.78
	Trust	165	-
	Clearing Members	76588	0.26
	Resident HUF	213039	0.72
	IEPF	35500	0.12
	<b>Total Shareholding</b>	<b>29731630</b>	<b>100.00</b>

#### Dematerialisation of shares and liquidity

The shares of the Company are 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 March 31, 2024, 98.80 Percent shares of the Company are held in dematerialised form.

#### Outstanding GDRs /ADRs / Warrants Not issued

##### Plant Locations:

- Plot No. A-1/8, MVML Vendor Park MIDC, Phase-IV, Nigo JE Chakan, Pune – 410501
- PAP K-20,21&22, Village - Khalumbre, Chakan MIDC Phase II, Tal Khed, Pune 410501
- G-20, Sipcot Industrial Park, Irungattu Kottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamil Nadu – 602105
- P 12, 1st Avenue, Mahindra World City, Chengalpattu Taluk, Kanchipuram Dist., Tamil Nadu-603 002
- Plot No.112, M.I.D.C., Satpur, Nasik- 422007, Maharashtra
- Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik-422007
- Plot No. C/8 Tata Vendor Park, Sanand Viramgam Highway, Ahmedabad, Gujarat- 382170
- Gat No 19(P), 20(P), 22(P), Chakan MIDC Phase II, Village - Varale, Tal - Khed, Dist - Pune 410501.



## 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 financial year 2023-24.

For **Sharda Motor Industries Limited**

**Ajay Relan**

Managing Director  
(DIN:00257584)

## CEO/CFO Certification

### CERTIFICATE FOR THE YEAR ENDED 31.03.2024

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 Aggarwal, 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 financial year 2023-24 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 financial year 2023-24;
  - ii) that there are no significant changes in accounting policies during the financial year 2023-24; and
  - iii) that there are no instances of significant fraud of which we have become aware.

For **Sharda Motor Industries Limited**

Date : August 2, 2024  
Place : New Delhi

**Puru Aggarwal**  
President & Group Chief Financial Officer

**Aashim Relan**  
Chief Executive Officer

## AUDITOR CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of Sharda Motor Industries Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 29<sup>th</sup> July, 2024.
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 31<sup>st</sup> March 2024, 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 31<sup>st</sup> March 2024.

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. FCA 083689

UDIN: 24083689BKBLYT8708

Place of Signature: New Delhi

Date: 02<sup>nd</sup> August, 2024

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

### Section A: General Disclosures

#### Details of the listed entity:

S. No.	Question	Response
1.	<b>Corporate Identity Number (CIN) of the Entity</b>	L74899DL1986PLC023202
2.	<b>Name of the Listed Entity</b>	Sharda Motor Industries Limited
3.	<b>Year of Incorporation</b>	1986
4.	<b>Registered Office Address</b>	D-188, Okhla Industrial Area Phase-1, New Delhi, Delhi-110020, India
5.	<b>Corporate Address</b>	D-188, Okhla Industrial Area Phase-1, New Delhi, Delhi-110020, India
6.	<b>E-mail</b>	<a href="mailto:investorrelations@shardamotor.com">investorrelations@shardamotor.com</a>
7.	<b>Telephone</b>	011-47334100
8.	<b>Website</b>	<a href="http://www.shardamotor.com">www.shardamotor.com</a>
9.	<b>Financial Year for which report is being done</b>	April 01, 2023 to March 31, 2024
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	BSE Limited and National Stock Exchange of India Limited
11.	<b>Paid-up Capital</b>	594.63 Lakhs
12.	<b>Name and contact details (telephone &amp; email) of the person who may be contacted in case of queries on the BRSR report</b>	<b>Ms. Iti Goyal</b> Assistant Company Secretary and Compliance officer Contact No. : 011-47334100 E- Mail Id: <a href="mailto:iti.goyal@shardamotor.com">iti.goyal@shardamotor.com</a>
13.	<b>Reporting Boundary (Standalone or Consolidated basis)</b>	The disclosures made under this report are on a standalone basis for Sharda Motor Industries Ltd (SMIL).
14.	<b>Name of assurance provider</b>	Not applicable
15.	<b>Type of assurance obtained</b>	Not applicable

#### Products and Services:

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

S. No.	Description of Main Activity	Description of Business Activity	%Turnover of the entity
1	Manufacturing	Manufacturing of motor vehicle parts such as exhaust system, suspension system and sheet metal components.	100%

##### 17. Product/ 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%

## Operations:

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

Location	Number of Plants	Number of Offices	Total
National	8 Manufacturing units (including 2 Tube Mills & 3 Stamping Plants)	1 corporate office and 1 research and development center	<b>10</b>
International	-	1 design and development center	<b>1</b>

#### 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
8. Gate No 19(P), 20(P), 22(P), Chakan MIDC Phase II, Village - Varale, Tal - Khed, Dist - Pune 410501.

### 19. Markets Served by the Entity

#### a. Number of Locations:

Location	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 (1) 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 0.72%.

#### C. A Brief on types of customers?

We are at the forefront of automotive technological innovation, providing our customers with tailored solutions through the use of cutting-edge machinery and equipment. Our company delivers superior automobile components to leading automakers and engine manufacturers both in India and globally.

We collaborate with esteemed automakers, engine manufacturers, and tier-1 suppliers, supplying high-quality, innovative components that enhance vehicle performance and efficiency. Additionally, SMIL partners with original equipment manufacturers (OEMs) to contribute to the development and production of vehicles that adhere to industry standards. SMIL's versatile product range includes exhaust systems, suspension systems, roof systems and supply chain management services.

With a steadfast commitment to excellence, innovation, and customer satisfaction, SMIL continues to drive advancements in the automotive sector, solidifying its position as a trusted partner in the industry. Employees:

## 20. Details as at the end of financial year

### a. Employees and Workers

<b>Employees (including differently abled)</b>						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Employees	679	655	96.47%	24	3.53%
2.	Other than Permanent Employees	121	119	98.35%	2	1.65%
3.	Total Employees (1+2)	<b>800</b>	<b>774</b>	<b>96.75%</b>	<b>26</b>	<b>3.25%</b>

<b>Workers (including differently abled)</b>						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	Permanent Workers	238	234	98.32%	4	1.68%
5.	Other than Permanent Workers	2262	2205	97.48%	57	2.51%
6.	Total Workers (4+5)	2500	2439	97.56%	61	2.44

### b. Differently abled Employees and Workers

<b>Differently Abled Employees</b>						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Employees	2	2	100%	-	-
2.	Other than Permanent Employees	-	-	-	-	-
3.	Total Employees (1+2)	2	2	100%	-	-

<b>Differently Abled Workers</b>						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	Permanent Workers	-	-	-	-	-
5.	Other than Permanent Workers	-	-	-	-	-
6.	Total Workers (4+5)	-	-	-	-	-

## 21. Participation/ Inclusion/ Representation of Women

	Total (A)	Number of Female (B)	Percentage (B/A)
Board of Directors	7	2	28.57%
Key Management Personnel	3	-	-



## 22. Turnover rate for permanent employees and workers:

	Financial year 2023- 24			Financial year 2022-23			Financial year 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	28.24%	33%	30.62%	28.03%	0.98%	29.02%	21.01%	1.09%	22.10%
Permanent Workers	0.91%	-	0.91%	0.70%	-	0.70%	1.05%	-	1.05%

## Holding, Subsidiary and Associate Companies (including joint ventures):

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

S. No.	Name of the holding/ subsidiary/ associate company/ joint venture	Indicate whether holding/ subsidiary/ associate company/ joint venture	% of shares held by listed entity*	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the 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

## 24. Corporate Social Responsibility details

(i). Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii). Turnover (in Lakhs.)	2,80,926.24
(iii). Net Worth (in Lakhs.)	1,02,512.20

## Transparency and Disclosures Compliances:

### 25. Complaints/ Grievances on any of the Principles (1-9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
<b>Investors (Other than shareholders)</b>	<b>Yes</b> , Investors and Shareholders may visit <a href="https://www.shardamotor.com/investor-relations/policies/">https://www.shardamotor.com/investor-relations/policies/</a> or contact the compliance officer at dedicated mail id i.e., investorrelations@shardamotor.com to file a complaint.	Nil	Nil	-	Nil	Nil	-

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
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 <a href="https://www.shardamotor.com/investor-relations/policies/">https:// www.shardamotor.com/investor-relations/policies/</a> or contact the compliance officer at dedicated mail id i.e., <a href="mailto:investorrelations@shardamotor.com">investorrelations@shardamotor.com</a> to file a complaint	Nil	Nil	-	2	Nil	-
Employees and Workers	Yes. A Whistleblower policy is established alongside an Ethics helpline accessible via email at <a href="mailto:shardamotor@ethicshelpline.co.in">shardamotor@ethicshelpline.co.in</a> . Additionally, a comprehensive policy addressing the redressal of workplace sexual harassment is meticulously crafted in accordance with the Sexual Harassment of Women at Workplace Act, 2013. For detailed insights, the Whistleblower policy can be reviewed at: <a href="#">Whistleblower policy</a>	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	-

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
<b>Value Chain Partners</b>	<b>Yes</b> , 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	-
<b>Communities</b>	Yes, the communities we engage with, can address their concerns and grievances through the Dedicated Email id: shardacsrtrust@shardamotor.com	Nil	Nil	-	Nil	Nil	-

**Outlined below are the details of our Grievance Redressal Mechanism for our key stakeholders with the relevant links:**

**Investors and Shareholders-** We conduct regular evaluations of the status of shareholders' complaints and their resolutions. 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. Investors 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](mailto: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/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** – Sharda Motor Industries Limited, through its Corporate Social Responsibility (CSR) arm, Sharda CSR Foundation Trust, is dedicated to making a positive impact beyond our products and services. Our CSR initiatives focus on giving back to communities through a wide range of efforts in education, healthcare, environmental conservation, and community development. We are committed to empowering communities and fostering a sustainable future through robust CSR activities. Our goal is to create a sustainable and inclusive future for all. We have established a dedicated e-mail id i.e, shardacsrtrust@shardamotor.com for reaching out the philanthropic arm of the company

## 26. 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 the opportunity (Negative/ Positive)
1	Energy Management	Risk and Opportunity	<p><b>Risk Perspective:</b> 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.</p> <p><b>Opportunity Perspective:</b> 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.</p>	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 equipments. The Company aims to improve the environmental performance by adopting cleaner production methods. It promotes the use of energy efficient and environment friendly technologies and use of renewable energy.	<p><b>Positive Financial Implications:</b> 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.</p> <p><b>Negative Financial Implications:</b> 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.</p>

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 the opportunity (Negative/ Positive)
2	Physical impacts of climate change	Risk	<p><b>Risk perspective:</b> 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 emission regulations and vulnerability of infrastructure. Climate change-induced shifts in consumer preferences and liability issues further add to the risks.</p>	<p>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.</p> <p>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.</p>	<p><b>Negative financial implications: Property Damage and Repair Costs:</b> Extreme weather events and rising sea levels can lead to physical damage to SMIL's facilities, necessitating costly repairs or replacements.</p> <p><b>Supply Chain Disruptions:</b> 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.</p> <p><b>Increased Insurance Costs:</b> As climate change-related risks become more apparent, insurance premiums for business properties and assets may rise, impacting SMIL's operating expenses.</p> <p><b>Business Continuity Costs:</b> SMIL may incur expenses related to contingency plans and resilience measures to mitigate the impact of climate-related risks on its operations.</p>
3	Waste and Hazardous material management	Risk and Opportunity	<p><b>Risk perspective:</b> 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,</p>	<p>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 assesses waste and hazardous material management processes, identifying areas for improvement and</p>	<p><b>Negative financial implications:</b> 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</p>

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 the opportunity (Negative/ Positive)
			<p>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.</p> <p><b>Opportunity perspective:</b> 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.</p>	adopting more sustainable practices and follow best practices for handling, storing, and disposing of hazardous materials, ensuring employee safety and environmental protection.	potential legal claims, affecting SMIL's operational costs. If hazardous materials cause environmental contamination, SMIL may incur substantial costs for environmental remediation and restoration.
4	Water Resilience	Opportunity	<p><b>Opportunity perspective:</b> 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 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.</p>	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 have ensured recycling of water and zero discharge outside plant premises. 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	<p><b>Negative financial implications:</b> 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. Meeting regulatory requirements related to water usage and discharge may require investments in water-saving technologies and wastewater treatment facilities.</p> <p><b>Positive financial implications:</b> 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</p>



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 the opportunity (Negative/ Positive)
				water stewardship to stakeholders.	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	<b>Opportunity perspective:</b> Product design and safety are critical aspects of SMIL's operations. 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.	<b>Positive financial implications:</b> 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.
6	Responsible supply chain and material sourcing efficiency	Risk and opportunity	<b>Risk perspective:</b> 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. <b>Opportunity perspective:</b> Building strong relationships with responsible suppliers can lead to improved collaboration, reliability, and long-term partnerships. Working with suppliers who prioritize sustainability can	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 collaboration 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	<b>Negative financial implications:</b> 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. <b>Positive financial implications:</b> 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

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 the opportunity (Negative/ Positive)
			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.	sourcing processes, wherein the Company endeavors to procure materials and resources responsibly, with a keen focus on minimizing environmental harm.	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	<b>Risk perspective:</b> 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 <a href="#">Human rights policy</a> 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. The Company has implemented a supplier code of conduct that sets clear expectations for suppliers regarding human rights, labour practices, and ethical standards.	<b>Negative financial implications:</b> 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.
8	Employee engagement and well being	Opportunity	<b>Enhanced Employee Productivity:</b> Engaged and well-supported employees are more likely to be motivated, focused, and productive, contributing to higher overall organizational efficiency. <b>Reduced Employee Turnover:</b> A positive work environment, along with support for employee wellbeing, can lead to increased employee retention, reducing recruitment and training costs. <b>Talent Attraction:</b> 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. <b>Innovation and Creativity:</b> Engaged employees tend to be more innovative	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.	<b>Positive financial implications:</b> 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.

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 the opportunity (Negative/ Positive)
			and creative, driving continuous improvement and contributing fresh ideas to the company's success.		
9	Labour practices	Opportunity	<b>Opportunity perspective:</b> 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.		<b>Positive financial implication:</b> 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.
10	Occupational health and safety	Risk	<b>Risk perspective:</b> 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.	<b>Safety training:</b> The Company provides regular and specific training to employees on safety protocols, procedures and the use of machinery and equipment. <b>Safety Policy and Procedures:</b> The Company has developed and enforced clear safety policies and procedures to create a safe work environment. <b>Regular equipment maintenance:</b> Regular maintenance of equipment and machinery to reduce the risk of accidents due to malfunctioning equipment. <b>Employee involvement:</b> The Company encourages employee involvement in safety initiatives, reporting hazards, and suggesting improvements.	<b>Positive financial implications:</b> 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. <b>Negative financial implications:</b> 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

This section is aimed at helping businesses, demonstrate the structures, policies, and processes out in place towards adopting the NGRBC Principles and Core Elements.

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
<b>Policy and Management Processes</b>									
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	The Company's policies are available for review at. <a href="https://www.shardamotor.com/investor-relations/policies/">https://www.shardamotor.com/investor-relations/policies/</a>								
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, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available	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.	<p>We recognize the paramount importance of setting sustainability targets and objectives to tackle environmental and ethical challenges within our operations. Our commitment to this endeavor is underscored by our determination to establish well-defined goals that will enhance our environmental stewardship, social impact, and corporate governance.</p> <p>We are dedicated to minimizing our environmental footprint by championing sustainable manufacturing and procurement practices. Our focus is also on amplifying our social impact through meaningful partnerships with stakeholders.</p> <p>Our core priorities include advancing diversity, equity, and inclusion within our workplace, ensuring the well-being and safety of our employees, and fostering local communities through various initiatives. We are committed to maintaining exemplary product quality and safety standards while upholding human rights and fair labor practices across our organization and supply chain.</p> <p>To fortify our internal structures and practices, we are establishing a diverse board of directors, enhancing our financial reporting and disclosure practices, implementing robust risk management and compliance frameworks, and promoting the highest standards of ethical conduct.</p> <p><b>We are in the process of setting specific targets with defined timelines and are committed to reporting on our progress in our upcoming reports.</b></p>								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	<p>In this report, we provide a thorough overview of our performance in various facets of business responsibility and sustainability. While we have shared our current status, we recognize the importance of continuous improvement in these areas. As such, we are committed to setting clear and ambitious goals to guide our efforts toward a more sustainable and responsible business model. This second edition of our Business Responsibility and Sustainability report signifies a continued commitment to our journey, and we are actively engaged in refining and setting specific targets. We look forward to updating our stakeholders on our progress towards these objectives in upcoming reports.</p>								

#### Governance, leadership, and oversight

<p><b>7.</b> Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements</p> <p>I am delighted to present our Company's second Business Responsibility and Sustainability Report (BRSR), which highlights our unwavering dedication to environmental, social, and governance (ESG) principles. As ESG considerations increasingly shape the modern business landscape, we recognize the necessity of addressing these concerns proactively. We are confident that integrating ESG principles into our core business strategy will not only create long-term value for all stakeholders but also foster a more sustainable and inclusive future. We remain committed to ongoing advancement and are actively working on establishing new goals to propel our growth forward.</p>	
<p><b>8.</b> Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)</p>	<p>Shri Ajay Relan, Managing Director (DIN: 00257584) 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.</p>
<p><b>9.</b> 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</p>	<p><b>Ms. Iti Goyal</b>, Assistant Company Secretary and 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.</p>

#### 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 name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No, the company has not carried out independent assessment/evaluation of the working of its policies.								

#### 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)	Not applicable.								
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)									

## Section C: Principle Wise Performance Disclosure

Entity demonstrates their performance in integrating the Principles and Core Elements with key processes and decisions.

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

#### **Essential Indicators**

#### **1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year 2023- 24:**

<b>Segment</b>	<b>Total number of training and awareness programs held</b>	<b>Topics/ Principles covered under training and its impact</b>	<b>%age of persons in respective category covered by the awareness programmes</b>
Board of Directors	9	<ul style="list-style-type: none"> <li>Ethical leadership and corporate Governance</li> <li>Compliance training</li> <li>Risk Management and ethical decision making</li> <li>Stakeholder engagement strategies</li> <li>DEI Training</li> <li>Code of conduct</li> <li>Outlook of auto component sector</li> <li>Financial and business highlights, including industry performance.</li> <li>Periodical familiarization programmes as per Companies Act and Listing regulations.</li> </ul>	100%
Key Managerial Personnel	9		75%
Employees other than BoD and KMPs	143	<ul style="list-style-type: none"> <li>5S</li> <li>7 QC Tools</li> <li>ERP Navision Advance</li> <li>MS-Excel</li> <li>APQP</li> <li>Basics of PLC hydraulics and PLC programmimg</li> <li>DWM</li> <li>Welding Process</li> <li>FMEA sub elements</li> <li>Hydraulics</li> <li>IATF Awareness</li> <li>Professional etiquettes at work place</li> <li>Automotive Exhaust Emission Regulation</li> <li>BS 6.2 basic information</li> <li>Exhaust Manufacturing Process Training</li> <li>Kaizen</li> <li>MSA SPC</li> <li>Team Building</li> <li>PPAP</li> <li>Supplier Selection</li> <li>TPM</li> <li>Robot Welding &amp; Teaching</li> </ul>	85%



Segment	Total number of training and awareness programs held	Topics/ Principles covered under training and its impact	%age of persons in respective category covered by the awareness programmes
		<ul style="list-style-type: none"> <li>Occupational Health and Safety assessment</li> <li>POSH</li> <li>Insider trading</li> </ul>	
Workers	235	<ul style="list-style-type: none"> <li>SKS Welding Parameter Process</li> <li>Design of Experiments</li> <li>Industrial Safety</li> <li>Health &amp; Hygiene</li> <li>First Aid Training</li> <li>Robotic Operations</li> <li>Welding Process</li> </ul>	98%

**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:**

Monetary					
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR.)	Brief of Case	Has an appeal been preferred? (yes/ No)
Penalty/ Fine	In the current year, our company, its directors, and key management personnel (KMPs) have not been subject to any fines, penalties, compounding fees, or settlement amounts resulting from proceedings with regulators, law enforcement agencies, or judicial institutions.				
Settlement					
Compounding Fee					
Non-Monetary					
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR.)	Brief of Case	Has an appeal been preferred? (yes/ No)
Imprisonment	In the current year, our company, its directors, and key management personnel (KMPs) have not been subject to any fines, penalties, compounding fees, or settlement amounts resulting from proceedings with regulators, law enforcement agencies, or judicial institutions.				
Punishment					

**3. Of the instances disclosed in Question 2, above detail 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, as the company has not encountered any instances requiring penalties, fines, settlements, compounding fees, imprisonment, or other forms of punishment during the financial year 2023-24.	

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

Although we do not have a separate anti-corruption or anti-bribery policy at this time, our [Whistleblower Policy](#) and [Code of Conduct](#) are designed with robust anti-bribery and anti-corruption measures. Together, they offer thorough guidance and support for maintaining the highest standards of ethical conduct. These documents delineate principles and guidelines that emphasize on ethics, accountability, and the prevention of misconduct. Adherence with these standards is mandatory for all employees, senior management, and stakeholders including all employees, on full-time or part-time employment with the Company, with permanent, probationary, trainee, retainer, temporary or contractual appointment, independent contractors and Consultants. Additionally, our Code of Conduct for Stakeholders explicitly forbids any corrupt business practices, strictly prohibiting the receipt or offering of bribes in any form to influence business decisions, conduct transactions, or gain unfair advantages.

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

	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Directors	-	-
Key Managerial Personnel (KMPs)	-	-
Employees	-	-
Workers	-	-

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

	Current Financial Year 2023- 24		Previous Financial Year 2022- 23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
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.**

Not applicable, as the company has not encountered any instances of corruption and conflict of interest during the financial year 2023-24.

**8. Number of days of accounts payables ((Accounts payable\*365)/ Cost of goods/ services procured) in the following format:**

	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Number of days of accounts payables	85	84

## 9. Openness of Business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Concentration of Purchases</b>	a. Purchases from trading houses as % of the total purchases	Not applicable, as we procure our raw materials from mills and manufacturers, rather than through trading houses.	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
<b>Concentration of Sales</b>	a. Sales to dealers/ distributors as % of total sales	Not applicable, as we sell our products directly to Original Equipment Manufacturers (OEMs), who then integrate our components into their final products. We do not engage in sales through dealers or distributors, ensuring a direct and streamlined relationship with our clients.	
	b. Number of dealers/ distributors to whom sales are made		
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors		
<b>Share of RPTs in</b>	a. Purchases (Purchases with related parties/ Total Purchases)	Not applicable, as there are no related party transactions.	
	b. Sales (Sales to related parties/ Total Sales)		
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)		
	d. Investments (Investments in related parties/ Total Investments made)		

## Leadership Indicators

### 1. Awareness programmes conducted for the value chain partners on any of the principles during the financial year 2023- 24:

Total number of awareness programmes held	Topics/ Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
By partnering with our suppliers to elevate their sustainability practices, we contribute to broader positive change across industries and sectors. Although we do not conduct formal awareness sessions, we actively share insights and knowledge with our value chain partners. This ongoing dialogue supports our commitment to the NGRBC principles and promotes a deeper understanding of sustainability and responsible sourcing throughout our network.		

**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 maintain the high standards of transparency, business conduct ethics, corporate culture and the values. The principles outlined in the Code establish comprehensive standards of compliance and ethics, aligning with the requirements set forth in the listing agreements with the stock exchanges where the company's securities are traded. It is imperative that all board members and senior management proactively avoid situations where personal interests might conflict with the company's interests. Any actual or potential conflicts must be promptly disclosed to the board to ensure proper guidance and appropriate action.

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

**Essential Indicators**

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

	<b>Current Financial Year 2023- 24</b>	<b>Previous Financial Year 2022- 23</b>	<b>Details of improvements in environmental and social impacts</b>
R&D	100%	100%	SMIL specializes in the manufacturing of advanced emission control technologies, including DOCs, DPFs, SCRs, LNTs, TWCs, and GPFs. Our product development efforts are instrumental in achieving BS6 and BS6.2 standards, key government initiatives aimed at enhancing environmental sustainability and air quality. These emission norms play a crucial role in reducing respiratory diseases and improving public health. Some of our flagship products developed in line with these initiatives include: <ol style="list-style-type: none"> <li>1. Lean NOx Trap (LNT) - It can control NOx emissions from diesel engines vehicles</li> <li>2. Diesel particulate filters (DPF) - It captures the particle emissions through a combination of filtration mechanisms in diesel engines vehicles</li> <li>3. Selective Catalytic reduction System (SCR), to control the NOx emissions from diesel engine vehicles</li> <li>4. Diesel Oxidation Catalyst to control CO and HC from diesel engine vehicles</li> <li>5. Gasoline Particulate filters (GPF), to reduce particle number emissions from GDI gasoline engine vehicles</li> <li>6. Three Way Catalyst (TWC) to control non-methane total hydrocarbons and simultaneous conversion of the three criteria pollutants - HC, CO, and NOx</li> </ol>
Capex	47.14%	53.95%	

All research and development expenditures were strategically directed towards enhancing product features with the intention of creating a significant positive impact on both the environment and society. This commitment to excellence has resulted in the MWC plant being honored with the “**Supplier Quality Performance Award**” from Ashok Leyland for the fiscal year 2023-2024, in recognition of achieving an impeccable zero parts per million (PPM) defect rate.

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No).**

**b. If “Yes”, what percentage of inputs were sourced sustainability?**

Yes, as a market leader in manufacturing of Exhaust System, Catalytic Converter, Independent Suspension, Soft Top Canopies, and Pressed part- White goods products, SMIL has a unique opportunity to act as a catalyst within the supply chain. Governed by the [sustainability policy](#), we integrate sustainability considerations into all business decisions, functions and work processes. Furthermore, with the aim of creating value and contributing to sustainable development the Company procures goods and services from local and small producers, including communities surrounding the place of work, to improve the capacity and capability of local and small vendors. We have developed and implemented procurement practices in line with automotive industry standards and require our suppliers to also establish policies, management systems, and due diligence measures to adequately address risks, which we are ensuring through our purchase agreement and PO. Our suppliers comply with our [Code of Conduct for stakeholders](#) with all applicable laws and regulations, forming contractual obligations to SMIL.

Our Sustainability requirements form an important part of the sourcing process, and we evaluate new and existing suppliers’ performance. The suppliers are re-evaluated as a routine, once every 3 years, or as required.

For the year 2023-24, our sustainable procurement stands at 72.77%. We have sourced materials of Rs 155 Crore from MSME and small vendors, Rs 1697 Crore within state and Rs 297 Crore from other states.

**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**
- d. Other waste**

We actively partner with our vendors to minimize the environmental impact of our operations. Our dedication to sustainability is evident in our comprehensive efforts to reduce packaging waste across our supply chain. By prioritizing the use of reusable trolleys, we effectively eliminate the need for packaging material reclamation. Since our goods are transported using these trolleys, we do not generate much packaging waste. Additionally, our vendors do not keep the trolleys; instead, they return them to us, ensuring their continued reuse.

**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 Board?**

**If “Not”, provide steps taken to address the same.**

At present, Extended Producer Responsibility (EPR) regulations do not apply to our business operations.

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective/ Assessment (LCA) for any of its products (for manufacturing industries) 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 web-link
Although we fully acknowledge the vital significance of this initiative, we have not yet completed a thorough life cycle assessment of our products. Nonetheless, our steadfast dedication to upholding sustainable business practices remains unwavering.					

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
Currently, we do not conduct Life Cycle Assessments (LCA) or similar evaluations. As a result, we have not identified any significant social or environmental concerns or risks arising from the production or disposal of our products and services. We remain committed to sustainability and will continue to seek ways to enhance our practices and address potential issues as they arise.		

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	
	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
	-	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	2 Tons	-	-
E-Waste	-	-	-	-	-	-
Hazardous Waste	-	-	-	-	-	400 L
Other Waste	-	-	-	-	8 Tons	-

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 % total products sold in respective category
	-

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

### Essential Indicators

1. a. Details of measures for the well-being of Employees:

Category	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	655	655	100%	655	100%	-	-	655	100%	-	-
Female	24	24	100%	24	100%	24	100%	-	-	-	-
Total	679	679	100%	679	100%	24	3.53%	655	96.46%	-	-



Category	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)
Other than Permanent Employees											
Male	119	119	100%	119	100%	-	-	119	100%	-	-
Female	2	2	100%	2	100%	2	100%	-	-	-	-
Total	121	121	100%	121	100%	2	1.65%	119	98.35%	-	-

### 1. b. Details of measures for the well-being of Workers:

Category	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	234	234	100%	234	100%	-	-	234	100%	-	-
Female	4	4	100%	4	100%	4	100%	-	-	-	-
Total	238	238	100%	238	100%	4	1.68%	234	98.32%	-	-
Other than Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

### 1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format :

	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Cost incurred on well-being measures as a % of total revenue of the company	0.06	0.04

### 2. Details of retirement benefits, for Current financial year 2023- 24 and Previous financial year 2022- 23

Benefits	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	16.36%	1.04%	Yes	16.8%	0.7%	Yes

### 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”, then whether any steps are being taken by the entity in this regard.**

Our premises are fully accessible to employees, workers, and visitors with disabilities, in compliance with the Rights of Persons with Disabilities Act 2016. We are committed to offering comprehensive assistance to such individuals whenever needed. Our goal is to foster a welcoming and accessible environment for everyone, and we are continually working to enhance our inclusive accessibility measures. The Company is resolutely dedicated to cultivating an environment that upholds equality and accessibility for all.

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

Our comprehensive HR Manual and Code of Conduct incorporate our Equal Opportunity Policy, affirming our commitment to fairness and non-discrimination. We are dedicated to treating all employees and workers equitably, regardless of race, gender, religion, ethnicity, color, age, disability, or other characteristics, as explicitly stated in our Code of Conduct. We ensure that employment opportunities are awarded based on experience, merit, and other objective criteria, fostering a truly inclusive and unbiased workplace. The same can be read on page number 8 & 9 of our [Code of conduct-Stakeholders](#).

**5. Return to work and Retention rates of permanent employees and workers that took parental leave for financial year 2023- 24.**

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100%	-	100%	-
Female	NA*	-	NA*	-
Total	100%	-	100%	-

\*Not applicable, as there were no instances of absence from work due to maternity leave.

**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:**

Permanent Workers	<p>Yes, we uphold the rights and dignity of every employee and worker, ensuring a respectful and secure work environment. Our commitment is to create a workplace free from abuse, intimidation, and prejudice, safeguarding fundamental rights and preventing conflicts arising from such issues.</p> <p>In alignment with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, we have instituted a comprehensive Policy on Redressal of Sexual Harassment at the Workplace, available on page 9 of our <a href="#">code of conduct</a>.</p> <p>Employees are encouraged to report any concerns to their manager, who will then direct the matter to the Redressal Committee or Internal Complaints Committee for resolution. Additionally, the investigation process can be viewed in our <a href="#">Whistleblower Policy</a>.</p> <p>To further support ethical practices, we have established an Ethics Helpline, managed by an external agency. This service offers employees a confidential and anonymous platform to report ethical concerns or seek guidance on ethical issues within our Company. Any stakeholder who has a concern or question about legal compliance or ethics, the Code encourages to seek guidance from the Ethics Helpline resources, Phone 18001030269 or can write their concern at <a href="mailto:shardamotor@ethicshelpline.co.in">shardamotor@ethicshelpline.co.in</a> or visit the portal <a href="http://www.shardamotor.ethicshelpline.in/">http://www.shardamotor.ethicshelpline.in/</a></p>
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions. (B)	Percentage (%) (B/A)	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions. (B)	Percentage (%) (B/A)
Total Permanent Employees	679	-	-	646	-	-
Male	655	-	-	622	-	-
Female	24	-	-	24	-	-
Total Permanent Workers	238	234	98.32%	287	285	99.3%
Male	234	234	100%	286	284	99.3%
Female	4	0	0	1	1	100%

**8 (a) Details of training given to employees and workers on “Health and Safety Measures”**

Category	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
<b>Employees</b>						
Male	774	774	100%	622	622	100%
Female	26	26	100%	24	24	100%
Total	<b>800</b>	<b>800</b>	100%	<b>646</b>	<b>646</b>	<b>100%</b>
<b>Workers</b>						
Male	2439	2439	100%	286	286	100%
Female	61	61	100%	1	1	100%
Total	<b>2500</b>	<b>2500</b>	100%	<b>287</b>	<b>287</b>	100%

**(b) Details of training given to employees and workers on “Skill Upgradation”**

Category	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Male	774	774	100%	622	622	100%
Female	26	26	100%	24	24	100%
Total	<b>800</b>	<b>800</b>	<b>100%</b>	<b>646</b>	<b>646</b>	<b>100%</b>
Male	2439	2439	100%	286	286	100%
Female	61	61	100%	1	1	100%
Total	<b>2500</b>	<b>2500</b>	<b>100%</b>	<b>287</b>	<b>287</b>	<b>100%</b>

**9. Details of Performance and Career Development reviews of employees and workers:**

Category	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
<b>Employees</b>						
Male	774	488	63.05	622	481	77.33%
Female	26	23	88.46	24	18	75%
Total	800	<b>511</b>	63.88	<b>646</b>	<b>499</b>	<b>77.2%</b>
<b>Workers</b>						
Male	During the fiscal year 2023-24, we focused on addressing worker progress through our comprehensive union agreement, which is evaluated every three years. Additionally, we ensure that any updates or improvements are in alignment with the latest amendments to labour laws issued by the government, demonstrating our commitment to legal compliance and worker development.					
Female						
Total						

**10. Health and Safety Management System:**

<b>a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)</b>  If “Yes”, then coverage of the system.	<p>Yes, the health, safety, and well-being of our workforce is of paramount importance to us.</p> <p>We are committed to minimizing workplace accidents and enhancing the mental and physical well-being of our employees and workers through our comprehensive health and safety management system. We regularly conduct risk assessments of all our facilities and operations, accompanied by thorough evaluations and inspections.</p> <p>The company also promotes consultation and participation of its workforce in EHS activities through safety committee, which ensures communication of health and safety policies to the workforce, thus promoting the EHS culture.</p> <p>In addition to extensive safety training and awareness sessions on health and safety, the company also monitors the effectiveness of the EHS system, ensures compliance obligations and other legal requirements to improve the EHS system to ensure the highest standards of workplace safety.</p>
<b>b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis of the entity?</b>	<p>We have successfully implemented a robust safety management system that integrates Hazard Identification and Risk Assessment (HIRA) with regular safety inspections across our facilities. To protect our workforce, we have installed state-of-the-art exhaust systems designed to manage welding fumes and ensure optimal ventilation, providing a continuous flow of fresh air. Our dedicated safety officers conduct daily inspections to promptly detect and address any unsafe practices or conditions, ensuring immediate corrective actions. Additionally, we maintain a rigorous safety review process that continually assesses and enhances our safety protocols, fostering a safer and healthier work environment for all employees.</p>
<b>c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/ No)</b>	<p>Yes, the Company has established clear and effective procedures for workers to report any safety-related incidents or hazards. Workers are encouraged to promptly communicate any concerns to their respective plant heads. Subsequently, the plant heads collaborate with department heads to swiftly implement appropriate measures. These actions are designed to eliminate or mitigate health and safety risks, underscoring our commitment to maintaining a secure work environment.</p>

	<p>Additionally, the Company actively promotes an open culture where workers are encouraged to report hazards and address concerns during central department safety meetings and safety committee gatherings. This approach fosters a collaborative atmosphere and reinforces our collective responsibility for ensuring workplace safety.</p>
<p><b>d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)</b></p>	<p>Yes, our employees and workers have access to an extensive range of non-occupational medical and healthcare services. Within our facilities, we ensure immediate availability of first aid resources, including regular visits from a physician. As part of our dedication to employee well-being, we provide a comprehensive group mediclaim policy that covers a broad spectrum of medical needs, underscoring our commitment to safeguarding their health.</p> <p>Additionally, our workers benefit from the Employee State Insurance Corporation (ESIC) program, which ensures they receive thorough medical and healthcare services. To further support the health and wellness of our workforce, we advocate a variety of wellness initiatives, including routine health check-ups, screenings, and preventive measures, empowering our employees to maintain their health.</p> <p>In our ongoing commitment to accessible medical services, we have partnered with local healthcare providers. These clinics offer a wide range of non-occupational healthcare services, including general medical consultations, preventive care, vaccinations, and treatment for common illnesses and injuries. They are also equipped to facilitate referrals to specialists or hospitals for any advanced medical attention needed. This comprehensive approach reflects our steadfast commitment to prioritizing the health and well-being of our esteemed employees and workers.</p>

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

Safety Incidents/ Number	Category	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Lost Time Injury Frequency Rate (LTIFR)</b> (per one million-person hours worked)	<b>Employees</b>	-	-
	Workers	0.34	0.36
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
Number of fatalities	Employees	-	-
	Workers	-	-
<b>High consequence work-related injury or ill-health</b> (excluding fatalities)	<b>Employees</b>	-	-
	Workers	-	-

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

We firmly believe that a secure and healthy workspace is vital for the well-being, productivity, and holistic development of every employee. To achieve this, we have established comprehensive safety measures and guidelines that adhere to regional laws and industry best practices. Our regulations encompass emergency procedures, evacuation plans, the proper use of personal protective equipment (PPE), and the safe handling of hazardous materials.

Moreover, we conduct regular risk assessments to identify potential safety hazards in the workplace. These evaluations inform the preventive actions and controls necessary to mitigate risks to employees'

health and safety. Our training programs equip employees with essential knowledge on workplace safety measures, hazard identification, proper equipment usage, and emergency response protocols. Regular safety drills and awareness campaigns further reinforce these practices. Collectively, these initiatives contribute to fostering a cohesive safety culture within our organization.

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

	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Filed	Pending Resolution at end of year	Remark	Filed	Pending Resolution at end of year	Remark
Working Conditions	-	-	All complaints filed throughout the year were meticulously addressed and resolved.	-	-	-
Health and Safety	-	-	-	-	-	-

### 14. Assessment for the Year (2023- 24):

	% of plants and offices that were assessed (by entity or statutory authorities or third party)
Health and Safety Practices	100%
Working Conditions	100%

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

During the financial year 2023-24 there were no concerns involving health and safety and working conditions. However, we undertake exhaustive investigations to ascertain the root causes and contributing factors underlying safety-related incidents. Informed by our findings, we implement requisite corrective measures, which may encompass process refinements, equipment enhancements, supplemental training, and the augmentation of safety protocols.

## Leadership Indicators

### 1. Does the entity extend any life insurance or compensatory package in the event of death of (A). Employees; and (B). Workers (Yes/No). Provide detail.

Yes, we maintain a comprehensive gratuity policy through LIC for all employees who have served a minimum of five years in the unfortunate event of their demise. Furthermore, all our employees are covered under a Group Personal Accident policy, which provides compensation to the employee or their beneficiaries in case of death or any unforeseen circumstance. Additionally, all our workers are safeguarded under the ESIC Policy/Employee Deposit Linked Insurance, which serves as a compensatory framework in the event of death or any unpredictable occurrence.

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

In accordance with our Supplier Code of Business Conduct, a fundamental element of the Supplier Manual, "All supplier personnel are expected to rigorously adhere to and comply with all pertinent laws and regulations, both in their literal and intended interpretations, across every jurisdiction in which they operate."

To ensure thorough adherence, we conduct comprehensive compliance assessments for our value chain partners, guaranteeing the accurate deduction and payment of statutory obligations. Additionally, we perform monthly compliance audits and review proof of remittance for contributions such as PF (Provident Fund) and ESI (Employee State Insurance), among other statutory dues.



3. Provide the number of employees/ workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Qs. 11 of Essential Indicators above), who have been/ are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total Number of affected employees/ workers		No. of employees/ workers that are rehabilitated or whose family member have been placed in suitable employment	
	Financial year 2023- 24	Financial year 2022- 23	Financial year 2023- 24	Financial year 2022- 23
Employees	-	-	-	-
Workers	-	-	-	-

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 invaluable expertise, given their deep familiarity with the organization, its processes, and industry-specific knowledge. We continue to leverage their experience by engaging them as consultants, where their insights provide specialized guidance, direction, and problem-solving for specific projects or challenges. Additionally, employees are encouraged to consult with their managers and HR for advice on career path exploration, development opportunities, internal job postings, and succession planning.

5. Details on assessment of value chain partners (financial year 2023- 24):

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	82.82%
Working Conditions	82.82%

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.

No issues were identified that necessitated corrective actions.

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

### Essential Indicators

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

To uphold trust and ensure transparency through effective governance, we prioritize cultivating strong relationships with stakeholders and adhere to a rigorous procedure for their identification, encompassing both internal and external entities.

Our methodical approach involves mapping both internal and external stakeholders to understand who is impacted by or interested in our activities. Internally, we identify key personnel, including employees, managers, and board members. Externally, we recognize groups such as customers, suppliers, investors, and specific communities. Stakeholders are then prioritized based on their influence and the impact of our activities on them. This meticulous process enables us to address the most significant sustainability challenges and opportunities by engaging thoughtfully with the most relevant stakeholders.

Our primary stakeholders include employees, investors, suppliers, customers, local communities, and governmental authorities. We are dedicated to maintaining open and ongoing communication with

these groups to ensure their perspectives are considered and their concerns are addressed swiftly. Our commitment is to drive sustainable growth through robust and enduring stakeholder relationships.

## 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Investors and 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.
Employees and Workers	No	E-mail, Internal portal and Newsletters	Daily, weekly	Employee safety, professional and career development, well-being, training, and awareness.
Customers	No	Website, Email and Tele communication, Feedback surveys and SMS	Need based	Long term product improvements, concerns and feedbacks.
Local Communities	Yes	Community events and meetings and CSR programs	Need based	Various CSR interventions.
Suppliers and partners	No	Website, Email and Tele communication	Need based	Process feedback, cost optimization and sharing concerns if any.
Government and Regulators	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 endeavors to cultivate relationships grounded in mutual trust and mutual benefit, facilitating the delineation of our strategic priorities. We have dedicated departments tasked with conducting effective consultations with identified stakeholders. While the board of directors themselves do not directly participate in these consultations, they ensure that requisite enhancements are implemented based on the consultations and recommendations received.

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topic? (Yes/No)

**If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, our operations place a high priority on addressing and protecting stakeholders' interests and concerns when identifying material issues that are important to the company. In this context, stakeholder consultation is essential. By keeping open lines of communication with stakeholders, we make sure their opinions are taken into account and brought to the board's attention for prompt integration of relevant input. Consultations on social and environmental issues are especially important because they provide insightful information, a range of viewpoints, help identify and prioritize pertinent issues, reduce risks, support informed decision-making, cultivate positive relationships and trust, and improve sustainability performance and reputation.

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

We actively involve marginalized and vulnerable groups through the company's compassionate arm, the Sharda CSR Foundation Trust. The trust is committed to funding a wide range of projects and activities, including building public clinics and ambulance services, setting up health camps and blood donation drives, and advancing education by donating stationery and improving the facilities of low-income government schools. Additionally, we place a high priority on improving the lives of people living in impoverished rural areas by organizing campaigns against pollution, plantation drives, and the distribution of necessities for daily survival.

## Principle 5: Businesses should respect and promote 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	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
<b>Employees</b>						
Permanent	679	657	96.76%	646	646	100%
Other than permanent	121	119	98.35%	-	-	-
Total Employees	800	776	97%	646	646	100%
<b>Workers</b>						
Permanent	238	233	97.90%	287	-	-
Other than permanent	2262	2257	99.78%	2363	-	-
Total Workers	2500	2490	99.60%	2650	-	-

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

Category	Current Financial Year 2023- 24					Previous Financial Year 2022- 23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent	679	-	-	679	100%	646	-	-	646	100%
Male	655	-	-	655	100%	622			622	100%
Female	24	-	-	24	100%	24			24	100%
Other than Permanent	121	-	-	121	100%	-	-	-	-	-
Male	119	-	-	119	100%	-	-	-	-	-
Female	2	-	-	2	100%	-	-	-	-	-
Workers										
Permanent	238	-	-	238	100%	287	-	-	287	100%
Male	234	-	-	234	100%	286	-	-	286	100%
Female	4	-	-	4	100%	1	-	-	1	100%
Other than Permanent	2261	-	-	2261	100%	2363	-	-	2363	100%
Male	2205	-	-	2205	100%	2342	-	-	2342	100%
Female	56	-	-	56	100%	21	-	-	21	100%

**3. Details of remuneration/ salary/ wages in the following format for financial year 2023- 24:**

**a. Median remuneration/ wages:**

	Male		Female	
	Number	Median salary/ wage of respective category (in Lakhs)#	Number	Median salary/ wage of respective category (in Lakhs)#
Board of Directors (BoD)	2	519	2	-
Key Managerial Personnel	4	115.80	-	-
Employees other than BoD and KMP (Permanent)	857	4.86	28	4.75
Workers (Permanent)	293	4.46	1	5.83

**b. Gross wages paid to females as % of total wages paid by the entity:**

	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Gross wages paid to females as % of total wages (permanent employees and worker)	2.23%	2.15%

**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 established an Internal Complaints Committee to address concerns related to sexual harassment in accordance with the Prevention of Sexual Harassment (POSH) Act, 2013. This committee is responsible for implementing procedures for handling cases of sexual misconduct, as well as managing complaint redressal and conducting inquiries.

In addition, we operate a system known as "SHAKTI," which fosters a secure and transparent communication channel between human resource managers and employees. This platform is designed to build trust and address any potential concerns with respect to their rights (including Human Rights) effectively. Furthermore, our ethics helpline provides employees and workers with an additional avenue to report issues or seek guidance regarding workplace safety and business conduct.

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

The Company is dedicated to preventing human rights issues and violations through its comprehensive [Human Rights Policy](#). We ensure adherence to this policy by implementing an effective grievance redressal mechanism, which is meticulously monitored by our HR department across all plant locations. Employees and workers have 24/7 access to raise concerns or grievances anonymously.

We also have a [Whistleblower Policy](#) that outlines the guidelines and procedures for reporting any incidents of misconduct or unethical behavior. Additionally, our Ethics Helpline offers all employees a confidential and secure channel to report ethical concerns or seek guidance on ethical issues. Furthermore, the investigation procedure can be read in detail on the weblink of the whistleblower policy.

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

	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Filed during the year	Pending resolution at end of year	Remark	Filed during the year	Pending resolution at end of year	Remark
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 in the following format:**

	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	-	-

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

At Sharda Motor Industries Limited, we uphold and safeguard the dignity and rights of our employees by maintaining a workplace free from any form of discrimination or harassment. We are committed to ensuring a safe and equitable environment where all employees have access to equal opportunities.

While we have not received any complaints related to sexual harassment, we are proactive in preventing such issues. Our Internal Complaints Committee is available to all employees for addressing any concerns or grievances, and we are dedicated to ensuring that all issues are resolved effectively and appropriately. The detailed information can be read on page number 8 of our [Code of conduct-Stakeholders](#).

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

Yes, we have established a comprehensive [Human Rights Policy](#) that extends across the group, including our joint ventures, suppliers, and contractors. This policy has been implemented following extensive consultations with all relevant parties.

**10. Assessment for the financial year 2023- 24:**

	% of plants and offices that were assessed (by entity or statutory authorities or third parties) *
Child Labour	100%
Forced/ Involuntary Labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

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

No risks or concerns were identified as a result of the assessments conducted at our plants and offices.

## Leadership Indicators

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

The Company has not received any complaints related to human rights. We adhere to all relevant legislations that address human rights issues, including the prevention of child labor, promotion of women's empowerment, and prohibition of discrimination. Additionally, we actively raise awareness of these rights among our vendors and throughout our value chain, strongly discouraging any form of abuse. Our Whistleblower Policy provides all stakeholders with a confidential mechanism to report any instances of human rights violations.

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

Although we have not conducted human rights due diligence this year, we remain steadfast in our commitment to uphold all human rights regulations and safeguard 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?**

Our premises are fully accessible to employees, workers, and visitors with disabilities, in compliance with the Rights of Persons with Disabilities Act, 2016. We are committed to offering comprehensive assistance to such individuals whenever needed. Our goal is to foster a welcoming and accessible environment for everyone, and we are continually working to enhance our inclusive accessibility measures. The Company is resolutely dedicated to cultivating an environment that upholds equality and accessibility for all.

**4. Details on assessment of Value Chain Partners:**

	<b>% of value chain partners</b> (by value of business done with such partners) <b>that were assessed:</b>
<b>Child Labour</b>	82.82%
Forced/ Involuntary Labour	82.82%
Sexual harassment	82.82%
Discrimination at workplace	82.82%
Wages	-

**5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessment at Qs. 4 above.**

No corrective actions were required, as no observations or significant risks emerged from the assessment.



## Principle 6: Businesses should respect and make efforts to protect and restore the environment.

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Current Financial Year 2023- 24	Previous Financial Year 2022- 23*
<b>From 'Renewable Sources' (in Gigajoules)</b>		
Total <b>Electricity</b> Consumption (A)- <b>Solar &amp; Wind</b>	3,82,353.32	3,57,120.47
Total <b>Fuel</b> Consumption (B)	-	-
<b>Energy</b> consumption through Other Sources (C)	-	-
Total Energy Consumption from renewable sources (A+B+C)	3,82,353.32	3,57,120.47
<b>From 'Non-Renewable Sources' (in Gigajoules)</b>		
Total <b>Electricity</b> Consumption (D) – <b>Grid</b>	1,18,05,865.07	1,24,37,189.56
Total <b>Fuel</b> Consumption (E)	292.73	257.22
<b>Energy</b> consumption through Other Sources (F)	-	-
Total Energy Consumption from non-renewable sources (D+E+F)	1,18,06,157.8	1,24,37,446.78
Total Energy Consumption (Renewable + Non-Renewable)	1,21,88,511.12	1,27,94,567.25
<b>Energy intensity per rupee of turnover</b> (Total energy consumption/turnover in rupees)	0.000433 GJ/INR	0.000474 GJ/INR
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity</b> (Total energy consumed/ Revenue from operations adjusted for PPP)	0.000117 GJ/US\$	0.000128 GJ/US\$
Energy intensity in terms of physical output *	1.05 GJ/units produced	1.12 GJ/units produced

\* Previous year figures have been regrouped/rearranged wherever necessary.

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? (Yes/No)

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.

No, our entity does not have any sites or facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India. This is because our operations do not fall within the categories specified by the PAT Scheme, and therefore, the scheme's requirements are not applicable to our facilities.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Water withdrawal by source (in kilolitres- KL)</b>		
(i) Surface Water	-	-
(ii) Groundwater	-	-
(iii) Third Party Water	58,326.3	14,096.10
(iv) Seawater/ Desalinated water	-	-
(v) Others	-	-
<b>Total Volume of water withdrawal (in KL) (i + ii + iii + iv + v)</b>	58,326.3	14096.10
Total volume of water consumption (in KL)	58,326.3	14096.10
<b>Water intensity per rupee of turnover (water consumed / turnover)</b>	0.0020 KL/INR	0.00052 KL/INR
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)</b>	0.00000056 KL/US\$	0.00000014 KL/US\$
Water intensity in terms of physical output *	0.0050 KL/units produced	0.0012 KL/units produced

4. Provide the following details related to water discharge:

Parameter	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) To Surface Water	-	-
No treatment	-	-
With treatment- <i>please specify level of treatment</i>	-	-
(ii) To Ground Water	-	-
No treatment	-	-
With treatment- <i>please specify level of treatment</i>	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment- <i>please specify level of treatment</i>	-	-
(iv) Sent to Third Parties	-	-
No treatment	-	-
With treatment- <i>please specify level of treatment</i>	-	-
(v) Others	-	-
No treatment	-	-
With treatment- <i>please specify level of treatment</i>	-	-
Total water discharged. (in kilo-liters)	-	-

**5. Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD)? If “Yes”, provide details of its coverage and implementation.**

We have implemented a robust mechanism to facilitate the recycling of wastewater from toilets and kitchens, which is interconnected with the common drainage system leading to the Mahindra World City Sewage Treatment Plant. The recycled water is subsequently utilized for gardening and the development of green belts within Mahindra World City.

Additionally, we have established a comprehensive system to ensure the recycling of used water from operations at our SIPCOT (State Industries Promotion Corporation of Tamil Nadu) Plant, Chennai Plant, and other facilities. This recycled water is repurposed within the plants for various applications, with approximately 10-15% of the water being recycled at each facility.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

MWC plant			
Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	µg/m3	18.00	20.40
SOx	µg/m3	15.80	8.80
Particulate Matter (PM)	µg/m3	66.40	60.90
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-

**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.

The evaluation has been carried out by Tamil Nadu Pollution Control Board.

• **Nashik Plant 1**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	µg/m3	7.65	6.50
SOx	µg/m3	6.87	5.48
Particulate Matter (PM)	µg/m3	16.00	-
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-

**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.

• **Nashik Plant 2**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	µg/m3	7.65	6.3
SOx	µg/m3	6.87	5.28
Particulate Matter (PM)	µg/m3	16	-
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-

**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.

• **Sanand Unit**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	ug/m3	18.65	30.07
SOx	ug/m3	21.99	34.07
Particulate Matter (PM 10)	ug/m3	64.83	74.16
Particulate Matter (PM 2.5)	ug/m3	-	36.35
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-

**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.

• **SIPCOT Plant**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	µg/m3	25.50	48.50
SOx	µg/m3	8.20	23.60
Particulate Matter (PM)	µg/m3	21.80	127.70
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-
Others- Ozone Depleting Substances (CO)	%(v/v)	-	0.60

**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.

• **Chakan Plant 1**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	-	-	-
SOx	mg/Nm3	20.53	18.73
Particulate Matter (PM)	mg/Nm3	19.73	23.93
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)			
Hazardous air pollutant (HAP)			

**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.

• **Chakan Plant 2**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	µg/m3	18.03	-
SOx	µg/m3	10.5	-
Particulate Matter (PM)	µg/m3	51.6	-
Persistent organic pollutant (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutant (HAP)		-	-

**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, Wiangade Enviro Monitoring concluded the evaluations.

**7. Please provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Total Scope 1 Emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> eq	258.96	224.51
<b>Total Scope 2 Emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> eq/MwH	23,48,054.20	24,52,890.16
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	Metric tonnes of CO <sub>2</sub> / rupee	0.0000836 MT/INR	0.0000908 MT/INR
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 & 2 emissions/ Revenue from operations adjusted for PPP)	Metric tonnes of CO <sub>2</sub> / adjusted for PPP	0.0000226 MT/US\$	0.0000245 MT/US\$
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output *</b>		0.203 MT/Units produced	0.215 MT/Units produced

**8. Does the entity have any project related to reducing Greenhouse gas emissions?**

If “Yes”, then provide details.

We have undertaken a multitude of initiatives to mitigate our greenhouse gas (GHG) emissions:

- Our company strictly adheres to the prescribed permissible limits set by CPCB/SPCB for air emissions, effluent quality and discharge, solid and hazardous waste generation, and their disposal. Moreover, we ensure that no emissions or pollutants from water, air, or other fluids are discharged into the environment, thereby safeguarding the health and well-being of the natural surroundings. Any light fumes emitted are well within the CPCB/SPCB limits for air emissions and do not fall under the category of GHG emissions.
- In compliance with environmental standards, we are committed to conserving and protecting natural resources while actively working to reduce pollution. We prioritize environmental safety and implement stringent pollution control measures as stipulated by environmental regulations.

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Total Waste Generated (in metric Tonnes)</b>		
Plastic Waste (A)	27.27	16.93
E-Waste (B)	0.26	0.65
Bio-medical Waste (C)	-	-
Construction and Demolition Waste (C&D) (D)	-	-
Battery Waste (E)	0.14	0.08
Radioactive Waste (F)	-	-
Waste Oil (G)	-	5.02
Other Hazardous Waste generated (H) (Please specify, if any)	1.25	0.42
Other Non-Hazardous Waste generated (I) (Please specify, if any)	317.35	100.7
<b>Total Waste Generated (A+B+C+D+E+F+G+H+I)</b>	<b>346.27</b>	<b>123.8</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated/ Revenue from operations)	0.000000012 MT/INR	0.0000000046 MT/INR
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated/ Revenue from operations adjusted for PPP)	0.00000000333 MT/US\$	0.00000000124 MT/US\$
Waste intensity in terms of physical output	0.000029 MT/Units produced	0.000011 MT/Units produced
<b>Waste intensity (optional)- the relevant metric may be selected by the entity</b>	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
Category Waste		
(i) Recycled	44.46	111.013*
(ii) Re-used	6.5	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>50.96</b>	<b>111.013</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category Waste		
(i) Incineration	0.043	0.035*
(ii) Landfilling	-	-
(iii) Other disposal operations	295.27	-
<b>Total</b>	<b>295.313</b>	<b>0.035*</b>

\* The figures are only calculated for SIPCOT plant as in other plants, waste is recycled through third party authorised vendors.



**10. 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 adheres rigorously to CPCB/SPCB approved standards for air pollutants, effluent quality, discharge protocols, and the management of solid and hazardous waste. We strictly comply with all relevant environmental regulations and guidelines during waste disposal. Our waste management strategy focuses on three core areas: waste reduction through streamlined manufacturing processes and responsible production practices, recycling and reuse initiatives to maximize resource efficiency, and conscientious waste disposal methods.

We prioritize source reduction by optimizing our manufacturing processes to minimize material waste and reduce the generation of hazardous and non-hazardous substances. Our commitment extends to promoting recycling and reuse wherever feasible, ensuring that recyclable materials are segregated and sent to appropriate recycling facilities. Scrap and waste raw materials from our manufacturing operations are transported to specialized recycling plants rather than being recycled onsite.

Additionally, we have implemented a comprehensive approach to minimize the use of hazardous and toxic chemicals in our products and processes. This includes stringent hazardous waste management practices, controlled application of hazardous chemicals, and ongoing employee training programs. Furthermore, we are progressively encouraging our suppliers and vendors to adopt sustainable procurement practices, such as minimizing packaging and enhancing recycling capabilities when necessary.

**11. 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? (Yes/No) If "No", the reasons thereof and corrective action taken, if any.
Our entity does not have operations or offices in or around ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, or coastal regulation zones. Therefore, there are no environmental approvals or clearances required for our activities in these contexts. The locations of our operations do not intersect with any regions that necessitate such environmental approvals.			

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year 2023- 24:**

Name and brief of the project	EIA Notification No.	Date	Whether conducted by independent agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
No Environmental Impact Assessments (EIAs) were undertaken in the financial year 2023-24. This is because our projects during this period did not fall under the categories that require an EIA according to applicable environmental regulations. The scope and nature of our projects were such that they did not meet the criteria necessitating formal environmental assessments. As a result, EIAs were not required for any of our initiatives this year.					

**13. 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 (Yes/ No).**

If “Not”, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which is not compliant	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control board or by courts	Corrective action taken if any
<p>Yes, we are in compliance with the following laws which are applicable specifically to our business operations,</p> <ol style="list-style-type: none"> <li>1. The Industrial (Development and Regulation) Act, 1951.</li> <li>2. The Factories Act, 1948 &amp; Central Rules or concerned State Rules, made thereunder.</li> <li>3. The Environment (Protection) Act, 1986.</li> <li>4. The Water (Prevention and Control of Pollution) Act, 1974 &amp; Central Rules/concerned state rules.</li> <li>5. The Air (Prevention and Control of Pollution) Act, 1981 &amp; Central Rules/concerned state rules.</li> </ol>				

## Leadership Indicators

**1. Water withdrawal, consumption, and discharge in areas of ‘Water Stress’ (in kilo litres):**

For each facility/ plant located in areas of water stress, provide the following information:

- Name of area
- Nature of operations
- Water withdrawal, consumption, and discharge in the following format:

Parameter	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Water withdrawal by source (in kilo litres)		
(i) Surface Water	Not Applicable. None of our facilities or plants are located in water stressed areas.	
(ii) Ground Water		
(iii) Third Party Water		
(iv) Seawater/ Desalinated Water		
(v) Others w		
Total volume of water withdrawal (in KL)		
Total volume of water consumption (in KL)		
Water intensity per rupee of turnover (Water consumed/ Turnover)		
Water discharge by destination and level of treatment (in Kilo litres)		
(i) To Surface Water	Not Applicable. None of our facilities or plants are located in water stressed areas.	
No treatment		
With treatment- please specify level of treatment		
(ii) To Ground Water		

Parameter	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
No treatment		
With treatment- please specify level of treatment		
(iii) Sent to Third Party Water		
No treatment		
With treatment- please specify level of treatment		
(iv) Into Seawater		
No treatment		
With treatment- please specify level of treatment		
(v) Others		
No treatment		
With treatment- please specify level of treatment		
Total water discharged. (in kilo-litres- Kl)		

**Note:** Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If “Yes”, name the external agency.

No independent assessment/ evaluation/assurance has been carried out.

**2. Please provide details of total Scope 3 emissions and its intensity, in the following format:**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Total Scope 3 Emissions</b> ( <i>Break-up of the GHG into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, if available</i> )	Metric tonnes of CO <sub>2</sub> equivalent	We have not recorded our scope 3 emissions for current and previous financial year	
Total Scope 3 emissions per rupee of turnover			

**Note:** Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If “Yes”, name the external agency.

No independent assessment/ evaluation/assurance has been carried out.

**3. With respect to the ecologically sensitive areas reported in Qs. 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.**

No, we do not have any plants or offices in ecologically sensitive areas.

**4. 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:**

At SMIL, we pride ourselves on being at the forefront of emission control technology, offering a range of advanced products designed to meet the stringent BS6 and BS6.2 regulations. These standards are essential for enhancing air quality and reducing respiratory illnesses. Our key innovations include the Lean NO<sub>x</sub> Trap (LNT) and Selective Catalytic Reduction (SCR) systems, which effectively control NO<sub>x</sub> emissions from diesel engines, and Diesel Particulate Filters (DPF) that capture particulate emissions. We also offer Gasoline Particulate Filters (GPF) to reduce emissions from gasoline engines, Diesel Oxidation Catalysts that address CO and HC emissions, and Three Way Catalysts (TWC) that manage non-methane hydrocarbons while simultaneously converting HC, CO, and NO<sub>x</sub>.

Beyond our product innovations, we are deeply committed to operational sustainability. We've implemented measures to reduce power consumption, such as optimizing air conditioning settings and enhancing machine efficiency through preventive maintenance. We also invest in energy-efficient machinery to further our environmental goals. These efforts reflect our dedication to both preserving the environment and making a positive impact on society.

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web-link.**

We have established a comprehensive [Risk Management Policy](#) designed to identify and mitigate various risks that could adversely affect our operations and business. The Risk Management Committee supervises the execution of action plans that pinpoint potential business hazards and closely monitors the effectiveness of our risk management strategies. The policy outlines a range of processes and safeguards to ensure that risks are managed efficiently and that business activities remain uninterrupted.

**6. 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 take measures to ensure sustainable and responsible production, however we don't have any significant negative effects on the environment as a result of our value chain.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

The environmental effects of our value chain partners have not been evaluated by us.

## **Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

### **Essential Indicators**

**1. (a) Number of affiliations with trade and industry chambers/ associations.**

We are affiliated with one association only.

**b) List the top 10 trade and industry chambers/ associations (determined based on the total numbers of such body) the entity is member of/ affiliated to.**

S. No.	Name 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.**

Name of authority	Brief of the Case	Corrective action taken
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 public domain (Yes/No)	Frequency of Review by Board	Web Link, if available
-					

## Principle 8: Businesses should promote inclusive growth and equitable development.

### Essential Indicators

1. Details of Social Impact Assessments (SIA) projects undertaken by the entity based on applicable laws, in the current financial year 2023- 24:

Name and brief detail 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
No Social Impact Assessments (SIAs) were undertaken in the financial year 2023-24. This is because, based on the nature of our projects and the specific regulations applicable to our operations, SIAs were not required for any of our initiatives during this period. Our projects did not meet the threshold criteria that mandate the need for formal SIAs, as outlined by relevant legal and regulatory frameworks.					

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 the 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 financial year (in INR.)
No ongoing Rehabilitation and Resettlement (R&R) projects are being undertaken by our entity at this time. This is because our current projects and operations do not involve activities that necessitate R&R measures. The nature and scope of our projects for the financial year 2023-24 do not require any R&R interventions, as they do not impact communities or land in a way that triggers the need for such measures according to relevant regulations and guidelines.						

3. Describe the mechanisms to receive and redress grievances of the community.

Our esteemed Corporate Social Responsibility (CSR) Committee, composed of distinguished Board members, collaborates to address community needs with great effectiveness. Through consultations between plant heads and local stakeholders, the CSR Steering Committee develops long-term initiatives focused on healthcare, sanitation, education, environmental protection, and support for underprivileged communities. These impactful programs are executed with precision through the Sharda CSR Foundation Trust, benefiting society at large. We encourage open communication by offering a dedicated email address, [shardacsrtrust@shardamotor.com](mailto:shardacsrtrust@shardamotor.com), enabling community members to directly express their concerns and suggestions.

4. Percentage of input material (input to total inputs by value) sourced from suppliers:

	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Directly sourced from MSMEs/ Small producers	6.73%	5.99%
Directly from within India	85.76%	70.96%

5. Job creation in smaller towns: Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of the total wage cost:

Location	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Rural	32.66%	35.10%
Semi-Urban	3.20%	3.11%
Urban	35.35%	38.21%
Metropolitan	28.78%	23.57%

Note: Place categorized as per RBI Classification System- rural/ semi-urban/ urban/ metropolitan

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference Qs. 1 of Essential Indicators, above)

Details of negative social impact identified	Corrective action taken
-	

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.)
-			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/No)

No, currently, we do not have a specific preferential procurement policy; however, we actively promote and develop Micro and Small Enterprises (MSEs) and local suppliers by supporting them through various procurement modalities. SMIL is founded on the core principles of competitiveness, upholding sound procurement practices, and executing supplies in a manner that is fair, equitable, transparent, competitive, and cost-effective. In financial year24, MSMEs contributed approximately 7% of our total procurement, with expenditures totaling ₹155 crores on MSME suppliers and small vendors, Rs 1697 Crores within state and Rs 297 Crores from other states.

- (b) From which marginalized/ vulnerable groups do you procure?

Our company consistently sources a diverse array of raw materials and equipment from local and regional vendors classified as micro, small, and medium enterprises (MSMEs). This strategy reflects our unwavering commitment to nurturing the development of local and regional suppliers, thereby facilitating seamless business operations and contributing to community growth.

- (c) What percentage of total procurement (by value) does it constitute?

MSMEs constitute 7% of our total procurement in financial year 2024.



**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year 2023- 24), 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
Not Applicable				

**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 Case	Corrective action taken
Nil		

**6. Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalized groups
1	Sharda Unnati Grant for Promoting education to Shri Madhav Sewa Samiti	400	100% (The beneficiaries included children).
2	Sharda Unnati Grant for Health and Livelihood Support to Shree Bhagwan Mahaveer Viklang Sahayata Samiti	149	100% (The beneficiaries included persons with disabilities).
3	Sharda Unnati Grant for Health project to Breast Cancer Patient Benefit Foundation	235	100% (The beneficiaries included cancer patients).
4	Ambulance Services for nearby communities (SIPCOT, Chakan, Nashik, MWC plants).	321	100% (The beneficiaries included people from nearby our plant locations).
5	Sharda CSR Medical Clinic	50*	100% (The beneficiaries included people from nearby our plant locations).
6	Contribution for development of sports facility to Child Education Society	The exact number of persons benefiting from this project has not been determined.	100% (The beneficiaries included children).
7	Contribution for Eye Clinic to Rotary Southend Charitable Trust	The exact number of persons benefiting from this project has not been determined.	100% (The beneficiaries included eye patients).
*Medical Clinic was inaugurated in the month of March 2024.			

## Principle 9: Business should engage with and provide value to their consumers in a responsible manner.

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Delivering outstanding customer service has become increasingly critical in navigating a competitive landscape. Establishing a robust framework that allows our customers to freely share their feedback on our products and services is equally essential. We believe that promptly addressing our clients' concerns is key to building customer loyalty and enhancing brand equity, and we ensure that every customer has access to this system.

Actively engaging with our customers provides invaluable opportunities to refine and innovate our offerings based on their feedback, insights into evolving needs, preferences, and emerging market trends. We consider input from all our B2B (Business-to-Business) clients through a comprehensive complaint management system and various communication channels, including emails, in-person meetings, and telephone conversations. This approach enables us to deliver tailored solutions that not only resolve issues but also prevent future occurrences.

Our company is dedicated to addressing our clients' concerns with fairness, promptness, and efficiency, thereby enhancing their overall experience and achieving operational excellence.

#### 2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about:

Parameters	As percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

**Note:** Our products are not labeled, as our clientele operates within the B2B sector. Nevertheless, we ensure that our customers are well-informed throughout the sales process through a range of communication channels, including emails, in-person meetings, and telephonic conversations.

#### 3. Number of consumer complaints in respect of the following:

	Current Financial Year 2023- 24		Remarks	Previous Financial Year 2022- 23		Remarks
	Received	Pending at end of year		Received	Pending 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	-
Customer Complaints	Nil	Nil	-	Nil	Nil	-

#### 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary Recalls	Nil	-
Forced Recalls	Nil	-

#### 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, data protection is increasingly crucial for companies of all sizes and industries. A robust data protection strategy is essential for safeguarding digital resources and information from both internal and external threats. We have implemented a comprehensive IT security system that complies with legislative requirements and follows industry best practices.

Our organization is equipped with a high-standard IT infrastructure, supported by regular preventive and corrective maintenance. Our [IT policy](#) aims to establish guidelines and recommendations for the secure, efficient, and optimal use of our IT assets. This policy is designed to protect the organization's network and resources from threats such as viruses, malware, spyware, and unauthorized access. We utilize firewalls, anti-virus and anti-spam software, AV definitions, intrusion prevention systems (IPS), and web filtering to defend against potential cyber threats.

Our IT department is responsible for managing and developing an infrastructure that ensures the secure and continuous distribution of information within the organization and to external partners via the Internet. As part of this framework, we have implemented procedures to scan our data and information to prevent the spread of viruses, worms, Trojan horses, and other harmful executable objects. Emails identified as containing viruses, worms, Trojan horses, or other executable threats are not delivered to users. If an email cannot be sanitized, it is removed from the delivery system and assessed by our 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 financial year 2023-24 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.

#### 7. Provide the following information relating to data breaches:

(a) Number of instances of data breaches:

Nil

(b) Percentage of data breaches involving personally identifiable information of customers.

Nil

(c) Impact, if any, of the data breaches.

Nil

### Leadership Indicators

#### 1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if possible)

For detailed information about our products and services, please visit our dedicated page at: <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 cater to the B2B market and are dedicated to educating our clients on the safe and responsible use of our products. This is accomplished through personalized interactions, including face-to-face meetings, telephone consultations, and email correspondence, as well as any additional support needed throughout the entire sales process.

**3. Mechanism in place to inform consumers of any risk of disruption/ discontinuation of essential services.**

Our products and services are not classified as essential services. Nevertheless, we rigorously manage nonconforming products, take appropriate corrective actions, and meticulously oversee both the process and the quality system. Additionally, we ensure our customers are well-informed through email and phone communications, allowing them to make alternative arrangements to effectively manage their business operations.

**4. a. Does the entity display product information on the product over and above what is mandated as per the local laws? (Yes/ No/ Not Applicable).**

If "Yes", provide details in brief.

**b Did your entity carry out any survey about customer 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).**

In alignment with national and state regulations, our company diligently communicates all relevant product information. We believe this practice is instrumental in promoting sustainability, responsible consumption, and safe disposal.

Additionally, we regularly conduct customer satisfaction surveys at each plant level. These surveys provide us with invaluable feedback, enabling us to refine our products and services and develop innovative solutions that align with our customers' needs and expectations.

## 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-I,**

**New Delhi, Delhi-110020 India**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sharda Motor Industries Limited {CIN L74899DL1986PLC023202} having registered office at D-188, Okhla Industrial Area Phase-I, New Delhi, Delhi-110020 India {hereinafter 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 Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (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](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2024 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
6	Nitin Vishnoi	08538925	03.09.2019
7	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. My 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: F010822F000754103

Place: Gurgaon  
Date: July 15, 2024

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Our Management Discussion and Analysis Report (MDAR) for the financial year 2023-24, reflecting a period of significant progress and strategic initiatives that have strengthened our position in the industry. This report provides an in-depth analysis of our financial performance, operational achievements, and the market dynamics that have shaped our journey over the past year.

Despite a dynamic economic landscape, our unwavering commitment to innovation, customer satisfaction, and operational excellence has enabled us to achieve remarkable milestones. We have navigated complexities with agility and foresight, ensuring sustained growth and value creation for our stakeholders.

In this MDAR, we delve into the key drivers of our success, including strategic investments, technological advancements, and market expansion efforts. We also address the challenges we faced and the proactive measures taken to mitigate risks and capitalize on emerging opportunities.

As we move forward, we remain focused on our vision “To be among the Top 100 Companies in India. We will achieve this by focusing on Innovative Products+ Services & globally expanding our presence”, and we are confident in our ability to deliver sustainable growth and long-term shareholder value. We extend our gratitude to our dedicated employees, loyal customers, and esteemed shareholders for their continued support and trust in our journey.

## The global automobile ancillary market: A promising Outlook

The global automobile ancillary market is on track for sustained growth, with a projected CAGR of 6.34%, is expected to be \$21.94 billion market by 2029. This growth trajectory is fueled by several factors, including the expanding automotive industry, increasing vehicle production across geographies, and changing technologies. Many new trends are playing out. Key megatrends which are shaping the automotive industry include focus on lightweighting, advancement in emission norms & multiple alternative powertrains etc. The shift towards autonomous driving technology is also creating opportunities for manufacturers specializing in sensors, radar systems, and advanced driver assistance systems (ADAS).

The ongoing diversification of supply chains, often referred to as the China +1 strategy, is also significantly impacting the automobile ancillary market. Companies are increasingly looking to reduce their dependency on China by expanding manufacturing capabilities in other regions. This shift is creating new opportunities for ancillary manufacturers in countries like India, Vietnam, and Mexico, which are becoming key players in the global supply chain. The market is expected to see further consolidation as companies aim for economies of scale and global expansion.

Technological advancements, particularly in the area of generative artificial intelligence are poised to revolutionize the industry, leading to the development of new materials, intelligent and connected components. Additionally, the growing emphasis on sustainability will drive the adoption of eco-friendly manufacturing processes and the development of sustainable components. In conclusion, the global automobile ancillary market offers a promising landscape for growth and innovation. By leveraging emerging trends, technological advancements, and strategic shifts like the China +1 strategy, ancillary manufacturers can position themselves for long-term success in this dynamic industry.

## India's Automotive Industry: A Global Powerhouse

The automotive industry in India is one of the main pillars of the economy. With strong backward and forward linkages, it is a key driver of growth. Liberalization and conscious policy interventions over the past few years created a vibrant, competitive market, and brought several new players, resulting in capacity expansion of the automobile industry and generation of huge employment. India is one of the world's largest tractor & two-wheeler manufacturer. According to IBEF By 2026, the automobile component sector will contribute 5-7% of India's GDP. The Automotive Mission Plan (2016-26) projects to provide direct incremental employment to 3.2 million by 2026.

The Automobile Component Manufacturers Association (ACMA) has outlined an ambitious roadmap to quadruple the industry's revenue to US\$200 billion by 2026, solidifying India's position

as a global component sourcing hub.

## India's Competitive Advantage

Several factors contribute to India's burgeoning automotive industry:

- **Government Support:** The government's initiatives, such as Production Linked Incentives and Make in India have provided robust eco system for growth.
- **Cost-Effective Manufacturing:** India offers a cost-competitive manufacturing base, with production costs 10-25% lower compared to Europe and Latin America.
- **Skilled Workforce:** A vast pool of skilled and semi-skilled labour, coupled with a robust educational system, provides a strong talent pipeline for the industry.
- **Raw Material Availability:** As the world's second-largest steel producer, India enjoys a cost advantage in automotive manufacturing.
- **Strategic Location:** India's proximity to key automotive markets in ASEAN, Europe, Japan, and Korea positions it strategically as a global sourcing hub.

### Sources

Automotive Mission Plan (2016-26), Government of India and SIAM <https://www.siam.in/uploads/filemanager/47AUTOMOTIVEMISSIONPLAN.pdf>

Pre Budget Memorandum for 2020-21, ACMA [https://www.acma.in/uploads/docmanager/ACMA\\_PBM\\_2020\\_2021\\_21st%20November%202019.pdf](https://www.acma.in/uploads/docmanager/ACMA_PBM_2020_2021_21st%20November%202019.pdf)

India Brand Equity Foundation (IBEF) reports on the automotive industry [https://www.ibef.org/download/1720424808\\_Auto\\_Components\\_May\\_2024.pdf](https://www.ibef.org/download/1720424808_Auto_Components_May_2024.pdf)

## Opportunities

The Indian automotive industry is indeed a significant pillar of the economy. It contributes around 7.1% to India's overall GDP and 49% to the manufacturing GDP. This sector also provides employment to millions, both directly and indirectly, making it a true champion industry. The industry's growth and resilience have been remarkable, especially considering the challenges it has faced over the years. It's exciting to see how it continues to evolve and drive economic growth in India.

Union Budget 2024 has increased allocation the production linked incentive scheme's allocation for automobile and auto components to ₹3,500 crore in financial year25, as compared to ₹604 crore allocated in financial year24.

As the automotive industry continues to evolve,

the auto components sector will play a crucial role in shaping the future of mobility. Collaboration with automakers, investment in research and development, and adaptation to changing regulations will be key factors for success in this dynamic and competitive market.

### Growth Drivers

**Expanding R&D hub** - 8% of the country's R&D expenditure is in the automotive sector

**Emerging global sourcing hub** - Proximity to markets such as ASEAN, Europe, Japan and Korea

**China+1** - Diversification of global supply chains in Post Covid era.

**Cost competitive** - Excise duty reduction in vehicles will spur demand

**Regulatory Tailwinds** - Such as CEV V and TREM V besides continued focus on emission norms by the Government of India.

**New Technologies** - Such as lightweighting materials and fuel-efficient components including alternative powertrains.

**Favorable trade policy** - 100% FDI allowed and no restrictions on import-export

**Atmanirbhar Bharat** - PLI schemes in automobile and auto component sector with financial outlay of INR 25,938 Cr introduced under Atmanirbhar Bharat 3.0.

### Threat

Similar to any other industry and despite of having such a positive outlook, the Indian automotive industry is also going through some threats. The Indian automotive industry is closely intertwined with global trends. Key factors influencing the sector include:

- **Vehicle Transition to new alternatives:** The global shift towards electric mobility and other powertrain options presents both challenges and opportunities for India. The industry is working on various powertrain scenarios in the best interest of consumers and to ensure cleaner environment, given the limited charging infrastructure and dynamic technological advancements.
- **Supply Chain Resilience:** The COVID-19 pandemic highlighted the vulnerability of global supply chains. India is focusing on building a resilient domestic supply chain to reduce dependence on imports.



- **Technological Advancements:** Advancements in autonomous driving, connectivity, and shared mobility are reshaping the automotive landscape. Indian players are investing in research and development to stay competitive.
- **Environmental Regulations:** Stringent emission norms and sustainability goals are driving the development of cleaner and more efficient vehicles. India is aligning its regulations with global standards.

By capitalizing on its strengths and adapting to global trends, India is poised to solidify its position as a global automotive powerhouse.

**Source:**

<https://www.investindia.gov.in/sector/auto-components>  
[https://www.gminsights.com/blogs/top-challenges-in-the-](https://www.gminsights.com/blogs/top-challenges-in-the-automotive-industry-pre-COVID)

automotive-industry-pre-COVID

<https://www.spendedge.com/blogs/swot-analysis-automobile-industry/>

## Risks and Concerns

SMIL has a comprehensive and proactive approach to risk management. By regularly identifying, evaluating, and mitigating risks, the company ensures the protection of stakeholders' interests and the achievement of business objectives. The involvement of the Risk Management Committee and the Board of Directors in this process highlights the importance placed on continuous monitoring and adaptation to emerging risks.

Some of the major risks identified by the Risk Management Committee of the Company are given below: -

Risks	Analysis	Approach to mitigate the risk
Customer Concentration	Significant dependence on specific customers may impact the Company's Negotiation Power with the Customer.	<ul style="list-style-type: none"> <li>• The company has added multiple new customers in diversified market segments in the past few years &amp; working proactively to increase wallet size with all customers.</li> </ul>
Market Concentration	SMIL's market is majorly Domestic Geography.	<ul style="list-style-type: none"> <li>• SMIL has created a new vertical focused on increasing global exports, being managed by a CEO for Global Business.</li> </ul>
Legal Compliance Risk	SMIL is a Listed Public Company and attracts lots of compliance of various Regulators. The company is having plants in multiple States having exposure to State specific Laws, Rules and Regulations. This also exposes top management to various litigations.	<ul style="list-style-type: none"> <li>• The Company has built a robust team of competent professionals supplemented with the opinions of Consultants and Legal Advisors as and when needed.</li> <li>• A portal-based platform for monitoring compliance.</li> </ul>
Risk of costs associated with Eventualities	The Company is exposed to various risks like Asset theft, fire, earthquake, Transit Damage, Workmen Compensation cost, Litigation Cost Risk to Senior Personnel, Product Recall, Third Party Costs etc.	To mitigate these types of eventualities, the Company has taken various Insurance covers and has proper policies / procedures in place to mitigate the risks.
Human Resource Risk	Every Organization is exposed to Human Resources risk which includes among others: <ul style="list-style-type: none"> <li>• High Employee Attrition</li> <li>• Skill Development</li> <li>• Employee Unrest (like Strikes and Lock-outs)</li> </ul>	<ul style="list-style-type: none"> <li>• The Company has 'Recruitment Policy' and laid down 'Process' for hiring, to ensure Right Peg to the Right Hole. Further, "Compensation Packages" are inclusive of Incentives and are in line with Industry Standards. Employees "Training and Engagement" Activities are Conducted. Various "Welfare Measures" for Employee and their Family are also in place.</li> </ul>

Risks	Analysis	Approach to mitigate the risk
Cyber Security Risk	The company may face technical obsolescence on account of outdated Operating System Software, Tools such as MS-Office, Hardware like Old Storage Servers & Switches, Laptops and Desktops. This may result in vulnerability to Virus, Malware, Fishing, Ransomware attack and also delays and under performance.	<ul style="list-style-type: none"> <li>The Company has recently done Vulnerability Assessment (VA) and has planned to do Penetration Testing (PT) in coming year.</li> <li>The Company has already in place the Data Back Up Plan in case of any unforeseen disaster resulting in loss of data.</li> </ul>

### Internal Control system and their adequacy

We have an adequate system of internal controls in place commensurate with the size, scale and complexity of its operations. We have documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance regarding maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses and compliances with regulations. Periodical internal audits and management reviews supplement the process of internal financial control framework.

### Discussion on Financial Performance with respect to Operational Performance

The financial statements of SMIL and its subsidiaries are prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. Significant accounting policies used in the

preparation of the financial statements are disclosed in the notes to the consolidated disclosed in the notes to the consolidated financial statements.

Some of the key Standalone Financial indicators are given hereunder:-

- Revenue from operations increased by 4.05% as compared to 12M financial year23.
- EBITA Margin for 12M financial year24 was 12.9% as against 12M financial year23 10.4%.
- PBT margin for 12M financial year24 was 14.0% as against 12M financial year23 10.2%.
- PAT for 12M financial year24 was INR 294.90 crores.

Detailed Financial highlights are given in Board Report forming part of Annual Report.

### 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.

### Significant changes in Key Financial Ratios and Return on Net Worth

S. No.	Ratios	Unit of Measurement	As of March 31, 2024	As of March 31, 2023	Change in percentage	Remarks
1.	Debtors Turnover	Times	10.6	8.89	13%	NA
2.	Inventory Turnover	Times	14.01	16.10	(13%)	NA
3.	Current Ratio	Times	1.77	1.87	(5%)	NA
4.	Net Profit Margin	Percent	10.50	7.61	38%	Product mix change, and other operational efficiencies
5.	Debt Equity Ratio*	Times	0.02	0.03	(33%)	Increase in retained earnings
6.	Operating Profit Margin	Percent	14.10	10.30	36.89%	Product mix change, and other operational efficiencies
7.	Return on Net Worth	Percent	28.77	26.27	9.52	NA
8.	Interest Coverage Ratio*	Times	111.81	104.60	6.90	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

## Material developments in Human Resources

The Company provides a comprehensive Employee Value Proposition (EVP), which is designed to attract, retain, and engage talent and create an agile workforce, seamlessly aligned with the Company's strategic goals and values. Our EVP reflects a forward-looking approach that embraces the 'Future of Work, Workplace and Workforce' concept, ensuring that our employees are equipped for success in a rapidly evolving business landscape.

Situated across 4 States, with 7 Manufacturing Unit, we provide our employees opportunities to learn and grow, while fostering a culture of continuous learning with the support of sufficient resources, knowledge and expertise. We believe in listening to our employees and ensure that their individual voices are heard, ideas and contributions recognized through various HR initiatives like synergy and Buddy Programme.

Apart from offering them competitive compensation, our flexible work arrangements enable them to maintain a work life balance. We foster an environment for constant engagement and interaction through a host of events we celebrate throughout the year. From events to reward and recognize employees on monthly basis, to celebrating International Women's Day, Diwali celebration or other engagements such as TA Conclave, Plant Head Communication etc.

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 1390 permanent employees as on 31<sup>st</sup> March 2024. The demographic structure of employees are given in more detail in Business Responsibility and Sustainability Report forming part of this Report.

## Industrial Relations

The company has a strong and positive relationship with its employees and the labor unions. This is crucial for maintaining a healthy work environment. The implementation of reforms to improve safety, quality, and productivity, and the practice of signing wage settlements that respect the terms of different locations, all contribute to this positive relationship, increased employee satisfaction, reduced turnover, and improved overall performance.

## 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>  
<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, 2024, 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 material 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, 2024, 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.	<b>Recognition of price variations in the revenue</b>  Revenue from sale of goods is recognized upon the transfer of control of the goods sold to the customer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods from its customers. In determining the transaction price for the sale of	Our audit procedure included, however not limited to the following:  <b>i. Test of Controls</b> <ul style="list-style-type: none"> <li>Performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers and management's process &amp; assumptions used in calculation of price variations.</li> </ul>

S. No.	Key Audit Matters	How our audit addressed the key audit matter
	<p>products, the Company considers the effects of various factors such as volume-based discounts, price adjustments to be passed on and/or recovered to/from the customers based on various parameters like negotiations-based savings on cost of materials, rebates etc. provided to the customers. During the year, the Company has accounted for such price variations to be passed on and/or recovered to/from such customers. There is a risk that revenue could be recognized at incorrect amount on account of the significant judgement and estimate involved in calculation of price variations and in the incorrect period on account for sales transactions occurring on and around the year end. Therefore, revenue recognition has been identified as a Key Audit Matter.</p>	<p><b>ii. Test of Details</b></p> <ul style="list-style-type: none"> <li>• Evaluated the Company's accounting policies pertaining to revenue recognition in terms of Ind AS 115 - Revenue from contracts with customers.</li> <li>• Performed audit procedures on a representative sample of the sales transactions to test whether the revenues and related trade receivables are recorded taking into consideration the terms and conditions of the sale orders, debit/ credit notes in respect of agreed price variations passed on to the customers.</li> <li>• Tested completeness, arithmetical accuracy and validity of the data used in the computation of price adjustments as per customer contracts.</li> <li>• Performed analytical procedures to identify any unusual trends and tested the price adjustment estimate for consistency with the material cost.</li> </ul> <p><b>Conclusion:</b> Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment &amp; presentation of the subject matter in the standalone financial statements.</p>
2.	<p><b>Valuation of Investments</b></p> <p>The Company's investment portfolio represents a significant portion of the Company's total assets, which primarily consists of:</p> <ol style="list-style-type: none"> <li>Investment in Bonds</li> <li>Investment in Mutual Funds</li> <li>Fixed Deposits</li> </ol> <p>The aforementioned instruments are valued at amortized cost or fair value through profit &amp; loss (FVTPL) depending upon the nature of investment.</p> <p>The valuation of these investments was considered to be a significant area in the standalone financial statements requiring our attention due to</p> <ul style="list-style-type: none"> <li>• the materiality of total value of investments to the total assets,</li> <li>• judgements involved in (a) determining of recoverability of investments, (b) in selecting the valuation basis and</li> <li>• assessment of market data/ conditions and financial indicators of the investee.</li> </ul>	<p>Our audit procedure included, however not limited to the following:</p> <p><b>i. Test of Controls</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the management, tested the design, implementation and operating effectiveness of the Company's key controls over the valuation of material investments, including the Company's review and approval process for making the investments.</li> </ul> <p><b>ii. Test of Details</b></p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the relevant accounting policies of the Company, including those relating to recognition and measurement of financial instrument by comparing with the applicable accounting standards;</li> <li>• For instruments valued at fair value, assessed the carrying value/fair value calculations of all investments individually, where applicable, to determine whether the valuations performed by the Company are as per available quoted prices in liquid markets and performed testing of inputs used in valuation including checking of mathematical accuracy.</li> <li>• For instruments valued at Amortized cost, assessed the business model objective of holding the asset to collect the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Also, assessed the instrument for impairment by evaluating if there is any significant increase in credit risk.</li> </ul>

S. No.	Key Audit Matters	How our audit addressed the key audit matter
		<ul style="list-style-type: none"> <li>Assessed the appropriateness of the Company's description of the accounting policy and disclosures related to investments and whether these are adequately presented in the standalone financial statements.</li> </ul> <p><b>Conclusion:</b> Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation, and disclosure of the subject matter in standalone financial statements.</p>

### 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.

## 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.
- 2A. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B (f) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules 2014.
  - (c) 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.
  - (d) 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.
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B (f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - (g) 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"**.
- 2B. 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. 40 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 51 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 51 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 48 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) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility for all relevant transactions recorded in the respective software except for the instances below.
  - i. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.
  - ii. The Company has used payroll software for maintaining payroll records which is operated by a third-party service provider and in the absence of reporting on compliance with audit trail (edit log) requirements in the independent service auditor's report, we are unable to comment whether the audit trail feature was enabled and operated throughout the year for all relevant transactions recorded in the said software.

Further, for the period where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of audit trail feature being tampered with.

**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: 24083689BKBLUG4760

Place of Signature: New Delhi

Date: May 23, 2024

## 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, 2024, 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 (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) 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 as disclosed in Note No 47 of the Financial Statements. 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 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)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company. However, in respect of investment made by the Company during the year and for the purpose of reporting under paragraph 3(iii)(b), based on the audit procedures performed by us, the investment made during the year by the Company are not prejudicial to the Company's interest.
- iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 of the Act. However, the Company has complied with the provisions of Sections 186 of the Act in respect of investments made during the year.
- 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, Duty of Customs, Cess, and any other material statutory dues applicable to it with the appropriate authorities. Further, the statutory dues of Sales-Tax, Service Tax, Duty of Excise and Value Added Tax have subsumed in GST and accordingly are not applicable to the operations of the Company. 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.	Tamil Nadu Sales Tax Act	VAT	9.62	-	FY 2005-06	Asst. Commissioner (CT) Sriperumbudur
			20.10	-	FY 2006-07	Asst. Commissioner (CT) Sriperumbudur
			291.08	29.11	FY 2010-11	State Tax Officer
			116.08	11.61	FY 2011-12	State Tax Officer
			113.47	11.35	FY 2012-13	State Tax Officer
			8.17	0.82	FY 2013-14	State Tax Officer
			13.28	1.33	FY 2014-15	State Tax Officer
2.	Gujarat VAT Act	VAT	14.78	1.48	FY 2015-16	State Tax Officer
			39.14	4.63	FY 2016-17	Asst. Commissioner State
			4.38	0.64	FY 2017-18	Asst. Commissioner State
3.	Central Excise Act	Cenvat Credit	440.00	-	FY 2008-09	LTU - Delhi
4.	Income Tax Act	Income Tax	280.00	791.19	AY 2017-18	Commissioner of Income Tax, Appeal
5.	Income Tax Act	Income Tax	11.56	8.73	AY 2018-19	Commissioner of Income Tax, Appeal
6.	Income Tax Act	Income Tax	40.39	24.08	AY 2019-20	Commissioner of Income Tax, Appeal
7.	Income Tax Act	Income Tax	0.98	-	AY 2020-21	Commissioner of Income Tax, Appeal
8.	Income Tax Act	Income Tax	90.46	-	AY 2021-22	Commissioner of Income Tax, Appeal
9.	Maharashtra Goods and Service Tax Act	GST	24.38	2.44	FY 2017-18	Dy Commissioner of State Tax, Nashik
10.	Uttarakhand Goods and Service Tax Act	GST	27.18	1.22	FY 2017-18	Dy Commissioner of State Tax, Uttarakhand
11.	Tamil Nadu Goods and Service Tax Act	GST	86.17	7.83	FY 2017-18 to FY 2021-22	Assistant Commissioner, Tamil Nadu
12.	Maharashtra Goods and Service Tax Act	GST	77.90	7.08	FY 2017-18 & 2018-19	Superintendent, Nashik (Maharashtra)
13.	Employee Provident Fund Act	PF	0.62	-	FY 2016-17	CG Industrial Tribunal Cum Labour Court, Chennai
14.	Service Tax Act	Service Tax	7.56	-	Apr-11 to Dec-12	LTU - Delhi
			3.89	-	Jan-13 to Sep-13	LTU - Delhi
			5.52	-	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)** a) In our opinion and according to the information and explanations given to us, the Company has no loans or other borrowings having stipulated repayment schedule and not liable to pay any interest thereon to any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable.
- 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 subsidiaries, joint ventures or associate companies. 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 subsidiaries, joint ventures or 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) Based on the audit procedures performed, representation obtained from the Management, and information and explanations given to us on our enquiries in this regard, we report that no fraud on or by the Company, resulting in a material misstatement on the financial statements has been noticed or reported during the year under audit.
- 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
2023-24	404.26	365.33	365.33	30.04.2024	29.04.2024	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 Registration Number 001478N/N500005

**(Sandeep Dinodia)**

*Partner*

Membership Number 083689

UDIN: 24083689BKBLUG4760

Place of Signature: New Delhi

Date: May 23, 2024



## 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, 2024 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, 2024, 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: 24083689BKBLUG4760

Place of Signature: New Delhi

Date: May 23, 2024

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	Note No	As At March 31, 2024	As At March 31, 2023
<b>I. Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	18,914.07	18,663.64
(b) Capital work in progress	5	2.88	3.41
(c) Right-of-use assets	39A	1,985.76	2,206.04
(d) Other Intangible assets	6	1,018.50	1,223.67
(e) Financial assets			
(i) Investment in associate & joint venture	7A	4,799.07	4,799.07
(ii) Other investments	7B	30,500.50	2.73
(iii) Other financial assets	8	409.19	386.76
(f) Deferred tax assets (net)	9	530.48	675.50
(g) Non-current tax asset (net)	10	1,176.25	731.42
(h) Other non-current assets	11	1,193.30	603.53
<b>Total non-current assets</b>		<b>60,530.00</b>	<b>29,295.77</b>
<b>Current assets</b>			
(a) Inventories	12	19,691.15	20,407.11
(b) Financial assets			
(i) Investments	7C	33,414.48	570.74
(ii) Trade receivables	13	22,715.69	33,147.59
(iii) Cash and cash equivalents	14	25,836.15	15,725.80
(iv) Bank balances other than (iii) above	15	627.85	445.36
(v) Other financial assets	8	1,011.51	40,570.60
(c) Other current assets	11	881.09	1,126.24
<b>Total current assets</b>		<b>1,04,177.92</b>	<b>1,11,993.44</b>
<b>Total assets</b>		<b>1,64,707.92</b>	<b>1,41,289.21</b>
<b>II. Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	16	594.63	594.63
(b) Other equity	17	1,01,917.57	77,587.57
<b>Total equity</b>		<b>1,02,512.20</b>	<b>78,182.20</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	18	2,247.08	2,358.75
(ii) Other financial liabilities	19	12.79	12.79
(b) Provisions	20	1,048.47	866.81
(c) Other liabilities	21	85.67	-
<b>Total non-current liabilities</b>		<b>3,394.01</b>	<b>3,238.35</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	18	119.46	105.48
(ii) Trade payables	22		
- Total outstanding dues of micro and small enterprises		454.55	2,163.16
- Total outstanding dues of creditors other than micro and small enterprises		49,034.72	49,416.00
(iii) Other financial liabilities	19	1,397.83	1,369.08
(b) Other liabilities	21	6,751.71	6,052.61
(c) Provisions	20	998.86	762.33
(d) Current tax Liabilities (net)	23	44.58	-
<b>Total current liabilities</b>		<b>58,801.71</b>	<b>59,868.66</b>
<b>Total liabilities</b>		<b>62,195.72</b>	<b>63,107.01</b>
<b>Total equity and liabilities</b>		<b>1,64,707.92</b>	<b>1,41,289.21</b>
Summary of Material 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

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 23, 2024

Place : New Delhi

(Puru Aggarwal)

President &

Group Chief Financial Officer

(Nitin Vishnoi)

Executive Director & Company Secretary

M.No. F3632

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	Note No.	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>I</b> Revenue from operations	24	2,80,926.24	2,69,993.58
<b>II</b> Other income	25	8,785.41	4,173.65
<b>III Total income (I+II)</b>		<b>2,89,711.65</b>	<b>2,74,167.23</b>
<b>IV Expenses</b>			
(a) Cost of materials consumed	26	2,09,699.00	2,09,941.01
(b) Purchases of stock-in-trade	27	6,070.93	6,485.26
(c) Changes in inventories of finished goods, work-in-progress and stock in trade	28	(1,485.25)	(41.55)
(d) Employee benefits expense	29	13,227.16	9,844.82
(e) Finance costs	30	220.76	191.22
(f) Depreciation and amortization expense	31	5,255.66	4,627.19
(g) Other expenses	32	17,270.96	15,588.03
<b>Total expenses</b>		<b>2,50,259.22</b>	<b>2,46,635.98</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>39,452.43</b>	<b>27,531.25</b>
<b>VI Exceptional items</b>		-	-
<b>VII Profit before tax (V-VI)</b>		<b>39,452.43</b>	<b>27,531.25</b>
<b>VIII Tax expense:</b>	9		
(a) Current tax		9,862.79	7,205.00
(b) Deferred tax		153.45	(184.89)
(c) Income tax for earlier Year		(53.54)	(31.39)
<b>Total tax expense</b>		<b>9,962.70</b>	<b>6,988.72</b>
<b>IX Profit for the year (VII-VIII)</b>		<b>29,489.73</b>	<b>20,542.53</b>
<b>X Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>	33		
- Re-measurement gains/ (losses) on defined benefit plans		(33.51)	114.77
- Income tax on items that will not be reclassified to profit or loss		8.43	(28.89)
<b>Total other comprehensive income for the year, net of tax</b>		<b>(25.08)</b>	<b>85.88</b>
<b>XI Total comprehensive income for the year, net of tax (IX+X)</b>		<b>29,464.65</b>	<b>20,628.41</b>
<b>XII Earnings per share: (Face value ₹ 2 per share)</b>	34		
1) Basic (amount in ₹)		99.19	69.09
2) Diluted (amount in ₹)		99.19	69.09
Summary of Material 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

For & on behalf of Board of Directors of  
Sharda Motor Industries Limited

(Sandeep Dinodia)

Partner

Membership No. 083689

(Sharda Relan)

Co-Chairperson

DIN 00252181

(Ajay Relan)

Managing Director

DIN 00257584

(Aashim Relan)

Chief Executive Officer

Date : May 23, 2024

Place : New Delhi

(Puru Aggarwal)

President &

Group Chief Financial Officer

(Nitin Vishnoi)

Executive Director & Company Secretary

M.No. F3632

## STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before tax	39,452.43	27,531.25
Adjustments for:		
Depreciation and amortization expense	5,255.67	4,627.20
Finance cost	198.54	168.00
Interest income	(3,110.51)	(2,573.45)
Loss / (Gain) on lease termination	(0.94)	(9.41)
Loss / (Gain) on sale of Investments	(1,564.35)	(331.13)
Amortization of discount/premium on bonds	(8.08)	-
Provision for doubtful debts	230.88	(6.75)
Loss / (Gain) on disposal of property, plant and equipment (net)	(2,686.80)	(854.00)
Assets Written off	-	9.88
Fair value Loss/ (gain) on investments at FVTPL (Net)	(509.92)	24.77
Unrealized loss/(gain) on foreign exchange (net)	(42.12)	(1.84)
<b>Operating profit / (loss) before adjustments</b>	<b>37,214.80</b>	<b>28,584.52</b>
Movement in working capital:		
Decrease/(increase) in inventories	715.96	(7,265.91)
Decrease/(increase) in trade receivables	10,211.84	(5,522.97)
Decrease/(increase) in other financial assets	(21.23)	(40,160.80)
Decrease/(increase) in other assets	213.89	(1,089.49)
Increase/(decrease) in trade payables	(2,062.33)	10,024.52
Increase/(decrease) in other liabilities	472.82	1,659.36
Increase/(decrease) in other financial liabilities	34.91	687.11
Increase/(decrease) in provisions	384.68	368.59
<b>Cash generated from operating activities</b>	<b>47,165.34</b>	<b>(12,715.07)</b>
Income Tax (paid)/ refund	(10,209.50)	(7,319.04)
<b>Net cash from operating activities - (A)</b>	<b>36,955.84</b>	<b>(20,034.11)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of PPE including capital work-in-progress, & Intangible Assets	(7,314.07)	(10,265.54)
Proceeds from disposal of property, plant and equipment, and Intangible Assets	4,375.53	1,416.35
Net Proceeds from sale & Purchase of investments	(61,068.69)	5,354.67
Bank deposits (made)/realised	39,651.69	19,970.40
Interest received	2,834.22	2,573.45
<b>Net cash used in investing activities - (B)</b>	<b>(21,521.33)</b>	<b>19,049.33</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest payment of lease liability	(198.54)	(168.00)
Principle payments of lease liability	(90.17)	(66.30)
Dividend paid (including taxes)	(5,134.65)	(2,423.13)
<b>Net cash used in financing activities - (C)</b>	<b>(5,423.36)</b>	<b>(2,657.43)</b>
<b>Effect of fair Value changes on Cash &amp; Cash Equivalents (investment in Liquid Fund) - (D)</b>	<b>95.45</b>	<b>27.79</b>
<b>Effect of exchange differences on restatement of of foreign currency cash and cash equivalents - (E)</b>	<b>3.75</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents - (A+B+C+D+E)</b>	<b>10,110.35</b>	<b>(3,614.42)</b>
Cash and cash equivalents at the beginning of the year	15,725.80	19,340.22
<b>Cash and cash equivalents at the end of the year [refer note 14]</b>	<b>25,836.15</b>	<b>15,725.80</b>

**Notes:**

- The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7-"Statement of cash flow".
- 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).
- For components of cash and cash equivalents refer note no.14.
- Cash flows from operating activities include ₹ 404.26 lakh (March 31, 2023: ₹ 269.15 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

For & on behalf of Board of Directors of

Sharda Motor Industries Limited

(Sandeep Dinodia)

Partner

Membership No. 083689

(Sharda Relan)

Co-Chairperson

DIN 00252181

(Ajay Relan)

Managing Director

DIN 00257584

(Aashim Relan)

Chief Executive Officer

Date : May 23, 2024

Place : New Delhi

(Puru Aggarwal)

President &

Group Chief Financial Officer

(Nitin Vishnoi)

Executive Director & Company Secretary

M.No. F3632

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ lakh, unless otherwise stated)

<b>A. Equity Share Capital*</b>	<b>Amount</b>
<b>Balance as at April 01, 2022</b>	<b>594.63</b>
Changes during the year	-
<b>Balance as at March 31, 2023</b>	<b>594.63</b>
Changes during the year	-
<b>Balance as at March 31, 2024</b>	<b>594.63</b>

### **B. Other Equity\*\***

	Reserve & Surplus			
	Capital Reserve	General Reserve	Retained Earnings	Total
<b>Balance as at April 01, 2022</b>	<b>0.20</b>	<b>21,025.68</b>	<b>38,356.41</b>	<b>59,382.29</b>
Profit for the year	-	-	20,542.53	<b>20,542.53</b>
Other comprehensive income for the year, net of tax	-	-	85.88	<b>85.88</b>
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>20,628.41</b>	<b>20,628.41</b>
Payment of final dividend for the year the FY 2021-22	-	-	(2,423.13)	<b>(2,423.13)</b>
<b>Balance as at March 31, 2023</b>	<b>0.20</b>	<b>21,025.68</b>	<b>56,561.69</b>	<b>77,587.57</b>
Profit for the year	-	-	29,489.73	<b>29,489.73</b>
Other comprehensive income for the year, net of tax	-	-	(25.08)	<b>(25.08)</b>
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>29,464.65</b>	<b>29,464.65</b>
Payment of final dividend for the year the FY 2022-23	-	-	(5,134.65)	<b>(5,134.65)</b>
<b>Balance as at March 31, 2024</b>	<b>0.20</b>	<b>21,025.68</b>	<b>80,891.69</b>	<b>1,01,917.57</b>

\* For details, refer note no. 16

\*\* For details, refer note no. 17

Summary of Material 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

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 23, 2024

Place : New Delhi

(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, 2024

(All amounts are in ₹ lakh, unless otherwise stated)

### Note 1: Corporate Information

Sharda Motor Industries Limited ("the Company") '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 Exchange. 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 Financial statements

#### 2.1 Statement of Compliance:

**Statement of Compliance:** The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These 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 financial statements.

The financial statements were authorized for issue by the Company's Board of Directors on May 23, 2024.

#### 2.2 Basis of preparation and presentation:

**Basis of Preparation and presentation:** The 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 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 2024 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these 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 financial statements 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 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 financial statements.

### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the 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, 2024:

- 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 entirety 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## 2.8 Current versus non-current classification

The Company presents assets and liabilities in the 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 Material accounting policies

### 3.1 Revenue from Contract with Customer

The Company manufactures and trades variety of auto components products. Revenue from contract with customer is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue 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.

#### **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 Government 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 balance sheet date.

An items of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continuous 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 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	15-20	15
Electrical Fittings	15	10
Tools & Dies	10	Not Specified
Packaging (Trolleys, Pallets, Crates etc)	5	Not Specified

Addition to existing assets has been depreciated over the useful life of existing assets.

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 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 Foreign currencies translations:

#### Functional and presentational currency

The Company's 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 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 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 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 Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in statement of profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

### 3.6 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.

### 3.7 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 expenses in 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.



### 3.8 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 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 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 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 statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in 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 statement of profit or loss.

### 3.9 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 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.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle 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 balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

### 3.10 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. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the 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 statement of profit and loss. This amount is reflected under the head ‘other expenses’ in the statement of profit and loss.

**Write-off:** The gross carrying amount of a financial asset is written off 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 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.

### **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 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 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 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 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.

### **3.11 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.

### **3.12 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.

### 3.13 Cash and cash equivalents:

Cash and cash equivalent in the 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 balance sheet.

### 3.14 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.

### 3.15 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	Freehold land	Leasehold land	Building	Plant & Machinery	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
<b>Gross carrying amount</b>										
<b>As at April 01, 2022</b>	<b>650.47</b>	<b>530.63</b>	<b>4,523.67</b>	<b>27,473.10</b>	<b>263.66</b>	<b>443.62</b>	<b>90.82</b>	<b>982.63</b>	<b>1,154.57</b>	<b>36,113.17</b>
Add: Additions made during the year	-	-	27.05	7,627.16	56.32	150.03	64.86	210.27	844.28	8,979.97
Less: Other Adjustments	-	-	390.63	1,727.72	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
<b>As at March 31, 2023</b>	<b>570.58</b>	<b>514.58</b>	<b>4,160.09</b>	<b>32,750.79</b>	<b>259.04</b>	<b>565.33</b>	<b>126.76</b>	<b>1,018.61</b>	<b>1,960.85</b>	<b>41,926.63</b>
Add: Additions made during the year	-	-	566.00	5,758.89	75.85	215.71	21.49	32.92	69.27	6,740.13
Less: Disposals / adjustments during the year	-	-	-	2,782.27	4.14	11.92	0.12	8.61	20.06	2,827.12
<b>As at March 31, 2024</b>	<b>570.58</b>	<b>514.58</b>	<b>4,726.09</b>	<b>35,727.41</b>	<b>330.75</b>	<b>769.12</b>	<b>148.13</b>	<b>1,042.92</b>	<b>2,010.06</b>	<b>45,839.64</b>
<b>Accumulated depreciation and amortization</b>										
<b>As at April 01, 2022</b>	-	<b>42.98</b>	<b>2,157.72</b>	<b>17,470.94</b>	<b>217.00</b>	<b>316.63</b>	<b>75.14</b>	<b>685.48</b>	<b>601.79</b>	21,567.68
Add: Depreciation charge for the year	-	5.42	246.75	3,744.47	21.47	104.27	11.87	63.39	192.61	4,390.25
Less: Other Adjustments	-	-	390.63	1,727.72	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
<b>As at March 31, 2023</b>	-	<b>42.23</b>	<b>2,013.84</b>	<b>19,240.64</b>	<b>177.93</b>	<b>394.50</b>	<b>58.11</b>	<b>574.60</b>	<b>761.14</b>	<b>23,262.99</b>
Add: Depreciation charge for the year	-	5.42	280.46	3,823.42	50.21	154.41	22.51	83.76	380.78	4,800.97
Less: On disposals / adjustments during the year	-	-	-	1,106.11	2.76	4.96	0.10	6.91	17.55	1,138.39
<b>As at March 31, 2024</b>	-	<b>47.65</b>	<b>2,294.30</b>	<b>21,957.95</b>	<b>225.38</b>	<b>543.95</b>	<b>80.52</b>	<b>651.45</b>	<b>1,124.37</b>	<b>26,925.57</b>
<b>Net carrying amount</b>										
<b>As at March 31, 2024</b>	<b>570.58</b>	<b>466.93</b>	<b>2,431.79</b>	<b>13,769.46</b>	<b>105.37</b>	<b>225.17</b>	<b>67.61</b>	<b>391.47</b>	<b>885.69</b>	<b>18,914.07</b>
<b>As at March 31, 2023</b>	<b>570.58</b>	<b>472.35</b>	<b>2,146.25</b>	<b>13,510.15</b>	<b>81.11</b>	<b>170.83</b>	<b>68.65</b>	<b>444.01</b>	<b>1,199.71</b>	<b>18,663.64</b>

### Notes:

- Hypothecation of movable assets including Plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for their working capital facilities.
- Refer note no. 40, for disclosure of capital commitment for acquisition of property, plant and equipment.
- All the title deeds of immovable properties are held in the name of the company.
- The Lease agreement of the leasehold land is in the name of the company.

## Note 5 : Capital Work In Progress

	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
Balance at the beginning of the year	3.41	5.00
Add: Addition made during the year	2.88	-
Less: Capitalised/adjustments during the year	3.41	1.59
<b>Balance at the end of the year</b>	<b>2.88</b>	<b>3.41</b>
<b>Notes:</b>		
<b>a) Breakup of capital work in progress is as follows:</b>		
Plant & Machinery	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
	2.88	3.41
	<b>2.88</b>	<b>3.41</b>



(All amounts are in ₹ lakh, unless otherwise stated)

**b) Ageing schedule of CWIP as at March 31, 2024 and as at March 31, 2023:**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	2.88	-	-	-	2.88
	-	(3.41)	-	(-)	(3.41)
(ii) Projects temporarily Suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

Figures in bracket represents figures for the year ended March 31, 2023.

- c) There are no capital-work-in progress as at March 31, 2024 and as at March 31, 2023 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
<b>Gross carrying amount</b>			
<b>As at April 01, 2022</b>	<b>383.27</b>	<b>1,201.74</b>	<b>1,585.01</b>
Add: Additions made during the year	43.27	<b>1,183.43</b>	1,226.70
Less: Other Adjustments	9.01	-	9.01
Less: Adjustments during the year	6.55	-	6.55
<b>As at March 31, 2023</b>	<b>410.98</b>	<b>2,385.17</b>	<b>2,796.15</b>
Add: Additions made during the year	35.83	-	35.83
Less: Adjustments during the year	18.70	-	18.70
<b>As at March 31, 2024</b>	<b>428.11</b>	<b>2,385.17</b>	<b>2,813.28</b>
<b>Accumulated amortisation and impairment</b>			
<b>As at April 01, 2022</b>	<b>314.88</b>	<b>1,201.74</b>	<b>1,516.62</b>
Add: Amortisation for the year	48.18	23.24	71.42
Less: Other Adjustments	9.01	-	9.01
Less: Adjustments during the year	6.55	-	6.55
<b>As at March 31, 2023</b>	<b>347.50</b>	<b>1,224.98</b>	<b>1,572.48</b>
Add: Amortisation for the year	43.76	197.24	241.00
Less: Adjustments during the year	18.70	-	18.70
<b>As at March 31, 2024</b>	<b>372.56</b>	<b>1,422.22</b>	<b>1,794.78</b>
<b>Net carrying amount</b>			
<b>As at March 31, 2024</b>	<b>55.55</b>	<b>962.95</b>	<b>1,018.50</b>
<b>As at March 31, 2023</b>	<b>63.48</b>	<b>1,160.19</b>	<b>1,223.67</b>

(All amounts are in ₹ lakh, unless otherwise stated)

## Note 7A : Investments (Non-Current)

### Equity Investment in Associates and Joint Ventures

(Equity instruments- Unquoted (fully paid up-unless otherwise stated, at cost)

#### I - Investment in Associate

Relan Industrial Finance Limited: 4,90,000 (March 31, 2023: 4,90,000) Equity shares having face value of ₹ 10 each\*

(I)

	As At March 31, 2024	As At March 31, 2023
	49.00	49.00
	<b>49.00</b>	<b>49.00</b>

#### II - Investment in Joint Venture

##### In equity shares of Joint Venture (Unquoted, Fully paidup)

Exhaust Technology Private Limited: 4,75,00,000 (March 31, 2023: 4,75,00,000) equity shares having face value of ₹ 10 each\*

Uddipt Mobility India Private Limited: 740 (March 31, 2023: 740) Equity shares having face value of ₹ 10 each\*

(II)

(I+II)

	4,750.00	4,750.00
	0.07	0.07
	<b>4,750.07</b>	<b>4,750.07</b>
	<b>4,799.07</b>	<b>4,799.07</b>

\* The number of shares in note above represents absolute numbers.

### Information about Associate & Joint Ventures

Name of the Company	Country of Incorporation	Principal Activities	Proportion (%) of equity interest	
			As At March 31, 2024	As At March 31, 2023
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

(Measured at amortised cost)

#### In unquoted fully paid -up equity shares

Nil (March 31, 2023: 27,300) Equity shares of ₹ 10 each of Windage Power Company Private Limited\*

4,970 (March 31, 2023: Nil) Equity shares of ₹ 10 each of Jayanthi Wind farms Private Limited\*

#### Investment In Tax Free Bond (Quoted)

- 50 (March 31,2023: Nil) units NHAI 2030 - Tax free Bond\* (Maturity Date: Sep 2030) \*

#### Investment in Debenture & Bonds (Quoted)

500 units (March 31,2023: Nil) HDFC Bank Ltd. SR AA012 7.70 NCD 18NV25 FVRS10LAC-CBRICS-KSL-1011 (Maturity Date: Nov 2025)\*

500 units (March 31,2023: Nil) HDB Financial Services Ltd 6.00% HDB Financial 2025 (Maturity Date: June 2025)\*

	As At March 31, 2024	As At March 31, 2023
--	-------------------------	-------------------------

- 2.73

0.50 -

500.00 -

5,000.00 -

5,000.00 -

(All amounts are in ₹ lakh, unless otherwise stated)

**Investment In Others**

	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
500 units (March 31,2023: Nil) HDFC Bank Ltd. 2025 (Maturity Date: Sep 2025)*	5,000.00	-
5450 units (March 31,2023: Nil) Tata Capital Ltd 2025 (Maturity Date: Dec 2025)*	4,500.00	-
5500 units (March 31,2023: Nil) Kotak Mahindra Investments Ltd 2025 (Maturity Date: Sep 2025)*	5,500.00	-
500 units (March 31,2023: Nil) LIC Housing Finance Ltd 2025 (Maturity Date: Aug 2025)*	5,000.00	-
	<b>30,500.50</b>	<b>2.73</b>

\* The number of shares/Units in note above represents absolute numbers.

**Note 7C : Investments (Current)**

(Measured at fair value through profit or loss)

	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
<b>Investment In Tax Free Bond (Quoted)</b>		
- Nil (March 31,2023: 50) units NHAI 2030 - Tax free Bond*	-	570.74
<b>Investment In Mutual Funds (Quoted)</b>		
1,94,33,989.204 units (March 31,2023: Nil) units SBI Arbitrage Opportunities Fund - Regular Plan (G)*	6,021.91	-
1,75,50,474.808 units (March 31,2023: Nil) units Kotak Equity Arbitrage Fund - Regular Plan (G)*	6,020.90	-
2,05,79,055.014 units (March 31,2023: Nil) units Invesco India Arbitrage Fund (G)*	6,020.05	-
4,29,66,467.4 Units (March 31,2023: Nil) Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan (G)*	5,101.19	-
3,80,15,130.874 Units (March 31,2023: Nil) BHARAT Bond FOF - April 2030 - Direct Plan Growth *	5,143.30	-
1,81,45,410.21 Unit (March 31,2023: Nil) ICICI Prudential Corporate Bond Fund - Direct Plan - Growth *	5,107.13	-
	<b>33,414.48</b>	<b>570.74</b>

\* The number of units in note above represents absolute numbers.

Aggregate book value of unquoted investments (net of impairment)	4,799.57	4,801.80
Aggregate value of impairment of investments	-	-
Aggregate book value of quoted investments measured at fair value through profit or loss	33,414.48	570.74
Aggregate Market value of quoted investments measured at fair value through profit or loss	33,414.48	570.74
Aggregate book value of quoted investments carried at amortised cost	30,500.00	-
Aggregate market value of quoted investments carried at amortised cost	30,209.04	-

(All amounts are in ₹ lakh, unless otherwise stated)

## Note 8 : Other Financial Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Security deposits (Refer to note 'a' below)	282.85	266.70	-	-
Deposits with original maturity of more than 12 months (refer to note 15)	115.00	115.00	-	39,834.18
Interest accrued on fixed deposits & Bonds	11.34	5.06	989.94	719.93
Interest accrued others	-	-	3.10	3.05
Receivable from related parties (Refer to note 'b' below)	-	-	18.47	13.44
	<b>409.19</b>	<b>386.76</b>	<b>1,011.51</b>	<b>40,570.60</b>

- 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, 2024 and March 31, 2023 are:

### Standalone Statement of Profit and Loss:

#### Profit or loss section

	As At March 31, 2024	As At March 31, 2023
<b>Tax Expense:</b>		
a) Current tax	9,862.79	7,205.00
b) Adjustments in respect of relating to earlier years	(53.54)	(31.39)
c) Deferred tax	153.45	(184.89)
<b>Income tax expense reported in the Standalone statement of profit or loss</b>	<b>9,962.70</b>	<b>6,988.72</b>

#### OCI section

#### Deferred tax related to items recognised in OCI during the year:

	AsAt March 31, 2024	AsAt March 31, 2023
Net loss/(gain) on remeasurements of defined benefit plans	(8.43)	28.89
<b>Income tax charged to OCI</b>	<b>(8.43)</b>	<b>28.89</b>

- a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023.

	As At March 31, 2024	As At March 31, 2023
Accounting profit before tax from continuing operations	39,452.43	27,531.25
<b>Accounting profit before income tax</b>		
At India's statutory income tax rate of 25.168% (March 31, 2023: 25.168%)	9,929.39	6,929.07
Adjustments in respect of current income tax of previous years	(53.54)	(31.39)
<b>Tax effect of the amounts which are Non-deductible/ (taxable) for tax purposes:</b>		
Expenses not deducted for tax purposes	3.46	7.33
Income exempted from income tax	(18.35)	(9.14)

(All amounts are in ₹ lakh, unless otherwise stated)

	As At March 31, 2024	As At March 31, 2023
Impact of tax at different tax rate and Others	-	(6.13)
Income deductible from income tax	-	19.30
Others	101.74	79.68
At the income tax rate of 25.168% (March 31, 2023: 25.168%)	9,962.70	6,988.72
Income tax expense reported in the Standalone statement of profit and loss	9,962.70	6,988.72
Variance	-	-
<b>b) Deferred tax:</b>	<b>Standalone Balance sheet</b>	
	As At March 31, 2024	As At March 31, 2023
<b>Deferred tax assets relates to the following:</b>		
Property, plant and equipment	180.63	425.31
Provision for employee benefits	302.23	207.76
Provision for Doubtful Debts/Advances	98.16	-
Unamortized Premium	5.93	-
Lease Liabilities	595.61	620.20
(A)	<b>1,182.56</b>	<b>1,253.27</b>
<b>Deferred tax liability relates to the following:</b>		
Right to use assets	499.78	555.22
Unamortized Discount	13.29	-
Fair valuation of mutual fund	128.34	12.32
Others	10.67	10.23
(B)	<b>652.08</b>	<b>577.77</b>
<b>Total deferred tax assets/(liabilities) (Net)</b>	<b>(A-B) 530.48</b>	<b>675.50</b>

**c) The movement between net deferred tax assets /(liabilities) is as under :**

	As At April 01, 2023	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Compre- hensive Income	As At March 31, 2024
<b>Deferred tax assets relates to the following:</b>				
Property, plant and equipment	425.31	(244.68)	-	180.63
Provision for employee benefits	207.76	86.04	8.43	302.23
Provision for Doubtful Debts/Advances	-	98.16	-	98.16
Unamortized Premium	-	5.93	-	5.93
Lease Liabilities	620.20	(24.59)	-	595.61
	<b>1,253.27</b>	<b>(79.14)</b>	<b>8.43</b>	<b>1,182.56</b>
<b>Deferred tax liability relates to the following:</b>				
Right to use assets	555.22	(55.44)	-	499.78
Fair valuation of mutual fund & bonds	12.32	116.02	-	128.34
Unamortized Discount	-	13.29	-	13.29
Others	10.23	0.44	-	10.67
	<b>577.77</b>	<b>74.31</b>	<b>-</b>	<b>652.08</b>
<b>Total deferred tax assets/(liabilities) (Net)</b>	<b>675.50</b>	<b>(153.45)</b>	<b>8.43</b>	<b>530.48</b>

(All amounts are in ₹ lakh, unless otherwise stated)

	As At April 01, 2022	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Compre- hensive Income	As At March 31, 2023
<b>Deferred tax assets relates to the following:</b>				
Property, plant and equipment	257.93	167.38	-	425.31
Provision for employee benefits	184.29	52.36	(28.89)	207.76
Lease Liabilities	70.25	549.95	-	620.20
Right to use assets	1.37	(1.37)	-	-
Fair valuation of mutual fund	1.94	(1.94)	-	-
Others	3.72	(3.72)	-	-
	<b>519.50</b>	<b>762.66</b>	<b>(28.89)</b>	<b>1,253.27</b>
<b>Deferred tax liability relates to the following:</b>				
Right to use assets	-	555.22	-	555.22
Fair valuation of mutual fund	-	12.32	-	12.32
Others	-	10.23	-	10.23
	-	<b>577.77</b>	-	<b>577.77</b>
<b>Total deferred tax assets/(liabilities) (Net)</b>	<b>519.50</b>	<b>184.89</b>	<b>(28.89)</b>	<b>675.50</b>

- 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, 2024	As At March 31, 2023
Advance Income Tax	1,176.25	731.42
[Net of provision for income tax of ₹ 22,139.85 lakh (March 31, 2023 : ₹ 22,204.72 lakh)]	<b>1,176.25</b>	<b>731.42</b>

#### Note 11 : Other Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Capital advances (refer note 'a' below)	1,069.50	537.01	-	-
Balance with Government Authorities - Good	-	-	93.49	67.44
Balance with Government Authorities - Doubtful	-	-	45.86	-
Less : Provision for doubtful	-	-	(45.86)	-
Advances to Suppliers-Good	-	-	257.40	324.92
Advances to Suppliers-Doubtful	-	-	30.41	-
Less : Provision for doubtful	-	-	(30.41)	-
Advances to Employees	-	-	29.12	32.96
Prepaid Expenses	101.81	66.52	331.70	245.17
Premium on Bond Purchase -Unamortise	21.99	-	4.03	-
Other Receivable (refer note 'b' below)	-	-	165.35	455.75
	<b>1,193.30</b>	<b>603.53</b>	<b>881.09</b>	<b>1,126.24</b>

(All amounts are in ₹ lakh, unless otherwise stated)

**Notes:**

**a) Details of Capital commitment is as follows:**

Particulars	As At March 31, 2024	As At March 31, 2023
Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of March 31, 2024: ₹ 1069.50 lakh (March 31, 2023 : ₹ 537.01 lakh))	565.23	589.74
	565.23	589.74

b) Other Receivables of ₹ 165.35 lakh ( March 31, 2023 ₹ 455.75 lakh) includes GST Recoverable on accrual basis of ₹ 160.83 lakh ( March 31, 2023 ₹ 450.47) and balance pertains to staff imprest account etc.

**Note 12: Inventories**

(Valued at lower of cost or net realizable value)

	As At March 31, 2024	As At March 31, 2023
Raw Materials	13,406.17	15,717.06
Raw Materials - In Transit	509.95	545.13
Work In Progress	2,011.80	2,984.24
Finished Goods	1,912.10	661.39
Finished Goods in Transit	1,249.65	42.67
Stores and Spares	601.48	456.62
	<b>19,691.15</b>	<b>20,407.11</b>

**Notes:**

- a) The mode of valuation of inventories has been stated in note 3.6.  
b) Inventories have been pledged to secure cash credit facilities from banks.

**Note 13 : Trade Receivables**

	As At March 31, 2024	As At March 31, 2023
Secured, Considered Good	-	-
Unsecured, Considered Good	22,715.69	33,147.59
Unsecured, Considered credit impaired	313.75	82.87
	23,029.44	33,230.46
Less: Impairment allowance (allowance for bad and doubtful debts)		
Considered credit impaired	313.75	82.87
	<b>22,715.69</b>	<b>33,147.59</b>

**The movement of change in allowance for credit impairment**

Balance as at the beginning of the year	82.87	89.62
Change in allowance for credit impairment	247.32	25.41
Trade receivables written off during the year	(16.44)	(32.16)
Balance as at the end of the year	313.75	82.87



(All amounts are in ₹ lakh, unless otherwise stated)

**a) Trade Receivables Ageing as at March 31, 2024**

Particulars	Outstand- ing 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	21,348.32	1,367.37	-	-	-	-	22,715.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	187.33	52.09	46.65	27.68	313.75
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>21,348.32</b>	<b>1,367.37</b>	<b>187.33</b>	<b>52.09</b>	<b>46.65</b>	<b>27.68</b>	<b>23,029.44</b>
Less: Impairment allowance for trade receivable - credit impaired	-	-	187.33	52.09	46.65	27.68	313.75
<b>Net Trade Receivables</b>	<b>21,348.32</b>	<b>1,367.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,715.69</b>

**b) Trade Receivables Ageing as at March 31, 2023**

Particulars	Outstand- ing 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	-	-	-	-	-	-	-
<b>Total</b>	<b>30,338.39</b>	<b>2,777.89</b>	<b>17.13</b>	<b>68.76</b>	<b>10.15</b>	<b>18.14</b>	<b>33,230.46</b>
Less: Impairment allowance for trade receivable - credit impaired	-	-	17.13	37.45	10.15	18.14	82.87
<b>Net Trade Receivables</b>	<b>30,338.39</b>	<b>2,777.89</b>	<b>-</b>	<b>31.31</b>	<b>-</b>	<b>-</b>	<b>33,147.59</b>

- 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 ₹ 37.01 lakh (March 31, 2023: ₹ 33.95 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, 2024	As At March 31, 2023
<b>Balances with banks:</b>		
- on current accounts	4,442.14	1,195.52
- on EEFC accounts	6.99	0.28
- deposits with original maturity of less than 3 months (refer note 'a' below)	2,990.00	1,700.00
Cheque on hand	2.73	-
Cash on hand	0.03	0.33

(All amounts are in ₹ lakh, unless otherwise stated)

	As At March 31, 2024	As At March 31, 2023
<b>Liquid Mutual Fund</b>		
Nil units (March 31, 2023: 25,253.524 units) units HDFC Liquid Fund- Regular Plan (G)*	-	1,107.11
13,91,911.08 units (March 31, 2023: 6,98,150.903) units ICICI Pro. liquid fund (G)*	4,931.63	2,308.46
Nil units (March 31, 2023: 137496.224) units SBI liquid fund regular (G)*	-	4,806.98
1,17,775.908 units (March 31, 2023: 1,30,945.462) units TATA liquid fund regular (G)*	4,439.74	4,607.12
1,55,292.312 units (March 31, 2023: Nil) units Edelweiss Liquid Fund - Regular Plan (G)*	4,751.99	-
88,295.192 units (March 31, 2023: Nil) units Kotak Liquid Fund - Regular Plan (G)*	4,270.91	-
	<b>25,836.15</b>	<b>15,725.80</b>

\* 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.

#### Note 15 : Bank Balances Other Than Cash and Cash Equivalents

	Non- Current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
<b>Balances with banks:</b>				
Earmarked balance with banks				
Unpaid dividend account	-	-	80.22	45.31
Unspent CSR account	-	-	431.40	-
Deposits with original maturity of more than 3 months but less than 12 months (refer note 'a' below)	-	-	116.23	400.05
Deposits with original maturity of more than 12 months (refer note 'a' below)	115.00	115.00	-	39,834.18
	<b>115.00</b>	<b>115.00</b>	<b>627.85</b>	<b>40,279.54</b>
Less: Amount disclosed in "Other Financial Assets" (refer note 8)	115.00	115.00	-	39,834.18
	<b>-</b>	<b>-</b>	<b>627.85</b>	<b>445.36</b>

- a) The above deposits includes ₹ 184.38 lakh (March 31, 2023 : ₹ 210.04 lakh) which is given against Bank Guarantee to Various Authorities.

#### Note 16 : Equity Share Capital

	As At March 31, 2024	As At March 31, 2023
<b>Authorised Share Capital</b>		
25,00,00,000 (March 31, 2023: 25,00,00,000) equity shares of ₹ 2 each*	5,000.00	5,000.00
<b>Issued, subscribed and fully paid up</b>		
2,97,31,630* (March 31, 2023: 2,97,31,630) equity shares of ₹ 2 each*	594.63	594.63
	<b>594.63</b>	<b>594.63</b>

\*Number of Shares are given in absolute numbers

(All amounts are in ₹ lakh, unless otherwise stated)

**a) Reconciliation of share capital:**

	As At March 31, 2024		As At March 31, 2023	
	No. of Shares*	Amount	No. of Shares*	Amount
<b>Balance as at the beginning of the year</b>	<b>2,97,31,630</b>	<b>594.63</b>	<b>2,97,31,630</b>	<b>594.63</b>
Issue/buy back during the year	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>2,97,31,630</b>	<b>594.63</b>	<b>2,97,31,630</b>	<b>594.63</b>
Issue/buy back during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>2,97,31,630</b>	<b>594.63</b>	<b>2,97,31,630</b>	<b>594.63</b>

\*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 ₹ 9.92 per equity share was proposed by the Board of Directors during the year (March 31, 2023: ₹ 17.27 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, 2023: ₹ Nil per share) has been recognized as distributions to equity shareholders.
- (iii) Company at its board meeting held on 18th April, 2024, approved the buy back of upto 10,27,777 fully paid equity shares of the company, each having face value of Rs. 2/- representing upto 3.46% of total equity shares of the Company, at a price of Rs. 1800/- per equity share payable in cash for as aggregate amount not exceeding 1,84,99,98,600/-. This is subject to the approval of the Shareholders. Company is in process of taking Shareholders approval through postal ballot.

**b) Details of shareholders holding more than 5% shares in the Company**

Name of Party	As At March 31, 2024		As At March 31, 2023	
	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

**c) Disclosure of Shareholdings of Promoters**

Promotor's Name	As at March 31, 2024		As at March 31, 2023		% 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%

Promotor'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%

\*Number of Shares are given in absolute numbers

(All amounts are in ₹ lakh, unless otherwise stated)

## Note 17 : Other Equity

	As At March 31, 2024	As At March 31, 2023
Capital Reserve	0.20	0.20
General Reserve	21,025.68	21,025.68
Retained Earnings	80,891.69	56,561.69
	<b>1,01,917.57</b>	<b>77,587.57</b>

I. For Movement during the year in Other Equity, refer "Standalone Statement of Changes in Equity".

II. Nature and purpose of reserves

### a) Capital Reserve

Particulars	As At March 31, 2024	As At March 31, 2023
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, 2024	As At March 31, 2023
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, 2024	As At March 31, 2023
Balance as at beginning/ end of the year	80,891.69	56,561.69

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 18 : Lease Liabilities

	Non- Current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Lease liabilities*	2,247.08	2,358.75	119.46	105.48
	<b>2,247.08</b>	<b>2,358.75</b>	<b>119.46</b>	<b>105.48</b>

\* for movement during the year, refer note 39B

## Note 19 : Other Financial Liabilities

	Non- Current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Security deposit	12.79	12.79	-	-
Unclaimed dividends (refer note (a) below)	-	-	80.22	45.31
Creditors for capital goods-micro and small enterprises	-	-	50.38	-
Capital Creditors	-	-	1,267.23	1,323.77
	<b>12.79</b>	<b>12.79</b>	<b>1,397.83</b>	<b>1,369.08</b>

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, 2024 (March 31, 2023 : Nil)

(All amounts are in ₹ lakh, unless otherwise stated)

## Note 20 : Provisions

	Non- Current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
<b>Provision for Employee Benefits</b>				
Provision for Compensated Absences	389.36	260.98	208.86	197.86
Provision for Gratuity (refer note 37)	-	-	176.01	35.33
<b>Others</b>				
Provision for Warranty (refer note below)	659.11	605.83	613.99	529.14
	<b>1,048.47</b>	<b>866.81</b>	<b>998.86</b>	<b>762.33</b>

### Note: Movement for Provision for Warranty

	As At March 31, 2024	As At March 31, 2023
<b>Provision for warranty claim</b>		
Opening Balance	1,134.97	880.41
Add : Provision made during the year	665.38	639.78
Less : Reversed during the year	457.17	362.04
Less : Utilisation during the year	70.08	23.18
<b>Balance at the end of the year</b>	<b>1,273.10</b>	<b>1,134.97</b>

## Note 21 : Other Liabilities

	Non - Current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Advance from customers	-	-	2,529.60	1,744.80
Statutory dues	-	-	3,175.38	3,681.17
Provision for Unspent on CSR activities	-	-	796.73	551.58
Other Liabilities*	-	-	23.72	75.06
Discount on Purchase of Bond - Unamortise	85.67	-	226.28	-
	<b>85.67</b>	<b>-</b>	<b>6,751.71</b>	<b>6,052.61</b>

\* Other Liabilities primarily includes payable on account of reimbursement to employees.

## Note 22 : Trade Payables

	As At March 31, 2024	As At March 31, 2023
- Total outstanding dues of micro and small enterprises	454.55	2,163.16
- Outstanding dues of creditors other than micro and small enterprises	49,034.72	49,416.00
	<b>49,489.27</b>	<b>51,579.16</b>

(All amounts are in ₹ lakh, unless otherwise stated)

**Trade Payables ageing schedule as at March 31, 2024:**

Particulars	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 year	>3 year	Total
(i) MSME	454.55	-	-	-	-	-	454.55
(ii) Others	14,442.67	5,495.56	28,199.04	267.91	92.76	536.78	49,034.72
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

**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	-	-	-	-	-	-	-

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) Payable to related parties amount to ₹ 318.34 lakh (March 31, 2023: ₹ 202.12 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, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
- Principal amount due	50.38	132.51	454.55	2,146.09	504.93	2,278.60
- Interest accrued and due on above	2.46	5.81	10.42	17.07	12.88	22.88
	<b>52.84</b>	<b>138.32</b>	<b>464.97</b>	<b>2,163.16</b>	<b>517.81</b>	<b>2,301.48</b>

(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

NIL 0.03

(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year

12.88 22.88

(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 Balance Sheet date except disclosed above.

(All amounts are in ₹ lakh, unless otherwise stated)

### Note 23 : Current Tax Liabilities (Net)

	As At March 31, 2024	As At March 31, 2023
Provision for Income Tax	44.58	-
[Net of advance income tax of ₹ 9,818.21 lakh (March 31, 2023 : ₹ Nil lakh)]		
	<b>44.58</b>	<b>-</b>

### Note 24 : Revenue from Operations

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Sale of Product</b>		
- Finished goods	2,71,039.77	2,59,941.17
- Traded goods	6,617.60	6,905.06
	<u>2,77,657.37</u>	<u>2,66,846.23</u>
Sale of services	580.14	439.39
Other Operating Revenues		
- Sale of scrap	2,688.73	2,707.96
	<b><u>2,80,926.24</u></b>	<b><u>2,69,993.58</u></b>

#### Notes:

- a) **Disaggregation of revenue:** The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread, timing 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, 2024	For the year ended March 31, 2023
India	2,78,901.97	2,62,787.66
Outside India	2,024.27	7,205.92
<b>Revenue from operations</b>	<b><u>2,80,926.24</u></b>	<b><u>2,69,993.58</u></b>

Revenue by time	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue recognised at point in time	2,80,926.24	2,69,993.58
Revenue recognised over time	-	-
<b>Revenue from operations</b>	<b><u>2,80,926.24</u></b>	<b><u>2,69,993.58</u></b>

Revenue based on Customer-wise	For the year ended March 31, 2024	For the year ended March 31, 2023
Related Party	3.06	24.33
Non- Related Party	2,80,923.18	2,69,969.25
<b>Revenue from operations</b>	<b><u>2,80,926.24</u></b>	<b><u>2,69,993.58</u></b>

#### 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, 2024.

Further, the company doesn't have any contract liabilities as at March 31, 2024 and March 31, 2023



(All amounts are in ₹ lakh, unless otherwise stated)

### 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 2024 and as at March 31, 2023 and expected time to recognise the same as revenue is as follows:

	As At March 31, 2024	As At March 31, 2023
Within one year	2,529.60	1,744.80
More than one year	-	-

### Note 25 : Other Income

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest Income		
- Fixed deposits with banks	2,428.55	2,531.13
- Income tax refund	21.63	-
- Interest on tax free bond & other bonds	655.83	36.30
- Others *	4.50	6.02
Profit on sale of current investments designated at FVTPL	1,564.35	331.13
Fair value gain on current investments designated at FVTPL	509.92	-
Amortisation of Discount/ (Premium) on Bond	8.08	-
Net gain on disposal of property, plant and equipments	2,686.80	854.00
Liabilities no longer required written back	764.67	-
Allowance for Expected Credit Loss written Back	-	6.75
Less: Allowance for Expected Credit Loss	-	-
Miscellaneous income	141.08	408.32
	<b>8,785.41</b>	<b>4,173.65</b>

\* Others comprises of interest received on deposits with electricity boards etc.

### Note 26 : Cost of Raw Material

Consumed	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Raw Material</b>		
Balance at the beginning of the year	15,717.06	8,930.99
Add: Purchases during the year	2,07,388.11	2,16,727.08
Less: Balances of raw material at the end of the year	13,406.17	15,717.06
	<b>2,09,699.00</b>	<b>2,09,941.01</b>

(All amounts are in ₹ lakh, unless otherwise stated)

## Note 27 : Purchase of Stock in Trade

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Purchase of stock in trade	6,070.93	6,485.26
	<b>6,070.93</b>	<b>6,485.26</b>

## Note 28 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Inventories at the beginning of the year</b>		
Finished goods	704.06	-
Work- in- progress	2,984.24	3,646.75
<b>(A)</b>	<b>3,688.30</b>	<b>3,646.75</b>
<b>Inventories at the end of the year</b>		
Finished goods	3,161.75	704.06
Work- in- progress	2,011.80	2,984.24
<b>(B)</b>	<b>5,173.55</b>	<b>3,688.30</b>
<b>(Increase) / Decrease</b>		
Finished goods	(2,457.70)	(704.06)
Work- in- progress	972.45	662.51
<b>(Increase) / Decrease in Inventories (A-B)</b>	<b>(1,485.25)</b>	<b>(41.55)</b>

## Note 29 : Employee Benefits Expense

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Salaries, wages & other benefits	11,652.99	8,563.47
Contribution to provident and other funds (refer note below & note 37)	574.88	438.13
Gratuity (refer note 37)	107.17	136.24
Staff welfare expenses	892.12	706.98
	<b>13,227.16</b>	<b>9,844.82</b>

### Note: Defined contribution plans

#### Amount recognised in Standalone statement of profit & loss\*

Employee state insurance	19.92	21.72
Provident fund	554.52	416.03
Welfare fund	0.44	0.38
	<b>574.88</b>	<b>438.13</b>

\*This excludes the amount of Nil lakh (March 31, 2023: ₹ 57.95 lakh) on account of research and development which is debited under head "Other Expenses" in Standalone 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.

(All amounts are in ₹ lakh, unless otherwise stated)

### Note 30 : Finance Cost

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Interest on :</b>		
- lease liabilities	198.54	168.00
- Others	22.22	23.22
	<b>220.76</b>	<b>191.22</b>

### Note 31 : Depreciation and Amortization Expenses

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Depreciation on property, plant and equipment	4,800.97	4,390.25
Amortization of intangible assets	240.99	71.41
Amortisation on right-of-use assets	213.70	165.53
	<b>5,255.66</b>	<b>4,627.19</b>

### Note 32 : Other Expenses

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Consumable tools	173.85	159.63
Power & fuel	1,272.28	1,130.90
Hire labour charges	7,702.37	6,012.27
Manufacturing expenses	555.67	470.07
Rent, rates & taxes	163.76	110.28
Repair & maintenance		
-Repair to building	140.80	95.66
-Repair to plant & equipments	758.29	669.49
-Repair others	219.15	185.55
Net loss on foreign exchange fluctuation	110.12	355.45
Fair value loss/(gain) on current investments designated at FVTPL	-	24.77
Royalty fees	133.58	154.93
Research & development expenses (refer note 36)	443.84	1,899.80
Travelling & conveyance	997.80	685.16
Insurance	206.23	175.47
Communication cost	58.61	57.26
Director's sitting fee	25.00	24.30
Legal & professional expenses	729.36	581.06
Auditor's remuneration (refer details 'a' below)	34.12	30.61
Corporate Social Responsibility expenses (refer note 35)	404.26	269.15
Provision for Warranty	665.38	
Less: Warranty Provision written back	(457.17)	277.74
Selling expenses	76.52	2.09
Packing material	368.95	399.86
Freight outward	1,025.10	814.69
Vehicle Running & Maintenance	373.67	253.52
Provision for doubtful advances	30.41	-
Provision for doubtful balance with Govt. Authorities	45.86	-
Allowance for Expected Credit Loss	247.32	-
Less :Allowance for Expected Credit Loss written Back	(16.44)	-
Miscellaneous expenses	782.27	748.32
<b>Total</b>	<b>17,270.96</b>	<b>15,588.03</b>

(All amounts are in ₹ lakh, unless otherwise stated)

**a) Details of payment made to auditors is as follows:**

<b>Payment to Auditors*</b>	<b>For the Year Ended March 31, 2024</b>	<b>For the Year Ended March 31, 2023</b>
<b>As Auditor:</b>		
- Statutory audit fee	14.50	13.00
- Tax audit fee	5.50	5.00
- Certification Fees	1.63	0.85
- Other Service	12.00	11.00
<b>In Other Capacity:</b>		
- Reimbursement of expenses	0.49	0.76
- Other services	-	-
	<b>34.12</b>	<b>30.61</b>

\* Includes ₹ Nil (March 31, 2023: ₹ 2.67) pertains to predecessor auditor of the company

**Note 33: Components of Other Comprehensive Income**

	<b>For the Year Ended March 31, 2024</b>	<b>For the Year Ended March 31, 2023</b>
<b>Items that will not be reclassified to profit or loss</b>		
Re-measurement gains/ (losses) on defined benefit plans	(33.51)	114.77
Income tax expense on items that will not be reclassified to profit or loss	8.43	(28.89)
	<b>(25.08)</b>	<b>85.88</b>

**Note 34: Earnings per share (EPS)**

	<b>For the Year Ended March 31, 2024</b>	<b>For the Year Ended March 31, 2023</b>
Profit attributable to the equity shareholders (A)	29,489.73	20,542.53
Number/Weighted average number of equity shares outstanding at the end of the year (B)	<b>2,97,31,630</b>	<b>2,97,31,630</b>
Nominal value of Equity shares	₹ 2	₹ 2
<b>Basic/Diluted Earning per share (A/B) (in ₹)</b>	99.19	69.09

**Note: 35 Details of Corporate Social Responsibility (CSR) expenditure is as follows:**

- The Company's CSR programmes/projects focusses on sectors and issues as mentioned in Schedule VII read with section 135 of the Act. The CSR committee has been formed by the company as per the Act.
- Details of amount of expenditure incurred, earmarked & spent during the year

<b>Particulars</b>	<b>For the Year Ended March 31, 2024</b>	<b>For the Year Ended March 31, 2023</b>
Amount required to be spent by the company	404.26	269.15
Amount of expenditure incurred	404.26	269.15
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Purpose for which expenditure incurred		
(i) Construction/acquisitions of any asset	-	-
(ii) On purpose other than (i) above	38.93	55.09
Amount of CSR provision made during the year	365.33	214.06
<b>Total</b>	<b>404.26</b>	<b>269.15</b>

Note: The amount in (i) above is paid to Sharda CSR Foundation trust, an entity which is being controlled by the company.

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Movement in the provision for corporate social responsibility</b>		
Balance at the beginning of the year	551.58	337.52
Add: provision made during the year	365.33	214.06
Less: amounts adjusted/utilised during the year	120.18	-
Balance at the end of the year	<b>796.73</b>	<b>551.58</b>
Amount yet to be transferred to separate bank account	365.33	214.06
<b>Movement of amount in the separate bank account</b>		
Balance at the beginning of the year	337.52	137.58
Add: amount transferred during the year	214.06	199.94
Less: amount of donation made during the year	120.18	-
Balance at the end of the year	<b>431.40</b>	<b>337.52</b>

\* The Company has created a provision for unspent amount of ₹ 365.33 lakh in FY 2023-24 (March 31, 2023: ₹ 214.06 lakh) and transferred the same in separate bank account on April 29, 2024 and April 21, 2023 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, 2024	For the Year Ended March 31, 2023
Research & development expenses include:		
- Purchases	-	187.40
- Salary, wages and other allowance	-	1,098.84
- Contribution to Provident Fund and other Fund	-	57.95
- Travelling expenses	44.93	68.97
- Design, development and other expenses	398.91	486.64
	<b>443.84</b>	<b>1,899.80</b>

**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:

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Employer's Contribution to Provident Fund/ Pension Fund	554.52	416.03
Employer's Contribution to Employee State Insurance	19.92	21.72
Employer's Contribution to Employee Welfare Fund	0.44	0.38
<b>Total</b>	<b>574.88</b>	<b>438.13</b>

Note : Employers contribution towards various Defined Contribution Plans of ₹ 574.88 lakh (March 31, 2023 : ₹ 438.13 lakh) has been recognised in Standalone Statement of Profit & Loss and Nil (March 31, 2023 : ₹ 57.95 lakh) in R&D expenditure.

(All amounts are in ₹ lakh, unless otherwise stated)

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 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.

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation as at the beginning of the year	1,685.02	1,609.67
Acquisition adjustment	-	-
Add: Interest cost	110.92	101.98
Add: Current service cost	116.01	148.39
Add: Past service cost	-	-
Less: Benefits paid	(39.60)	(67.87)
Add: Actuarial (gain) / loss	35.41	(107.15)
<b>Present value of obligation as at the end of the year</b>	<b>1,907.77</b>	<b>1,685.02</b>

**d) Components of expenses recognised in the standalone statement of profit or loss in respect of:**

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Current service cost	116.01	148.39
Past service cost	-	-
Interest cost	(8.85)	1.70
Return on plan assets	-	-
Actuarial (gain) / loss	-	-
<b>Expenses recognised in profit/loss (Refer Note Below)</b>	<b>107.16</b>	<b>150.09</b>

Note : Gratuity expense of ₹ 107.16 lakh (March 31, 2023 : ₹ 150.09 lakh) includes Nil (March 31, 2023 : ₹ 13.86 lakh) on account of R&D expenditure which is debited under "Other Expenses".

**e) Components of expenses recognised in the other comprehensive income in respect of:**

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Actuarial (gains) / losses	-	-
- changes in demographic assumptions	-	(42.33)
- changes in financial assumptions	9.20	(52.16)
- experience variance	26.21	(12.66)
Return on plan assets, excluding amount recognised in net interest expense	(1.90)	(7.62)
<b>Component of defined benefit costs recognised in other comprehensive income</b>	<b>33.51</b>	<b>(114.77)</b>

**Note:**

- The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.
- The remeasurement of the net defined benefit liability is included in other comprehensive income



(All amounts are in ₹ lakh, unless otherwise stated)

**f) Changes in the fair value of the plan assets are as follows:**

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at the beginning	1,731.76	1,649.69
Acquisition adjustment	-	-
Add: Investment income	119.77	119.77
Add: Expected return on plan assets	-	-
Add: Employer's contribution	-	-
Add: Employee's contribution	-	-
Less: Benefits paid	(39.60)	(39.60)
Add: Actuarial gains / (losses) on the plan assets	1.90	1.90
Fair value of plan assets at the end	<b>1,813.83</b>	<b>1,731.76</b>

**g) The principal assumptions used for the purpose of the actuarial valuations were as follows:**

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
<b>Economic assumptions</b>		
1 Discount rate	7.08%	7.08%
2 Rate of increase in compensation levels	10.00%	10.00%
<b>Demographic assumptions</b>		
1 Expected average remaining working lives of employees (years)	19.56	19.56
2 Retirement Age (years)	58	58
3 Mortality Rate	<b>Indian Assured Lives Mortality (2012-14) (modified) ultimate</b>	
<b>Withdrawal Rate</b>		
1 Ages up to 30 Years	20.00%	20.00%
2 Ages from 30-44	20.00%	20.00%
3 Above 44 years	20.00%	20.00%

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, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation	1,907.77	1,685.02
Fair value of plan assets	1,813.83	1,731.76
<b>Net (assets) / liability</b>	<b>93.94</b>	<b>(46.74)</b>
<b>Classification into long term and short term:</b>		
- Classified as long term	-	-
- Classified as short term	93.94	-46.74
<b>Total</b>	<b>93.94</b>	<b>-46.74</b>

(All amounts are in ₹ lakh, unless otherwise stated)

**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, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
<b>A. Discount rate</b>		
Effect on defined benefit obligation due to 1% increase in Discount Rate	(49.90)	(51.96)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	52.99	55.61
<b>B. Salary escalation rate</b>		
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	53.35	54.30
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(52.13)	(53.01)
<b>C. Sensitivities due to mortality &amp; withdrawals are not material &amp; 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.</b>		

**j) Maturity profile of defined benefit obligation is as follows:**

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
1 year	253.88	253.88
2 to 5 years	1,008.79	1,008.79
More than 5 years	473.57	473.57

**k)** Enterprise best estimate of contribution during next year is ₹291.32 lakh (March 31, 2023: ₹ 151.35 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) Up to 30.06.22
	g) Shri Udayan Banerjee (Director)

(All amounts are in ₹ lakh, unless otherwise stated)

Nature of Relationship	Name of the Related Party
Relatives of Key Managerial Personnel	h) Shri Nitin Vishnoi (Whole time Director & 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
	a) Smt Mala Relan (spouse of Managing Director)
Entities where Directors/Close family members of Directors having control	b) Smt Aashita Relan (Daughter of Managing Director)
	c) Smt Indira Chowdhry (Mother in law of Managing Director)
	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, 2024	For the Year Ended March 31, 2023
Sale of Finished Goods	3.06	31.14
Purchase of Goods	11.60	29.06
Expenses incurred on their behalf	2.01	-

**Closing Balances**

Particulars	As At March 31, 2024	As At March 31, 2023
Trade Receivable	37.01	33.95
Other Receivable	18.47	13.44
Trade Payable	48.19	36.59

**(ii) Entities over which KMP has significant influence**

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Purchase of Fixed Assets	-	1.21
CSR Expenditure paid	159.11	55.09

**(iii) Key Management Personnel**

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Remuneration Paid	1,165.32	844.09
Salary Paid	392.22	317.35
Reimbursement of Expenses	24.36	12.42
Sitting Fee Paid	25.00	24.30
Dividend Paid	3,262.92	1,539.83

**Closing Balances**

Particulars	As At March 31, 2024	As At March 31, 2023
Payable to KMP	270.98	165.36

(All amounts are in ₹ lakh, unless otherwise stated)

**(iv) Relative of Key Management Personnel**

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Salary Paid	15.36	15.36
Dividend Paid	511.74	241.50
<b>Closing Balances</b>		
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
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, 2024	For the Year Ended March 31, 2023
<b>Sale of Finished Goods</b>		
Exhaust Technology Private Limited	3.06	31.14
<b>Purchase of Goods</b>		
Exhaust Technology Private Limited	11.60	29.06
<b>Balance Payable</b>		
Exhaust Technology Private Limited	48.19	36.59
<b>Balance Receivable</b>		
Exhaust Technology Private Limited	51.31	45.22

**(ii) Entities over which KMP has significant influence**

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Purchase of Fixed Assets</b>		
AMR AI Digital Private Limited	-	1.21
<b>CSR Expenditure Paid</b>		
Sharda CSR Foundation Trust	159.11	55.09

**(iii) Key Management Personnel**

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Remuneration Paid</b>		
Ajay Relan	1,033.42	792.41
Nitin Vishnoi	131.89	51.68
<b>Salary Paid</b>		
Aashim Relan	144.61	144.61
Srinivasan Narasimhan		33.12
Puru Aggarwal	-	48.74
Puru Aggarwal *	247.61	90.88
<b>Reimbursement of Expenses</b>		
Puru Aggarwal	24.36	5.80
Srinivasan Narasimhan	-	6.62
<b>Sitting Fee Paid</b>		
Kishan N Parikh	7.20	6.85
Ashok Kumar Bhattacharya	7.20	6.50

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Udayan Banerjee	6.85	6.50
Sarita Dhuper	3.00	3.00
Sharda Relan	0.75	1.45
<b>Dividend Paid</b>		
Ajay Relan	3,000.04	1,415.77
Aashim Relan	262.88	124.06
<b>Balance Payable</b>		
Ajay Relan	170.07	120.17
Nitin Vishnoi	20.72	4.22
Aashim Relan	0.17	0.17
Puru Aggarwal	80.02	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, 2024	For the Year Ended March 31, 2023
<b>Dividend Paid</b>		
Mala Relan	449.73	212.24

**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 respect 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 actuarial 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
<b>Gross Carrying Amount</b>				
<b>As at April 01, 2022</b>	<b>1,049.84</b>	-	<b>185.91</b>	<b>1,235.75</b>
Add: Additions made during the year	-	1,449.10	-	<b>1,449.10</b>
Less: Disposals / adjustments during the year	-	-	132.11	<b>132.11</b>
<b>As at March 31, 2023</b>	<b>1,049.84</b>	<b>1,449.10</b>	<b>53.80</b>	<b>2,552.74</b>
Add: Additions made during the year	-	-	-	-
Less: Disposals / adjustments during the year	-	-	19.78	<b>19.78</b>
<b>As at March 31, 2024</b>	<b>1,049.84</b>	<b>1,449.10</b>	<b>34.02</b>	<b>2,532.96</b>
<b>Accumulated depreciation and impairment</b>				
<b>As at April 01, 2022</b>	<b>166.24</b>	-	<b>52.69</b>	<b>218.93</b>
Add: Depreciation charge for the year	56.67	93.37	15.49	<b>165.53</b>
Less: On disposals / adjustments during the year	-	-	37.76	<b>37.76</b>

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	Land	Land & Building	Vehicle	Total
<b>As at March 31, 2023</b>	<b>222.91</b>	<b>93.37</b>	<b>30.42</b>	<b>346.70</b>
Add: Depreciation charge for the year	55.52	149.48	8.70	<b>213.70</b>
Less: On disposals / adjustments during the year	-	-	13.20	<b>13.20</b>
<b>As at March 31, 2024</b>	<b>278.43</b>	<b>242.85</b>	<b>25.92</b>	<b>547.20</b>
<b>Net carrying amount</b>				
<b>As at March 31, 2024</b>	<b>771.41</b>	<b>1,206.25</b>	<b>8.10</b>	<b>1,985.76</b>
<b>As at March 31, 2023</b>	<b>826.93</b>	<b>1,355.73</b>	<b>23.38</b>	<b>2,206.04</b>

**Notes:**

- Leasehold Land representing the properties taken on lease for plants having lease terms between 20 to 35 years.
- Leasehold Land & Building representing the properties taken on lease for plant at chakan having lease terms of 10 years.
- Leasehold vehicle representing the vehicles taken on lease for offices having lease terms of 5 years.
- 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.
- The company has not booked any impairment charges for Right of Use of Assets for the year ended as at March 31, 2024 and also as at March 31, 2023.

**Note 39B : Lease Liabilities**

**Movements in carrying value of recognised liabilities**

<b>As at April 01, 2022</b>	<b>1,245.65</b>
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
<b>As at March 31, 2023</b>	<b>2,464.23</b>
Add: Additions during the year	-
Add: Interest expense on lease liabilities	198.54
Less: (Disposals) / adjustments during the year	7.52
Less: Repayment of lease liabilities	288.71
<b>As at March 31, 2024</b>	<b>2,366.54</b>

	As At March 31, 2024	As At March 31, 2023
Non-current lease liabilities	2,247.08	2,358.75
Current lease liabilities	119.46	105.48
Total lease liabilities	<b>2,366.54</b>	<b>2,464.23</b>

**Note 39C : Profit on sale of termination of lease**

Disposal of Right of Use Assets	6.58
Less : Reversal of Lease Liability	7.52
(Profit)/ Loss on termination of Lease*	<b>(0.94)</b>

\* Included in miscellaneous Income in Note No.25

(All amounts are in ₹ lakh, unless otherwise stated)

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 committed 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, 2024	As At March 31, 2023
i) Disputed State Tax Matters	630.10	665.38
ii) Disputed Service Tax Matters	16.96	16.96
iii) Disputed GST Matters	215.62	24.37
iv) Disputed Income Tax Matters	424.28	385.00
v) Disputed Central Excise Matters	440.00	440.00
vi) Dispute with Vendor	90.44	132.25
vii) Disputed EPFA demand	0.62	18.31
II Irrevocable Letter of credit outstanding with Banks		
i) With Foreign LC	9,250.53	2,054.71
ii) With Inland LC	1,982.25	8,723.28

Note: Letter of Credit above includes amount relating to outstanding of under LC/Buyer's Credit/ DRUL bills under collection:

Foreign LC - March 31, 2024 : Nil (March 31, 2023 : 154.77 lakh)

Inland LC - March 31, 2024 : Nil (March 31, 2023 : 654.60 lakh)

### (b) Commitments

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Capital Commitment</b>	565.23	589.74
Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of March 31, 2024: ₹ 1069.50 lakh (March 31, 2023 : ₹ 537.01 lakh))		

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.



(All amounts are in ₹ lakh, unless otherwise stated)

## Note 41: Particulars of Unhedged Foreign Currency Exposure

	As At March 31, 2024		As At March 31, 2023	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivable	US\$ 15.25 lakh	1,270.71	US\$ 17.97 lakh	1,476.66
Trade Payables	US\$ 106.17 lakh	8,847.94	US\$ 35.76 lakh	2,938.20
Trade Payables	EURO 2.73 lakh	245.73	EURO 13.99 lakh	1,250.48
Trade Payables	JPY 0.25 lakh	0.14	JPY 0.25 lakh	0.16

## Note 42 : Segment Information

- 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.
- Major Customer: Revenue from 2 Customers (March 31, 2023, 3 Customers) of the Company's manufacturing & trading business are ₹ 198,188.61 lakh (March 31, 2023 ₹ 225,337 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, 2024 and March 31, 2023.

## 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 financial liabilities, including their levels of in the fair value hierarchy:

As at March 31, 2024									
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
<b>Financial assets measured at fair value</b>									
Investment in mutual funds	-	33,414.48	-	-	33,414.48	33,414.48	-	-	33,414.48
<b>Financial assets not measured at fair value</b>									
Investment in equity shares (Unquoted)	-	-	4,799.57	-	4,799.57	-	-	-	-
Investment In tax free bond (Quoted)	-	-	500.00	-	500.00	574.95	-	-	574.95

(All amounts are in ₹ lakh, unless otherwise stated)

**As at March 31, 2024**

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 Bonds (Quoted)	-	-	30,000.00	-	30,000.00	29,634.08	-	-	29,634.08
Staff advance	-	-	-	-	-	-	-	-	-
Security deposits	-	-	282.85	-	282.85	-	-	-	-
Interest accrued but not due on term deposits	-	-	1,001.28	-	1,001.28	-	-	-	-
Interest accrued others	-	-	3.10	-	3.10	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	115.00	-	115.00	-	-	-	-
Receivable from related parties	-	-	18.47	-	18.47	-	-	-	-
Trade receivables	-	-	22,715.69	-	22,715.69	-	-	-	-
Cash and cash equivalents	-	-	25,836.15	-	25,836.15	-	-	-	-
Other bank balances	-	-	627.85	-	627.85	-	-	-	-
	-	<b>33,414.48</b>	<b>85,899.96</b>	-	<b>1,19,314.45</b>	<b>63,623.51</b>	-	-	<b>63,623.51</b>
<b>Financial liabilities not measured at fair value</b>									
Lease Liabilities	-	-	-	2,366.54	2,366.54	-	-	-	-
Security Deposits	-	-	-	12.79	12.79	-	-	-	-
Unpaid dividends	-	-	-	80.22	80.22	-	-	-	-
Trade payables	-	-	-	49,489.27	49,489.27	-	-	-	-
Creditors for capital goods	-	-	-	1,267.23	1,267.23	-	-	-	-
	-	-	-	<b>53,216.05</b>	<b>53,216.05</b>	-	-	-	-

**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
<b>Financial assets measured at fair value</b>									
Investment In tax free bond (Quoted)	-	570.74	-	-	570.74	570.74	-	-	570.74
Investment in mutual funds	-	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>									
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	-	-	-	-
	-	<b>570.74</b>	<b>95,077.91</b>	-	<b>95,648.65</b>	<b>570.74</b>	-	-	<b>570.74</b>
<b>Financial liabilities not measured at fair value</b>									
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	-	-	-	-
	-	-	-	<b>55,425.26</b>	<b>55,425.26</b>	-	-	-	-

(All amounts are in ₹ lakh, unless otherwise stated)

- 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 2024 and 31 March 2023.

- e) **Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of non-current investment in Bonds has been valued at amortised cost. Fair values have not been considered for valuation as it is long term in nature and held to maturity.

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.

- 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 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.

(All amounts are in ₹ lakh, unless otherwise stated)

## 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 ₹ 17.27 (March 31, 2023: ₹ 8.15) per equity share as final dividend for the year ended March 31, 2024. In addition to the above dividend, subsequent to year end the Directors have recommended the payment of a final dividend of ₹ 9.92 (March 31, 2023: ₹ 17.27) per equity share. The propose dividend is subject to the approval of share holders in the ensuing annual general 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 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, 2024	As At March 31, 2023
Lease Liability (Refer to note 18)	2,366.54	2,464.23
Less: Cash and cash equivalents (Refer to note 14)	25,836.15	15,725.80
<b>Net debt (A)</b>	<b>(23,469.61)</b>	<b>(13,261.57)</b>
Equity share capital (Refer to note 16)	594.63	594.63
Other equity (Refer to note 17)	1,01,917.57	77,587.57
<b>Total Capital (B)</b>	<b>1,02,512.20</b>	<b>78,182.20</b>
<b>Capital and net debt (C=A+B)</b>	<b>79,042.59</b>	<b>64,920.63</b>
<b>Gearing ratio (A/C)</b>	<b>-29.69%</b>	<b>-20.43%</b>

## 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:

- Credit risk
- Liquidity risk
- Market 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.

(All amounts are in ₹ lakh, unless otherwise stated)

**(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 continuously monitoring the credit worthiness of the customers, to whom the company grants credit period in the normal course of business including taking credit insurance against export receivables. The company uses expected credit loss model to assess the impairment 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, 2024 and March 31, 2023 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.

**The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.**

**As At March 31, 2024**

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
<b>Non derivative financial liabilities</b>					
Creditors for capital goods	1,267.23	-	-	-	1,267.23
Trade payables	49,489.27	-	-	-	49,489.27
Lease Liabilities	71.32	139.36	869.49	1,286.36	2,366.53
Unclaimed dividends	80.22	-	-	-	80.22
Security deposit	-	-	-	12.79	12.79
	<b>50,908.05</b>	<b>139.36</b>	<b>869.49</b>	<b>1,299.15</b>	<b>53,216.05</b>

**As At March 31, 2023**

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
<b>Non derivative financial liabilities</b>					
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
	<b>53,016.60</b>	<b>22.52</b>	<b>545.48</b>	<b>1,840.68</b>	<b>55,425.27</b>

**C. Market risk**

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

(All amounts are in ₹ lakh, unless otherwise stated)

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 functional 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, 2024	+5%	454.69
	-5%	(454.69)
March 31, 2023	+5%	209.44
	-5%	(209.44)

#### Exposure to Currency Risk:

As At March 31, 2024	US\$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)*	15.25	-	-	-
Foreign currency exposure not hedged (Buy)	106.17	2.73	0.25	-
Derivative contract outstanding	-	-	-	-

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	-	-	-	-

\*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, 2024	As at March 31, 2023		
1	Current ratio	Current Assets	Current Liabilities	Times	1.77	1.87	-5%	NA
2	Debt-equity ratio	Total Debt (represent lease liability)	Total Equity	Times	0.02	0.03	-27%	Movement in Debt-equity ratio is majorly due to reserves
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	111.81	104.60	7%	NA
4	Return on equity ratio	Profit after Tax	Average Total Equity	Percentage	32.64%	29.74%	10%	NA
5	Inventory turnover ratio	Revenue from operation	Average Inventory	Times	14.01	16.10	-13%	NA
6	Trade receivables turnover ratio	Revenue from operation	Average Trade Receivables	Times	10.06	8.89	13%	NA

(All amounts are in ₹ lakh, unless otherwise stated)

S. No.	Particulars	Numerator	Denominator	Times/ Percentage	Ratios		% Change	Remarks
					As at March 31, 2024	As at March 31, 2023		
7	Trade payables turnover ratio	Purchase of Raw Material + Purchase of Stock-in-Trade	Average Trade Payables	Times	4.22	4.79	-12%	NA
8	Net capital turnover ratio	Revenue from operation	Working Capital (i.e. Current Assets - Current Liabilities)	Times	6.19	5.18	20%	NA
9	Net profit ratio	Profit after Tax	Revenue from Operation	Percentage	10.50%	7.61%	38%	Volume mix & Material cost reduction
10	Return on capital employed	Profit before Tax + Finance Cost	Capital employed = Tangible net worth + Total Debts (Including lease liability)	Percentage	37.83%	34.09%	11%	NA
11	Return on investment **	Interest (Finance Income)	Investment	Percentage	3.32%	2.56%	30%	Increase in revenue generating investment

\* Since the company has no borrowings during the year, finance cost represent only lease payment and interest there on.

\*\* Not annualised

## 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
<b>Inventories</b>				
June 30, 2023	20,438.93	19,674.78	-764.15	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of Goods in Transit
September 30, 2023	19,469.00	21,218.78	1,749.78	
December 31, 2023	18,842.40	18,842.40	-0.00	
March 31, 2024	19,691.15	21,222.34	1,531.19	

Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
<b>Trade receivables (Net of related party receivables)</b>				
June 30, 2023	33,866.66	39,311.48	5,444.82	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, 2023	29,310.21	37,805.68	8,495.47	
December 31, 2023	26,153.98	34,554.64	8,400.66	
March 31, 2024	22,992.43	34,696.08	11,703.65	



(All amounts are in ₹ lakh, unless otherwise stated)

Quarter ended	Value per books of account	Value as per quarterly return/ statement	Discrepancy	Discrepancy details
<b>Trade Payables (Net of related party payables)</b>				
June 30, 2023	46,611.46	43,151.17	-3,460.29	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, 2023	53,355.70	47,738.62	-5,617.08	
December 31, 2023	51,432.19	51,432.19	-	
March 31, 2024	48,956.38	42,186.01	-6,770.37	

## Note 48: Subsequent Event

### a) Dividend Paid and proposed:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Declare and Paid During the Year:</b>		
i.) Final Dividend for FY 2022-23: ₹ 17.27 per share (FY 2021-22: ₹ 8.15 per share)	5,134.65	2,423.13
	<b>5134.65</b>	<b>2423.13</b>
<b>Proposed for Approval at the Annual General Meeting (not recognised as a liability)</b>		
ii.) Final Dividend for FY 2023-24: ₹ 9.92 per share (FY 2022-23: ₹ 17.27 per share)	2,949.38	5,134.65
	<b>2,949.38</b>	<b>5134.65</b>

b) No material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the standalone financial statements.

## Note 49 : Disclosures pursuant to regulation 34 of Securities and Exchange Board of India (listing obligations and disclosure requirements) regulations, 2015 and section 186 of the Companies Act, 2013

	For the year ended March 31, 2024	For the year ended March 31, 2023
Investments made are given under the respective heads (Refer Note No. 7)	4799.57	4801.8
	<b>4799.57</b>	<b>4801.8</b>

**Note 50:** 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 financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

**Note 51:** 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

*(All amounts are in ₹ lakh, unless otherwise stated)*

behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## **Note 52: 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 53:**

- 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

**Note 54:** Figures have been rounded off to the nearest Lakhs upto two decimal places except otherwise stated

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**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 23, 2024**

**Place : New Delhi**

# 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, 2024, 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 material 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, 2024, 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, 2024. 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.	<p><b>Recognition of price variations in the revenue</b></p> <p>Revenue from sale of goods is recognized upon the transfer of control of the goods sold to the customer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods from its customers. In determining the transaction price for the sale of products, the Company considers the effects of various factors such as volume-based discounts, price adjustments to be passed on and/or recovered to/from the customers based on various parameters like negotiations-based savings on cost of materials, rebates etc. provided to the customers. During the year, the Company has accounted for such price variations to be passed on and/or recovered to/from such customers. There is a risk that revenue could be recognized at incorrect amount on account of the significant judgement and estimate involved in calculation of price variations and in the incorrect period on account for sales transactions occurring on and around the year end. Therefore, revenue recognition has been identified as a Key Audit Matter.</p>	<p>Our audit procedure included, however not limited to the following:</p> <p><b>i. Test of Controls</b></p> <ul style="list-style-type: none"> <li>Performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers and management's process &amp; assumptions used in calculation of price variations.</li> </ul> <p><b>ii. Test of Details</b></p> <ul style="list-style-type: none"> <li>Evaluated the Company's accounting policies pertaining to revenue recognition in terms of Ind AS 115 - Revenue from contracts with customers.</li> <li>Performed audit procedures on a representative sample of the sales transactions to test whether the revenues and related trade receivables are recorded taking into consideration the terms and conditions of the sale orders, debit/ credit notes in respect of agreed price variations passed on to the customers.</li> <li>Tested completeness, arithmetical accuracy and validity of the data used in the computation of price adjustments as per customer contracts.</li> <li>Performed analytical procedures to identify any unusual trends and tested the price adjustment estimate for consistency with the material cost.</li> </ul> <p><b>Conclusion:</b> Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment &amp; presentation of the subject matter in the standalone financial statements.</p>
2.	<p><b>Valuation of Investments</b></p> <p>The Company's investment portfolio represents a significant portion of the Company's total assets, which primarily consists of:</p> <ol style="list-style-type: none"> <li>Investment in Bonds</li> <li>Investment in Mutual Funds</li> <li>Fixed Deposits</li> </ol> <p>The aforementioned instruments are valued at amortized cost or fair value through profit &amp; loss (FVTPL) depending upon the nature of investment.</p> <p>The valuation of these investments was considered to be a significant area in the standalone financial statements requiring our attention due to</p>	<p>Our audit procedure included, however not limited to the following:</p> <p><b>i. Test of Controls</b></p> <ul style="list-style-type: none"> <li>Obtained an understanding from the management, tested the design, implementation and operating effectiveness of the Company's key controls over the valuation of material investments, including the Company's review and approval process for making the investments.</li> </ul> <p><b>ii. Test of Details</b></p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the relevant accounting policies of the Company, including those relating to recognition and measurement of financial instrument by comparing with the applicable accounting standards;</li> </ul>

S. No.	Key Audit Matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>- the materiality of total value of investments to the total assets,</li> <li>- judgements involved in (a) determining of recoverability of investments, (b) in selecting the valuation basis and</li> <li>- assessment of market data/ conditions and financial indicators of the investee.</li> </ul>	<ul style="list-style-type: none"> <li>• For instruments valued at fair value, assessed the carrying value/fair value calculations of all investments individually, where applicable, to determine whether the valuations performed by the Company are as per available quoted prices in liquid markets and performed testing of inputs used in valuation including checking of mathematical accuracy.</li> <li>• For instruments valued at Amortized cost, assessed the business model objective of holding the asset to collect the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Also, assessed the instrument for impairment by evaluating if there is any significant increase in credit risk.</li> <li>• Assessed the appropriateness of the Company's description of the accounting policy and disclosures related to investments and whether these are adequately presented in the standalone financial statements.</li> </ul> <p><b>Conclusion:</b> Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation, and disclosure of the subject matter in standalone financial statements.</p>

### Information other than Consolidated Financial Statements and Auditor's Reports thereon

The Parent'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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 ₹ 33.58 lakh for the year ended March 31, 2024, 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 statements 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 ₹ 439.78 lakh for the year ended March 31, 2024, 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 statements is not modified in respect of the above matter with respect to our reliance on the management certified financial information.

## 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 & to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.



2A. As required by Section 143(3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In case of the parent company, one associate & one of the joint ventures which are companies incorporated in India, 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 except for the matters stated in the paragraph 2B (f) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules 2014. In respect of one of the joint venture company whose accounts have been furnished to us by the Parent's Management and are unaudited, we are unable to report on the compliance of section 143(3)(b) of the Act.
- (c) 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.
- (d) 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.
- (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of associate company and one joint venture company incorporated in India, none of the directors of the Parent, its associate company and one joint venture company incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act. In respect of one of the joint venture company whose accounts have been furnished to us by the Parent's Management and are unaudited, we are unable to report on the compliance of section 164 (2) of the Act.
- (f) In case of the parent company, one associate & one of the joint ventures which are companies incorporated in India, the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A (b) above on reporting under Section 143(3) (b) of the Act and paragraph 2B (f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. In respect of one of the joint venture company whose accounts have been furnished to us by the Parent's Management and are unaudited, we are unable to report on the compliance of section 143(3)(b) of the Act and Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Parent Company audited by us and in case of an associate company and one joint venture company incorporated in India whose accounts have been audited by other auditor their reports being furnished to us by the Parent's Management, refer to our separate Report in "**Annexure A**" for operating effectiveness of such controls. In respect of one joint venture company whose accounts are unaudited & have been furnished to us by the Parent's Management, we are unable to report on the requirement of Internal Financial Controls over Financial Reporting.

2B. 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 - Refer Note No. 40 to the consolidated financial statements.
- (b) The Parent 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 Parent.

- (d) i. The respective Managements of the parent, its associate and one of the 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 joint venture have reported that, to the best of their knowledge and belief, as disclosed in the Note 51 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 joint venture 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 joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. In respect of one of the joint venture company whose accounts have been furnished to us by the Parent's Management and are unaudited, we are unable to report on the requirement of Rule 11(e) (i) of the Companies (Audit and Auditors) Rules, 2014;
- ii. The respective Managements of the parent, its associate and one of the 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 51 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 joint venture 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 joint venture 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. In respect of one of the joint venture company whose accounts have been furnished to us by the Parent's Management and are unaudited, we are unable to report on the requirement of Rule 11(e) (ii) of the Companies (Audit and Auditors) Rules, 2014; 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. In respect of one of the joint venture company whose accounts have been furnished to us by the Parent's Management and are unaudited, we are unable to report on the requirement of Rule 11(e) (iii) of the Companies (Audit and Auditors) Rules, 2014.
- (e) The amount of dividend is in accordance with Section 123 of the Act
- 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 one of the joint venture companies 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. In respect of one of the joint venture company whose accounts have been furnished to us by the Parent's Management and are unaudited, we are unable to report on the requirement of Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014;
- ii. As stated in note 47 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

one of the joint venture companies which are companies incorporated in India, whose financial statements have been audited under the Act, no dividend has been declared by them. In respect of one of the joint venture company whose accounts have been furnished to us by the Parent's Management and are unaudited, we are unable to report on the requirement of Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014.

- (f) Based on our examination which included test checks, and that performed by the respective auditor of the associate and one of the joint ventures, which are companies incorporated in India whose financial statements have been audited under the Act, the Parent, its associate company and one of the joint ventures which are companies incorporated in India, have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except for the instances mentioned below.
- In case of the parent company, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.
  - In case of parent company, the Company has used payroll software for maintaining payroll records which is operated by a third-party service provider and in the absence of reporting on compliance with audit trail (edit log) requirements in the independent service auditor's report, we are unable to comment whether the audit trail feature was enabled and operated throughout the year for all relevant transactions recorded in the said software.

Further, in case of parent company, one associate and one of the joint ventures which are companies incorporated in India, for the period where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of audit trail feature being tampered with. However, in respect of one of the joint venture company whose accounts have been furnished to us by the Parent's Management and are unaudited, we are unable to report on the requirement of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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: 24083689BKBLUH4022

Place of Signature: New Delhi

Date: May 23, 2024

## 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, 2024, we have audited the internal financial controls with reference to financial statements of the Parent, its associate company, and joint venture company 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 company and joint venture company, 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 Company's internal financial controls with reference to consolidated 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 company and joint venture company, 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, 2024, 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 consolidated financial statements of the Parent, in so far as it relates to associate company and joint venture company, which are companies incorporated in India, is based on written representations received from the directors of the Parent Company and the corresponding report of the auditor of such associate company and joint venture company incorporated in India.

Our Opinion is not modified in respect of this matter.

**For S.R. Dinodia & Co. LLP**

*Chartered Accountants,*

Firm's Registration Number 001478N/N500005

**(Sandeep Dinodia)**

*Partner*

Membership Number 083689

UDIN: 24083689BKBLUH4022

Place of Signature: New Delhi

Date: May 23, 2024

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

(All amounts are in ₹ lakh, unless otherwise stated)			
Particulars	Note No	As At March 31, 2024	As At March 31, 2023
<b>I. Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	18,914.07	18,663.64
(b) Capital work in progress	5	2.88	3.41
(c) Right-of-use assets	39A	1,985.76	2,206.04
(d) Other Intangible assets	6	1,018.50	1,223.67
(e) Financial assets			
(i) Investment in associate & joint venture	7A	2,875.75	2,402.39
(ii) Other investments	7B	30,500.50	2.73
(iii) Other financial assets	8	409.19	386.76
(f) Deferred tax assets (net)	9	530.48	675.50
(g) Non-current tax asset (net)	10	1,176.25	731.42
(h) Other non-current assets	11	1,193.30	603.53
<b>Total non-current assets</b>		<b>58,606.68</b>	<b>26,899.09</b>
<b>Current assets</b>			
(a) Inventories	12	19,691.15	20,407.11
(b) Financial assets			
(i) Investments	7C	33,414.48	570.74
(ii) Trade receivables	13	22,715.69	33,147.59
(iii) Cash and cash equivalents	14	25,836.15	15,725.80
(iv) Bank balances other than (iii) above	15	627.85	445.36
(v) Other financial assets	8	1,011.51	40,570.60
(c) Other current assets	11	881.09	1,126.24
<b>Total current assets</b>		<b>1,04,177.92</b>	<b>1,11,993.44</b>
<b>Total assets</b>		<b>1,62,784.60</b>	<b>1,38,892.53</b>
<b>II. Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	16	594.63	594.63
(b) Other equity	17	99,994.24	75,190.88
<b>Total equity</b>		<b>1,00,588.87</b>	<b>75,785.51</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	18	2,247.08	2,358.75
(ii) Other financial liabilities	19	12.79	12.79
(b) Provisions	20	1,048.47	866.81
(c) Other liabilities	21	85.67	-
<b>Total non-current liabilities</b>		<b>3,394.01</b>	<b>3,238.35</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	18	119.46	105.48
(ii) Trade payables	22		
- Total outstanding dues of micro and small enterprises		454.55	2,163.16
- Total outstanding dues of creditors other than micro and small enterprises		49,034.72	49,416.00
(iii) Other financial liabilities	19	1,397.83	1,369.08
(b) Other liabilities	21	6,751.71	6,052.61
(c) Provisions	20	998.86	762.33
(d) Current tax Liabilities (net)	23	44.58	-
<b>Total current liabilities</b>		<b>58,801.71</b>	<b>59,868.66</b>
<b>Total liabilities</b>		<b>62,195.72</b>	<b>63,107.01</b>
<b>Total equity and liabilities</b>		<b>1,62,784.60</b>	<b>1,38,892.53</b>
Summary of Material 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

(Sharda Relan)

Co-Chairperson

DIN 00252181

(Ajay Relan)

Managing Director

DIN 00257584

(Aashim Relan)

Chief Executive Officer

Place of Signature: New Delhi

Date: May 23, 2024

(Puru Aggarwal)

President &  
Group Chief Financial Officer

(Nitin Vishnoi)

Executive Director & Company Secretary  
M.No. F3632

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ lakh, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>I Revenue from operations</b>	24	2,80,926.24	2,69,993.58
<b>II Other income</b>	25	8,785.41	4,173.65
<b>III Total income (I+II)</b>		<b>2,89,711.65</b>	<b>2,74,167.23</b>
<b>IV Expenses</b>			
(a) Cost of materials consumed	26	2,09,699.00	2,09,941.01
(b) Purchases of stock-in-trade	27	6,070.93	6,485.26
(c) Changes in inventories of finished goods, work-in-progress and stock in trade	28	(1,485.25)	(41.55)
(d) Employee benefits expense	29	13,227.16	9,844.82
(e) Finance costs	30	220.76	191.22
(f) Depreciation and amortization expense	31	5,255.66	4,627.19
(g) Other expenses	32	17,270.96	15,588.03
<b>Total expenses</b>		<b>2,50,259.22</b>	<b>2,46,635.98</b>
<b>V Profit before share of profit/(loss) of associate and joint Ventures and exceptional items and tax (III-IV)</b>		<b>39,452.43</b>	<b>27,531.25</b>
<b>VI Share of profit/(loss) of associate (net of tax)</b>		33.58	11.46
<b>VII Share of profit/(loss) of joint venture (net of tax)</b>		435.78	279.41
<b>VIII Profit before exceptional items and tax (V+VI+VII)</b>		<b>39,921.79</b>	<b>27,822.12</b>
<b>IX Exceptional items</b>		-	-
<b>X Profit before tax (VIII-IX)</b>		<b>39,921.79</b>	<b>27,822.12</b>
<b>XI Tax expense:</b>	9		
(a) Current tax		9,862.79	7,205.00
(b) Deferred tax		153.46	(184.89)
(c) Income tax for earlier Year		(53.54)	(31.39)
<b>Total tax expense</b>		<b>9,962.71</b>	<b>6,988.72</b>
<b>XII Profit for the year (X-XI)</b>		<b>29,959.08</b>	<b>20,833.39</b>
<b>XIII Other comprehensive income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>	33		
- Re-measurement gains/ (losses) on defined benefit plans		(33.51)	114.77
- Income tax on items that will not be reclassified to profit or loss		8.43	(28.89)
- Share of other comprehensive income of joint venture accounted for using the equity method		4.00	-
<b>Total other comprehensive income for the year, net of tax</b>		<b>(21.08)</b>	<b>85.88</b>
<b>XIV Total comprehensive income for the year, net of tax (XII+XIII)</b>		<b>29,938.00</b>	<b>20,919.27</b>
<b>XV Earnings per share: (Face value ₹ 2 per share)</b>	34		
1) Basic (amount in ₹)		100.77	70.07
2) Diluted (amount in ₹)		100.77	70.07
Summary of Material 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

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

Place of Signature: New Delhi

Date: May 23, 2024

(Puru Aggarwal)

President &  
Group Chief Financial Officer

(Nitin Vishnoi)

Executive Director & Company Secretary  
M.No. F3632



# CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(All amounts are in ₹ lakh, unless otherwise stated)	
	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before tax	39,921.79	27,822.12
Adjustments for:		
Share of (Profit)/loss in Associate and joint ventures	(469.36)	(290.87)
Depreciation and amortization expense	5,255.67	4,627.20
Finance cost	198.54	168.00
Interest income	(3,110.51)	(2,573.45)
Loss / (Gain) on lease termination	(0.94)	(9.41)
Loss / (Gain) on sale of Investments	(1,564.35)	(331.13)
Amortization of discount/premium on bonds	(8.08)	-
Provision for doubtful debts	230.88	(6.75)
Loss / (Gain) on disposal of property, plant and equipment (net)	(2,686.80)	(854.00)
Assets Written off	-	9.88
Fair value Loss/ (gain) on investments at FVTPL (Net)	(509.92)	24.77
Unrealized loss/(gain) on foreign exchange (net)	(42.12)	(1.84)
<b>Operating profit / (loss) before adjustments</b>	<b>37,214.80</b>	<b>28,584.52</b>
Movement in working capital:		
Decrease/(increase) in inventories	715.96	(7,265.91)
Decrease/(increase) in trade receivables	10,211.84	(5,522.97)
Decrease/(increase) in other financial assets	(21.23)	(40,160.80)
Decrease/(increase) in other assets	213.89	(1,089.49)
Increase/(decrease) in trade payables	(2,062.33)	10,024.52
Increase/(decrease) in other liabilities	472.81	1,659.36
Increase/(decrease) in other financial liabilities	34.91	687.11
Increase/(decrease) in provisions	384.68	368.59
<b>Cash generated from operating activities</b>	<b>47,165.34</b>	<b>(12,715.07)</b>
Income Tax (paid)/ refund	(10,209.50)	(7,319.04)
<b>Net cash from operating activities - (A)</b>	<b>36,955.84</b>	<b>(20,034.11)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of PPE including capital work-in-progress, & Intangible Assets	(7,314.07)	(10,265.54)
Proceeds from disposal of property, plant and equipment, and Intangible Assets	4,375.53	1,416.35
Net Proceeds from sale & Purchase of investments	(61,068.69)	5,354.67
Bank deposits (made)/realised	39,651.69	19,970.40
Interest received	2,834.22	2,573.45
<b>Net cash used in investing activities - (B)</b>	<b>(21,521.33)</b>	<b>19,049.33</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest payment of lease liability	(198.54)	(168.00)
Principle payments of lease liability	(90.17)	(66.30)
Dividend paid (including taxes)	(5,134.65)	(2,423.13)
<b>Net cash used in financing activities - (C)</b>	<b>(5,423.36)</b>	<b>(2,657.43)</b>
<b>Effect of fair Value changes on Cash &amp; Cash Equivalents (investment in Liquid Fund) - (D)</b>	<b>95.45</b>	<b>27.79</b>
<b>Effect of exchange differences on restatement of of foreign currency cash and cash equivalents - (E)</b>	<b>3.75</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents - (A+B+C+D+E)</b>	<b>10,110.35</b>	<b>(3,614.42)</b>
Cash and cash equivalents at the beginning of the year	15,725.80	19,340.22
<b>Cash and cash equivalents at the end of the year [refer note 14]</b>	<b>25,836.15</b>	<b>15,725.80</b>

The accompanying notes form an integral part of these Consolidated financial statements

**Notes:**

- The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7-"Statement of cash flow".
- 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).
- For components of cash and cash equivalents refer note no.14.
- Cash flows from operating activities include ₹ 404.26 lakh (March 31, 2023: ₹ 269.15 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

**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

**Place of Signature: New Delhi**

**Date: May 23, 2024**

**(Puru Aggarwal)**

President &

Group Chief Financial Officer

**(Nitin Vishnoi)**

Executive Director & Company Secretary

M.No. F3632

39<sup>TH</sup> ANNUAL REPORT 2023-24

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ lakh, unless otherwise stated)

A. Equity Share Capital*	Amount
Balance as at April 01, 2022	594.63
Changes during the year	-
Balance as at March 31, 2023	594.63
Changes during the year	-
Balance as at March 31, 2024	594.63

### B. Other Equity\*\*

	Reserve & Surplus			Total
	Capital Reserve	General Reserve	Retained Earnings	
Balance As at April 01, 2022	0.20	21,025.68	35,668.86	56,694.74
Profit for the year	-	-	20,833.39	20,833.39
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	54,165.00	75,190.88
Profit for the year	-	-	29,959.08	29,959.08
Transfer to General Reserve	-	-	-	-
Add : Other comprehensive income for the year, net of tax	-	-	(21.08)	(21.08)
Payment of Final Dividend for the F/Y 2022-23	-	-	(5,134.65)	(5,134.65)
Balance as at March 31, 2024	0.20	21,025.68	78,968.36	99,994.24

\* For details, refer note no. 17

\*\* For details, refer note no. 18

Summary of Material 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

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

Place of Signature: New Delhi

Date: May 23, 2024

(Puru Aggarwal)

President &  
Group Chief Financial Officer

(Nitin Vishnoi)

Executive Director & Company Secretary  
M.No. F3632

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

## 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 Exchange. 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 23, 2024.

### 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 2024 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, 2024:

- 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 entirety 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## 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.

## Note 3: Summary of Material 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 Government 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 benefits are expected to arise from continuous 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
Packaging (Trolleys, Pallets, Crates etc)	5	Not Specified

Addition to existing assets has been depreciated over the useful life of existing assets.

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:

- 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 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.

### 3.6 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.

### 3.7 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 expenses in 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.

### 3.8 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.

### **3.9 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 consolidated 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 within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle 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.

### 3.10 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 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.

## **(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 consolidated 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.



### 3.11 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.

### 3.12 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.

### 3.13 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.

### **3.14 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.

### **3.15 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	Freehold land	Leasehold land	Building	Plant & Machinery	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
<b>Gross carrying amount</b>										
<b>As at April 01, 2022</b>	<b>650.47</b>	<b>530.63</b>	<b>4,523.67</b>	<b>27,473.09</b>	<b>263.66</b>	<b>443.62</b>	<b>90.82</b>	<b>982.64</b>	<b>1,154.57</b>	<b>36,113.17</b>
Add: Additions made during the year	-	-	27.05	7,627.16	56.32	150.03	64.86	210.27	844.28	8,979.97
Less: Other Adjustments	-	-	390.63	1,727.72	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
<b>As at March 31, 2023</b>	<b>570.58</b>	<b>514.58</b>	<b>4,160.09</b>	<b>32,750.78</b>	<b>259.04</b>	<b>565.33</b>	<b>126.76</b>	<b>1,018.62</b>	<b>1,960.85</b>	<b>41,926.63</b>
Add: Additions made during the year	-	-	566.00	5,758.89	75.85	215.71	21.49	32.92	69.27	6,740.12
Less: Disposals / adjustments during the year	-	-	-	2,782.27	4.14	11.92	0.12	8.61	20.06	2,827.12
<b>As at March 31, 2024</b>	<b>570.58</b>	<b>514.58</b>	<b>4,726.09</b>	<b>35,727.40</b>	<b>330.75</b>	<b>769.12</b>	<b>148.13</b>	<b>1,042.93</b>	<b>2,010.06</b>	<b>45,839.63</b>
<b>Accumulated depreciation and amortization</b>										
<b>As at April 01, 2022</b>	-	<b>42.98</b>	<b>2,157.72</b>	<b>17,470.94</b>	<b>217.00</b>	<b>316.63</b>	<b>75.14</b>	<b>685.48</b>	<b>601.79</b>	21,567.68
Add: Depreciation charge for the year	-	5.42	246.75	3,744.47	21.47	104.27	11.87	63.39	192.61	4,390.25
Less: Other Adjustments	-	-	390.63	1,727.72	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
<b>As at March 31, 2023</b>	-	<b>42.23</b>	<b>2,013.84</b>	<b>19,240.64</b>	<b>177.93</b>	<b>394.50</b>	<b>58.11</b>	<b>574.60</b>	<b>761.14</b>	<b>23,262.99</b>
Add: Depreciation charge for the year	-	5.42	280.46	3,823.42	50.21	154.41	22.51	83.76	380.78	4,800.97
Less: On disposals / adjustments during the year	-	-	-	1,106.11	2.76	4.96	0.10	6.91	17.55	1,138.39
<b>As at March 31, 2024</b>	-	<b>47.65</b>	<b>2,294.30</b>	<b>21,957.95</b>	<b>225.38</b>	<b>543.95</b>	<b>80.52</b>	<b>651.45</b>	<b>1,124.37</b>	<b>26,925.57</b>
<b>Net carrying amount</b>										
<b>As at March 31, 2024</b>	<b>570.58</b>	<b>466.93</b>	<b>2,431.79</b>	<b>13,769.45</b>	<b>105.37</b>	<b>225.17</b>	<b>67.61</b>	<b>391.48</b>	<b>885.69</b>	18,914.07
<b>As at March 31, 2023</b>	<b>570.58</b>	<b>472.35</b>	<b>2,146.25</b>	<b>13,510.14</b>	<b>81.11</b>	<b>170.83</b>	<b>68.65</b>	<b>444.02</b>	<b>1,199.71</b>	18,663.64

### Notes:

- Hypothecation of movable assets including Plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for their working capital facilities.
- Refer note no. 40, for disclosure of capital commitment for acquisition of property, plant and equipment.
- All the title deeds of immovable properties are held in the name of the company.
- The Lease agreement of the leasehold land is in the name of the company.

## Note 5 : Capital Work In Progress

	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
Balance at the beginning of the year	3.41	5.00
Add: Addition made during the year	2.88	-
Less: Capitalised/adjustments during the year	3.41	1.59
<b>Balance at the end of the year</b>	<b>2.88</b>	<b>3.41</b>

### Notes:

#### a) Breakup of capital work in progress is as follows:

	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
Plant & Machinery	2.88	3.41
	<b>2.88</b>	<b>3.41</b>

(All amounts are in ₹ lakh, unless otherwise stated)

**b) Ageing schedule of CWIP as at March 31, 2024 and as at March 31, 2023:**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	- (3.48)	3.41 (1.52)	- -	- (-)	3.41 (5.00)
(ii) Projects temporarily Suspended	- (-)	- (-)	- (-)	- (-)	- (-)

Figures in bracket represents figures for the year ended March 31, 2023.

- c) There are no capital-work-in progress as at March 31, 2024 and as at March 31, 2023 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
<b>Gross carrying amount</b>			
<b>As at April 01, 2022</b>	<b>383.27</b>	<b>1,201.74</b>	<b>1,585.01</b>
Add: Additions made during the year	43.27	<b>1,183.43</b>	1,226.70
Less: Other Adjustments	9.01	-	9.01
Less: Disposals / adjustments during the year	<b>6.55</b>	-	6.55
<b>As at March 31, 2023</b>	<b>410.98</b>	<b>2,385.17</b>	<b>2,796.15</b>
Add: Additions made during the year	35.83	-	35.83
Less: Disposals / adjustments during the year	18.70	-	18.70
<b>As at March 31, 2024</b>	<b>428.11</b>	<b>2,385.17</b>	<b>2,813.28</b>
<b>Accumulated amortisation and impairment</b>			
<b>As at April 01, 2022</b>	<b>314.88</b>	<b>1,201.74</b>	<b>1,516.62</b>
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
<b>As at March 31, 2023</b>	<b>347.50</b>	<b>1,224.98</b>	<b>1,572.48</b>
Add: Amortisation for the year	43.76	197.24	241.00
Less: On disposals / adjustments during the year	18.70	-	18.70
<b>As at March 31, 2024</b>	<b>372.56</b>	<b>1,422.22</b>	<b>1,794.78</b>
<b>Net carrying amount</b>			
<b>As at March 31, 2024</b>	<b>55.55</b>	<b>962.95</b>	<b>1,018.50</b>
<b>As at March 31, 2023</b>	<b>63.48</b>	<b>1,160.19</b>	<b>1,223.67</b>

(All amounts are in ₹ lakh, unless otherwise stated)

## Note 7A : Investments (Non-Current)

Equity Investment in Associates and Joint Ventures		As At March 31, 2024	As At March 31, 2023
(Equity instruments- Unquoted (fully paid up-unless otherwise stated, at cost)			
<b>I - Investment in Associate</b>			
(Investment Measured at cost)			
<b>In equity shares of Associate (Unquoted, Fully paidup)</b>			
Relan Industrial Finance Limited: 490,000 (March 31, 2023: 490,000) having face value of ₹ 10 each*		358.06	324.48
	(I)	<b>358.06</b>	<b>324.48</b>
<b>II - Investment in Joint Venture</b>			
(Investment Measured at cost)			
<b>In equity shares of Joint Venture (Unquoted, Fully paidup)</b>			
<b>Unquoted</b>			
Exhaust Technology Private Limited: 47,500,000 (March 31, 2023: 47,500,000) having face value of ₹ 10 each *		2,517.68	2,077.91
Uddipt Mobility India Private Limited: 740 (March 31, 2023: 740) having face value of ₹ 10 each*		-	-
	(II)	<b>2,517.68</b>	<b>2,077.91</b>
	(I+II)	<b>2,875.75</b>	<b>2,402.39</b>

\* The number of shares in note above represents absolute numbers.

### Information about Associate & Joint Ventures

Information about Associate & Joint Ventures				
Name of the Company	Country of Incorporation	Principal Activities	Proportion (%) of equity interest	
			As At March 31, 2024	As At March 31, 2023
<b>Associate</b>				
Relan Industrial Finance Limited	India	Service provider of investments	47.12	47.12
<b>Joint Ventures</b>				
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, 2024	As At March 31, 2023
(Measured at amortised cost)		
<b>In unquoted fully paid -up equity shares</b>		
Unquoted, fully paid up		
Nil (March 31, 2023: 27,300) Equity shares of ₹ 10 each of Windage Power Company Private Limited*	-	2.73
Unquoted, fully paid up		
4,970 (March 31, 2023: Nil) Equity shares of ₹ 10 each of Jayanthi Wind farms Private Limited*	0.50	-
<b>Investment In Tax Free Bond (Quoted)</b>		
- 50 (March 31,2023: nil) units NHAI 2030 - Tax free Bond* (Maturity Date: Sep 2030)*	500.00	-
<b>Investment in Debenture &amp; Bonds (Quoted)</b>		
500 units (March 31,2023: Nil) HDFC Bank Ltd. SR AA012 7.70 NCD 18NV25 FVRS10LAC-CBRICS-KSL-1011 (Maturity Date: Nov 2025)*	5,000.00	-
500 units (March 31,2023: Nil) HDB Financial Services Ltd 6.00% HDB Financial 2025 (Maturity Date: June 2025)*	5,000.00	-
500 units (March 31,2023: Nil) HDFC Bank Ltd. 2025 (Maturity Date: Sep 2025)*	5,000.00	-
5450 units (March 31,2023: Nil) Tata Capital Ltd 2025 (Maturity Date: Dec 2025)*	4,500.00	-
5500 units (March 31,2023: Nil) Kotak Mahindra Investments Ltd 2025 (Maturity Date: Sep 2025)*	5,500.00	-
500 units (March 31,2023: Nil) LIC Housing Finance Ltd 2025 (Maturity Date: Aug 2025)*	5,000.00	-
	<b>30,500.50</b>	<b>2.73</b>

\* The number of shares in note above represents absolute numbers.

(All amounts are in ₹ lakh, unless otherwise stated)

### Note 7C : Investments (Current)

(Measured at fair value through profit or loss)

	As At March 31, 2024	As At March 31, 2023
<b>Investment In Tax Free Bond (Quoted)</b>		
- Nil (March 31,2023: 50) units NHAI 2030 - Tax free Bond*	-	570.74
<b>Investment In Mutual Funds (Quoted)</b>		
1,94,33,989.204 units (March 31,2023: Nil) units SBI Arbitrage Opportunities Fund - Regular Plan (G)*	6,021.91	-
1,75,50,474.808 units (March 31,2023: Nil) units Kotak Equity Arbitrage Fund - Regular Plan (G)*	6,020.90	-
2,05,79,055.014 units (March 31,2023: Nil) units Invesco India Arbitrage Fund (G)*	6,020.05	-
4,29,66,467.4 Units (March 31,2023: Nil) Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan (G)*	5,101.19	-
3,80,15,130.874 Units (March 31,2023: Nil) BHARAT Bond FOF - April 2030 - Direct Plan Growth *	5,143.30	-
1,81,45,410.21 Unit (March 31,2023: Nil) ICICI Prudential Corporate Bond Fund - Direct Plan - Growth *	5,107.13	-
	<b>33,414.48</b>	<b>570.74</b>
* The number of units in note above represents absolute numbers.		
Aggregate book value of unquoted investments (net of impairment)	2,876.25	2,405.12
Aggregate value of impairment of investments	-	-
Aggregate book value of quoted investments measured at fair value through profit or loss	33,414.48	570.74
Aggregate Market value of quoted investments measured at fair value through profit or loss	33,414.48	570.74
Aggregate book value of quoted investments carried at amortised cost	30,500.00	-
Aggregate market value of quoted investments carried at amortised cost	30,209.04	-

### Note 8 : Other Financial Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Security deposits (Refer to note 'a' below)	282.85	266.70	-	-
Bank Deposits with original maturity of more than 12 months (refer to note 15)	115.00	115.00	-	39,834.18
Interest accrued on fixed deposits & Bonds	11.34	5.06	989.94	719.93
Interest accrued others	-	-	3.10	3.05
Receivable from related parties (Refer to note 'b' below)	-	-	18.47	13.44
	<b>409.19</b>	<b>386.76</b>	<b>1,011.51</b>	<b>40,570.60</b>

- 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, 2024 and March 31, 2023 are:

### Consolidated Statement of profit and loss:

#### Profit or loss section

	As At March 31, 2024	As At March 31, 2023
<b>Tax Expense:</b>		
a) Current tax	9,862.79	7,205.00
b) Adjustments in respect of relating to earlier years	(53.54)	(31.39)
c) Deferred tax	153.46	(184.89)
<b>Income tax expense reported in the consolidated statement of profit or loss</b>	<b>9,962.71</b>	<b>6,988.72</b>

#### OCI section

#### Deferred tax related to items recognised in OCI during the year:

	As At March 31, 2024	As At March 31, 2023
Net loss/(gain) on remeasurements of defined benefit plans	(8.43)	28.89
<b>Income tax charged to OCI</b>	<b>(8.43)</b>	<b>28.89</b>

#### a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023.

	As At March 31, 2024	As At March 31, 2023
<b>Accounting profit before income tax</b>	<b>39,921.79</b>	<b>27,822.12</b>
At India's statutory income tax rate of 25.168% (March 31, 2023: 25.168%)	10,047.52	7,002.27
Adjustments in respect of current income tax of previous years	(53.54)	(31.39)
<b>Tax effect of the amounts which are Non-deductible/ (taxable) for tax purposes:</b>		
Expenses not deducted for tax purposes	3.46	7.33
Income exempted from income tax	(18.35)	(9.14)
Impact of tax at different tax rate and Others	-	(6.13)
Income deductible from income tax	-	19.30
Investment in Associate	(8.45)	(2.88)
Investment in Joint Ventures	(109.68)	(70.32)
Others	101.75	79.68
At the income tax rate of 25.168% (March 31, 2023: 25.168%)	<b>9,962.71</b>	<b>6,988.72</b>
Income tax expense reported in the consolidated statement of profit and loss	<b>9,962.71</b>	<b>6,988.72</b>
Variance	-	(0.00)



(All amounts are in ₹ lakh, unless otherwise stated)

**b) Deferred tax:**

**Consolidated Balance sheet**

	As At March 31, 2024	As At March 31, 2023
<b>Deferred tax assets relates to the following:</b>		
Property, plant and equipment	180.64	425.31
Provision for employee benefits	302.23	207.76
Right to use assets	98.16	-
Lease Liabilities	-	620.20
Fair valuation of mutual fund	5.93	-
Others	595.61	-
(A)	<b>1,182.57</b>	<b>1,253.27</b>
<b>Deferred tax liability relates to the following:</b>		
Right to use assets	499.78	555.22
Unamortized Discount	13.29	12.32
Fair valuation of mutual fund	128.34	10.23
Others	10.68	-
(B)	<b>652.09</b>	<b>577.77</b>
<b>Total deferred tax assets/(liabilities) (Net)</b>	<b>(A-B) 530.48</b>	<b>675.50</b>

**c) The movement between net deferred tax assets /(liabilities) is as under :**

	As At April 01, 2023	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2024
<b>Deferred tax assets relates to the following:</b>				
Property, plant and equipment	425.31	(244.67)	-	180.64
Provision for employee benefits	207.76	86.04	8.43	302.23
Provision for Doubtful Debts/Advances	-	98.16	-	98.16
Provision for Slow moving Inventory	-	-	-	-
Unamortized Premium	-	5.93	-	5.93
Right to use assets	-	-	-	-
Lease Liabilities	620.20	(24.59)	-	595.61
Fair valuation of mutual fund	-	-	-	-
Others	-	-	-	-
	<b>1,253.27</b>	<b>(79.13)</b>	<b>8.43</b>	<b>1,182.57</b>
<b>Deferred tax liability relates to the following:</b>				
Right to use assets	555.22	(55.44)	-	499.78
Fair valuation of mutual fund & bonds	12.32	116.02	-	128.34
Unamortized Discount	-	13.29	-	13.29
Others	10.23	0.45	-	10.68
	<b>577.77</b>	<b>74.32</b>	<b>-</b>	<b>652.09</b>
<b>Total deferred tax assets/(liabilities) (Net)</b>	<b>675.50</b>	<b>(153.46)</b>	<b>8.43</b>	<b>530.48</b>

(All amounts are in ₹ lakh, unless otherwise stated)

	As At April 01, 2022	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2023
<b>Deferred tax assets relates to the following:</b>				
Property, plant and equipment	257.93	167.38	-	425.31
Provision for employee benefits	184.29	52.36	(28.89)	207.76
Lease Liabilities	70.25	549.95	-	620.20
Right to use assets	1.37	(1.37)	-	-
Fair valuation of mutual fund	1.94	(1.94)	-	-
Others	3.72	(3.72)	-	-
	<b>519.50</b>	<b>762.66</b>	<b>(28.89)</b>	<b>1,253.27</b>
<b>Deferred tax liability relates to the following:</b>				
Right to use assets	-	555.22	-	555.22
Fair valuation of mutual fund	-	12.32	-	12.32
Others	-	10.23	-	10.23
	-	<b>577.77</b>	-	<b>577.77</b>
<b>Total deferred tax assets/(liabilities) (Net)</b>	<b>519.50</b>	<b>184.89</b>	<b>(28.89)</b>	<b>675.50</b>

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, 2024	As At March 31, 2023
Advance Tax	1,176.25	731.42
[Net of provision for income tax of ₹ 22,139.85 lakh (March 31, 2023 : ₹ 22,204.72 lakh)]		
	<b>1,176.25</b>	<b>731.42</b>

#### Note 11 : Other Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Capital advances (refer note 'a' below)	1,069.50	537.01	-	-
Balance with Government Authorities	-	-	93.49	67.44
Balance with Government Authorities - Doubtful	-	-	45.86	-
Less : Provision for doubtful Advances to Suppliers	-	-	(45.86)	-
Advances to Suppliers	-	-	257.40	324.92
Advances to Suppliers-Doubtful	-	-	30.41	-
Less : Provision for doubtful Advances to Employees	-	-	(30.41)	-
Prepaid Expenses	101.81	66.52	29.12	32.96
Premium on Bond Purchase -Unamortise	21.99	-	331.70	245.17
Other Receivable (refer note 'b' below)	-	-	4.03	-
	<b>1,193.30</b>	<b>603.53</b>	<b>881.09</b>	<b>1,126.24</b>

(All amounts are in ₹ lakh, unless otherwise stated)

**Notes:**

**a) Details of Capital commitment is as follows:**

Particulars	As At March 31, 2024	As At March 31, 2023
Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of March 31, 2024: ₹ 1069.50 lakh (March 31, 2023 : ₹ 537.01 lakh))	565.23	589.74
	565.23	589.74

b) Other Receivables of ₹ 165.35 lakh ( March 31, 2023 ₹ 455.75 lakh) includes GST Recoverable on accrual basis of ₹ 160.83 lakh ( March 31, 2023 ₹ 450.47) and balance pertains to staff imprest account etc.

**Note 12: Inventories**

	As At March 31, 2024	As At March 31, 2023
Raw Materials	13,406.17	15,717.06
Raw Materials - In Transit	509.95	545.13
Work In Progress	2,011.80	2,984.24
Finished Goods	1,912.10	661.39
Finished Goods in Transit	1,249.65	42.67
Stores and Spares	601.48	456.62
	<b>19,691.15</b>	<b>20,407.11</b>

**Notes:**

- a) The mode of valuation of inventories has been stated in note 3.6.  
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, 2024	As At March 31, 2023
Secured, Considered Good	-	-
Unsecured, Considered Good	22,715.69	33,147.59
Unsecured, Considered credit impaired	313.75	82.87
	23,029.44	33,230.46
Less: Impairment allowance (allowance for bad and doubtful debts) Considered credit impaired	313.75	82.87
	<b>22,715.69</b>	<b>33,147.59</b>

**The movement of change in allowance for credit impairment**

Balance as at the beginning of the year	82.87	89.62
Change in allowance for credit impairment	247.32	25.41
Trade receivables written off during the year	(16.44)	(32.16)
Balance as at the end of the year	313.75	82.87

**a) Trade Receivables Ageing as at March 31, 2024**

Particulars	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	21,348.32	1,367.37	-	-	-	-	22,715.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	187.32	52.09	46.65	27.68	313.74
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>21,348.32</b>	<b>1,367.37</b>	<b>187.32</b>	<b>52.09</b>	<b>46.65</b>	<b>27.68</b>	<b>23,029.43</b>
Less: Impairment allowance for trade receivable - credit impaired	-	-	187.32	52.09	46.65	27.68	313.74
<b>Net Trade Receivables</b>	<b>21,348.32</b>	<b>1,367.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,715.69</b>

(All amounts are in ₹ lakh, unless otherwise stated)

**b) Trade Receivables Ageing as at March 31, 2023**

Particulars	Outstanding but not due	Less than 66 months - to months	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	-	-	-	-	-	-	-
<b>Total</b>	<b>30,338.39</b>	<b>2,777.89</b>	<b>17.13</b>	<b>68.76</b>	<b>10.15</b>	<b>18.14</b>	<b>33,230.46</b>
Less: Impairment allowance for trade receivable - credit impaired	-	-	17.13	37.45	10.15	18.14	82.87
<b>Net Trade Receivables</b>	<b>30,338.39</b>	<b>2,777.89</b>	<b>-</b>	<b>31.31</b>	<b>-</b>	<b>-</b>	<b>33,147.59</b>

- c) Trade receivables have been pledged to secure cash credit facilities from banks. Parent Company is not allowed to pledge these assets as security for other borrowings.
- 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 ₹ 37.01 lakh (March 31, 2023: ₹ 33.95 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, 2024	As At March 31, 2023
Balances with banks:		
- on current accounts	4,442.14	1,195.52
- on EEFC accounts	6.99	0.28
- deposits with original maturity of less than 3 months (refer note 'a' below)	2,990.00	1,700.00
Cheque on hand	2.73	-
Cash on hand	0.03	0.33
<b>Liquid Mutual Fund</b>		
Nil units (March 31,2023: 25,253.524 units) units HDFC Liquid Fund- Regular Plan (G)*	-	1,107.11
13,91,911.08 units (March 31,2023: 6,98,150.903) units ICICI Pro. liquid fund (G)*	4,931.63	2,308.46
Nil units (March 31,2023: 1,37,496.224) units SBI liquid fund regular (G)*	-	4,806.98
1,17,775.908 units (March 31,2023: 1,30,945.462) units TATA liquid fund regular (G)*	4,439.74	4,607.12
1,55,292.312 units (March 31,2023: Nil) units Edelweiss Liquid Fund - Regular Plan (G)*	4,751.99	-
88,295.192 units (March 31,2023: Nil) units Kotak Liquid Fund - Regular Plan (G)*	4,270.91	-
	<b>25,836.15</b>	<b>15,725.80</b>

\* 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 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

	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
<b>Balances with banks:</b>				
Earmarked balance with banks				
Unpaid dividend account	-	-	80.22	45.31
Unspent CSR account	-	-	431.40	-
Deposits with original maturity of more than 3 months but less than 12 months (refer note 'a' below)	-	-	116.23	400.05
Deposits with original maturity of more than 12 months (refer note 'a' below)	115.00	115.00	-	39,834.18
	<b>115.00</b>	<b>115.00</b>	<b>627.85</b>	<b>40,279.54</b>
Less: Amount disclosed in "Other Financial Assets" (refer note 8)	115.00	115.00	-	39,834.18
	<b>-</b>	<b>-</b>	<b>627.85</b>	<b>445.36</b>

a) The above deposits includes ₹ 184.38 lakh (March 31, 2023 : ₹ 210.04 lakh) which is given against Bank Guarantee to Various Authorities.

## Note 16 : Equity Share Capital

	As At March 31, 2024	As At March 31, 2023
<b>Authorised Share Capital</b>		
25,00,00,000 (March 31, 2023: 25,00,00,000) equity shares of ₹ 2 each*	5,000.00	5,000.00
<b>Issued, subscribed and fully paid up</b>		
2,97,31,630* (March 31, 2023: 2,97,31,630) equity shares of ₹ 2 each*	594.63	594.63
	<b>594.63</b>	<b>594.63</b>

\*Number of Shares are given in absolute numbers

### a) Reconciliation of share capital:

	As At March 31, 2024		As At March 31, 2023	
	No. of Shares*	Amount	No. of Shares*	Amount
<b>Balance as at the beginning of the year</b>	<b>2,97,31,630</b>	<b>594.63</b>	<b>2,97,31,630</b>	<b>594.63</b>
Issue/buy back during the year	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>2,97,31,630</b>	<b>594.63</b>	<b>2,97,31,630</b>	<b>594.63</b>
Issue/buy back during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>2,97,31,630</b>	<b>594.63</b>	<b>2,97,31,630</b>	<b>594.63</b>

\*Number of Shares are given in absolute numbers

### Notes:

- 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 ₹ 9.92 per equity share was proposed by the Board of Directors during the year (March 31, 2023: ₹ 17.27 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.
- During the year, no interim dividend (March 31, 2023: ₹ Nil per share) has been recognized as distributions to equity shareholders.
- Company at its board meeting held on 18th April, 2024, approved the buy back of upto 10,27,777 fully paid equity shares of the company, each having face value of Rs. 2/- representing upto 3.46% of total

(All amounts are in ₹ lakh, unless otherwise stated)

equity shares of the Company, at a price of Rs. 1800/- per equity share payable in cash for as aggregate amount not exceeding 1,84,99,98,600/-. This is subject to the approval of the Shareholders. Company is in process of taking Shareholders approval through postal ballot.

**c) Details of shareholders holding more than 5% shares in the Company**

Name of Party	As At March 31, 2024		As At March 31, 2023	
	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 Promoters**

Promoter's Name	As at March 31, 2024		As at March 31, 2023		% 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, 2023		As at April 01, 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%

\*Number of Shares are given in absolute numbers

**Note 17 : Other Equity**

	As At March 31, 2024	As At March 31, 2023
Capital Reserve	0.20	0.20
General Reserve	21,025.68	21,025.68
Retained Earnings	78,968.36	54,165.00
	<b>99,994.24</b>	<b>75,190.88</b>

**Notes:**

- I. For Movement during the year in Other Equity, refer "Consolidated Statement of Changes in Equity".
- II. Nature and purpose of reserves

**a) Capital Reserve**

Particulars	As At March 31, 2024	As At March 31, 2023
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, 2024	As At March 31, 2023
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Balance as at beginning/ end of the year	21,025.68	21,025.68
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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, 2024	As At March 31, 2023
-------------	-------------------------	-------------------------

Balance as at beginning/ end of the year	78,968.36	54,165.00
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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 18 : Lease Liabilities**

	Non- Current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Lease liabilities*	2,247.08	2,358.75	119.46	105.48
	<b>2,247.08</b>	<b>2,358.75</b>	<b>119.46</b>	<b>105.48</b>

\* for movement during the year, refer note 39B

**Note 19 : Other Financial Liabilities**

	Non- Current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Security deposit	12.79	12.79	-	-
Unclaimed dividends (refer note (a) below)	-	-	80.22	45.31
Security deposit	-	-	-	-
Creditors for capital goods-micro and small enterprises	-	-	-	-
Creditors for capital goods-micro and small enterprises	-	-	50.38	-
Capital Creditors	-	-	1,267.23	1,323.77
	<b>12.79</b>	<b>12.79</b>	<b>1,397.83</b>	<b>1,369.08</b>

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, 2024 (March 31, 2023 : Nil)

**Note 20 : Provisions**

	Non- Current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
<b>Provision for Employee Benefits</b>				
Provision for Compensated Absences	389.36	260.98	208.86	197.86
Provision for Gratuity (refer note 37)	-	-	176.01	35.33
<b>Others</b>				
Provision for Warranty (refer note below)	659.11	605.83	613.99	529.14
	<b>1,048.47</b>	<b>866.81</b>	<b>998.86</b>	<b>762.33</b>



(All amounts are in ₹ lakh, unless otherwise stated)

### Note: Movement for Provision for Warranty

	As At March 31, 2024	As At March 31, 2023
<b>Provision for warranty claim</b>		
Opening Balance	1,134.97	880.41
Add : Provision made during the year	665.38	639.78
Less : Reversed during the year	457.17	362.04
Less : Utilisation during the year	70.08	23.18
<b>Balance at the end of the year</b>	<b>1,273.10</b>	<b>1,134.97</b>

### Note 21 : Other Current Liabilities

	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Advance from customers	-	-	2,529.60	1,744.80
Statutory dues	-	-	3,175.38	3,681.17
Provision for Unspent on CSR activities	-	-	796.73	551.58
Other Liabilities*	-	-	23.72	75.06
Discount on Purchase of Bond - Unamortise	85.67	-	226.28	-
	<b>85.67</b>	<b>-</b>	<b>6,751.71</b>	<b>6,052.61</b>

\* Other Liabilities primarily includes payable on account of reimbursement to employees.

### Note 22 : Trade Payables

	As At March 31, 2024	As At March 31, 2023
- Total outstanding dues of micro and small enterprises	454.55	2,163.16
- Outstanding dues of creditors other than micro and small enterprises	49,034.72	49,416.00
	<b>49,489.27</b>	<b>51,579.16</b>

#### Trade Payables ageing schedule as at March 31, 2024:

Particulars	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 year	>3 year	Total
(i) MSME	454.55	-	-	-	-	-	454.55
(ii) Others	14,397.73	5,540.50	28,199.04	267.91	92.76	536.78	49,034.72
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

#### 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 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.
- Payable to related parties amount to ₹ 318.34 lakh (March 31, 2023: ₹ 202.12 lakh)
- The company's exposure to currency and liquidity risk related to trade payables is disclosed in note 45.

(All amounts are in ₹ lakh, unless otherwise stated)

**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, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
- Principal amount due	50.38	132.51	454.55	2,146.09	504.93	2,278.60
- Interest accrued and due on above	2.46	5.81	10.42	17.07	12.88	22.88
	<b>52.84</b>	<b>138.32</b>	<b>464.97</b>	<b>2,163.16</b>	<b>517.81</b>	<b>2,301.48</b>

(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

NIL 0.03

(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year

12.88 22.88

(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 Balance Sheet date except disclosed above.

**Note 23 : Current Tax Liabilities (Net)**

	As At March 31, 2024	As At March 31, 2023
Provision for Income Tax	44.58	-
[Net of advance income tax of ₹ 9,818.21 lakh (March 31, 2023 : ₹ Nil lakh)]		
	<b>44.58</b>	<b>-</b>

**Note 24 : Revenue from Operations**

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Sale of Product</b>		
- Finished goods	2,71,039.77	2,59,941.17
- Traded goods	6,617.60	6,905.06
	<u>2,77,657.37</u>	<u>2,66,846.23</u>
<b>Sale of services</b>	580.14	439.39
<b>Other Operating Revenues</b>		
- Sale of scrap	2,688.73	2,707.96
- Other		
	<b><u>2,80,926.24</u></b>	<b><u>2,69,993.58</u></b>

**Notes:**

a) **Disaggregation of revenue:** The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread, timing 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, 2024	For the year ended March 31, 2023
India	2,78,901.97	2,62,787.66
Outside India	2,024.27	7,205.92
<b>Revenue from operations</b>	<b><u>2,80,926.24</u></b>	<b><u>2,69,993.58</u></b>

(All amounts are in ₹ lakh, unless otherwise stated)

<b>Revenue by time</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Revenue recognised at point in time	2,80,926.24	2,69,993.58
Revenue recognised over time	-	-
<b>Revenue from operations</b>	<b>2,80,926.24</b>	<b>2,69,993.58</b>

<b>Revenue based on Customer-wise</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Related Party	3.06	24.33
Non- Related Party	2,80,923.18	2,69,969.25
<b>Revenue from operations</b>	<b>2,80,926.24</b>	<b>2,69,993.58</b>

**b) 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, 2024.

Further, the parent company doesn't have any contract liabilities as at March 31, 2024 and March 31, 2023

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 2024 and as at March 31, 2023 and expected time to recognise the same as revenue is as follows:

	<b>AsAt March 31, 2024</b>	<b>AsAt March 31, 2023</b>
Within one year	2,529.60	1,744.80
More than one year	-	-

(All amounts are in ₹ lakh, unless otherwise stated)

## Note 25 : Other Income

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest Income		
- Fixed deposits with banks	2,428.55	2,531.13
- Income tax refund	21.63	-
- Interest on tax free bond & other bonds	655.83	36.30
- Others *	4.50	6.02
Profit on sale of current investments designated at FVTPL	1,564.35	331.13
Fair value gain/(loss) on current investments designated at FVTPL	509.92	-
Amortisation of Discount/ (Premium) on Bond	8.08	
Net gain on disposal of property, plant and equipments	2,686.80	854.00
Liabilities no longer required written back	764.7	-
Allowance for Expected Credit Loss written Back	-	
Less: Allowance for Expected Credit Loss	-	6.75
Miscellaneous income	141.08	408.32
	<b>8,785.41</b>	<b>4,173.65</b>

\* Others comprises of interest received on deposits with electricity boards etc.

## Note 26 : Cost of Raw Material Consumed

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Raw Material</b>		
Balance at the beginning of the year	15,717.06	8,930.99
Add:- Purchases during the year	2,07,388.11	2,16,727.08
Less:- Balances of raw material at the end of the year	13,406.17	15,717.06
Total Raw Material Consumption	<b>2,09,699.00</b>	<b>2,09,941.01</b>

## Note 27 : Purchase of Stock in Trade

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Purchase of stock in trade	6,070.93	6,485.26
	<b>6,070.93</b>	<b>6,485.26</b>

## Note 28 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Inventories at the beginning of the year</b>		
Finished goods	704.06	-
Work- in- progress	2,984.24	3,646.75
(A)	<b>3,688.30</b>	<b>3,646.75</b>
<b>Inventories at the end of the year</b>		
Finished goods	3,161.74	704.06
Work- in- progress	2,011.80	2,984.24
(B)	<b>5,173.55</b>	<b>3,688.30</b>
<b>(Increase) / Decrease</b>		
Finished goods	(2,457.69)	(704.06)
Work- in- progress	972.44	662.51
Traded goods	-	-
<b>(Increase) / Decrease in Inventories (A-B)</b>	<b>(1,485.25)</b>	<b>(41.55)</b>

(All amounts are in ₹ lakh, unless otherwise stated)

## Note 29 : Employee Benefits Expense

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Salaries, wages & other benefits	11,652.99	8,563.47
Contribution to provident and other funds (refer note below & note 37)	574.88	438.13
Gratuity (refer note 37)	107.17	136.24
Staff welfare expenses	892.12	706.98
	<b>13,227.16</b>	<b>9,844.82</b>

### Note: Defined contribution plans

#### Amount recognised in consolidated statement of profit & loss\*

Employee state insurance	19.92	21.72
Provident fund	554.51	416.03
Welfare fund	0.44	0.38
	<b>574.87</b>	<b>438.13</b>

\*This excludes the amount of Nil lakh (March 31, 2023: ₹ 57.95 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, 2024	For the Year Ended March 31, 2023
<b>Interest on :</b>		
- lease liabilities	198.54	168.00
- Others	22.22	23.22
	<b>220.76</b>	<b>191.22</b>

## Note 31 : Depreciation and Amortization Expenses

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Depreciation on property, plant and equipment	4,800.97	4,390.25
Amortization of intangible assets	240.99	71.41
Amortisation on right-of-use assets	213.70	165.53
	<b>5,255.66</b>	<b>4,627.19</b>

(All amounts are in ₹ lakh, unless otherwise stated)

## Note 32 : Other Expenses

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Consumable tools	173.85	159.63
Power & fuel	1,272.28	1,130.90
Hire labour charges	7,702.37	6,012.27
Manufacturing expenses	555.67	470.07
Rent, rates & taxes	163.76	110.28
Repair & maintenance		
-Repair to building	140.80	95.66
-Repair to plant & equipments	758.29	669.49
-Repair others	219.15	185.55
Net loss on foreign exchange fluctuation	110.12	355.45
Fair value loss/(gain) on current investments designated at FVTPL	-	24.77
Royalty fees	133.58	154.93
Research & development expenses (refer note 36)	443.84	1,899.80
Travelling & conveyance	997.80	685.16
Insurance	206.23	175.47
Communication cost	58.61	57.26
Director's sitting fee	25.00	24.30
Legal & professional expenses	729.36	581.06
Auditor's remuneration (refer details 'a' below)	34.12	30.61
Corporate Social Responsibility expenses (refer note 35)	404.26	269.15
Provision for Warranty	665.38	
Less: Warranty Provision written back	(457.17)	277.74
Selling expenses	76.52	2.09
Packing material	368.95	399.86
Freight outward	1,025.10	814.69
Vehicle Running & Maintenance	373.67	253.51
Provision for doubtful advances	30.41	-
Provision for doubtful balance with Govt. Authorities	45.86	-
Allowance for Expected Credit Loss	247.32	
Less :Allowance for Expected Credit Loss written Back	(16.44)	-
Miscellaneous expenses	782.27	748.33
<b>Total</b>	<b>17,270.96</b>	<b>15,588.03</b>

### a) Details of payment made to auditors is as follows:

Payment to Auditors*	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>As Auditor:</b>		
- Statutory audit fee	14.50	13.00
- Tax audit fee	5.50	5.00
- Certification Fees	1.63	0.85
- Other Service	12.00	11.00
<b>In Other Capacity:</b>		
- Reimbursement of expenses	0.49	0.76
- Other services	-	-
	<b>34.12</b>	<b>30.61</b>

\* Includes ₹ Nil (March 31, 2023: ₹ 2.67) pertains to predecessor auditor of the company

(All amounts are in ₹ lakh, unless otherwise stated)

### Note 33: Components of Other Comprehensive Income

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Items that will not be reclassified to profit or loss</b>		
Re-measurement gains/ (losses) on defined benefit plans	(33.51)	114.77
Income tax expense on items that will not be reclassified to profit or loss	8.43	(28.89)
Share of other comprehensive income of joint venture accounted for using the equity method	4.00	-
	<b>(21.08)</b>	<b>85.88</b>

### Note 34: Earnings per share (EPS)

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Profit attributable to the equity shareholders (A)	29,959.08	20,833.39
Number/Weighted average number of equity shares outstanding at the end of the year (B)	<b>2,97,31,630</b>	<b>2,97,31,630</b>
Nominal value of Equity shares	₹ 2	₹ 2
<b>Basic/Diluted Earning per share (A/B) (in ₹)</b>	<b>100.77</b>	<b>70.07</b>

### Note: 35 Details of Corporate Social Responsibility (CSR) expenditure is as follows:

- The Company's CSR programmes/projects focusses on sectors and issues as mentioned in Schedule VII read with section 135 of the Act. The CSR committee has been formed by the company as per the Act.
- Details of amount of expenditure incurred, earmarked & spent during the year

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Amount required to be spent by the company	404.26	269.15
Amount of expenditure incurred	404.26	269.15
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Purpose for which expenditure incurred		
(i) Construction/acquisitions of any asset	-	-
(ii) On purpose other than (i) above	38.93	55.09
Amount of CSR provision made during the year	365.33	214.06
<b>Total</b>	<b>404.26</b>	<b>269.15</b>

Note: The amount in (i) above is paid to Sharda CSR Foundation trust, an entity which is being controlled by the company.

### Movement in the provision for corporate social responsibility

Balance at the beginning of the year	551.58	337.52
Add: provision made during the year	365.33	214.06
Less: amounts adjusted/utilised during the year	120.18	-
Balance at the end of the year	<b>796.73</b>	<b>551.58</b>
Amount yet to be transferred to separate bank account	365.33	214.06

### Movement of amount in the separate bank account

Balance at the beginning of the year	337.52	137.58
Add: amount transferred during the year	214.06	199.94
Less: amount of donation made during the year	120.18	-
Balance at the end of the year	<b>431.40</b>	<b>337.52</b>

\* The Company has created a provision for unspent amount of ₹ 365.33 lakh in FY 2023-24 (March 31, 2023: ₹ 214.06 lakh) and transferred the same in separate bank account on April 29, 2024 and April 21, 2023 respectively as per notification no. G.S.R. 40(E) and January 22, 2021 issued by the ministry of corporate affairs (MCA).



(All amounts are in ₹ lakh, unless otherwise stated)

**Note: 36 Details of Research & Development Expenses is as follows:**

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Research & development expenses include:		
- Purchases	-	187.40
- Salary, wages and other allowance	-	1,098.84
- Contribution to Provident Fund and other Fund	-	57.95
- Travelling expenses	44.93	68.97
- Design, development and other expenses	398.92	486.64
	<b>443.85</b>	<b>1,899.80</b>

**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, 2024	For the Year Ended March 31, 2023
Employer's Contribution to Provident Fund/ Pension Fund	554.52	416.03
Employer's Contribution to Employee State Insurance	19.92	21.72
Employer's Contribution to Employee Welfare Fund	0.44	0.38
<b>Total</b>	<b>574.88</b>	<b>438.13</b>

Note : Employers contribution towards various Defined Contribution Plans of ₹ 574.88 lakh (March 31, 2023 : ₹ 438.13 lakh) has been recognised in Consolidated Statement of Profit & Loss and Nil (March 31, 2023 : ₹ 57.95 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 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

(All amounts are in ₹ lakh, unless otherwise stated)

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.**

#### 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.

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation as at the beginning of the year	1,685.02	1,609.67
Acquisition adjustment	-	-
Add: Interest cost	110.92	101.98
Add: Current service cost	116.01	148.39
Add: Past service cost	-	-
Less: Benefits paid	(39.60)	(67.87)
Add: Actuarial (gain) / loss	35.41	(107.15)
<b>Present value of obligation as at the end of the year</b>	<b>1,907.76</b>	<b>1,685.02</b>

- d) **Components of expenses recognised in the consolidated statement of profit or loss in respect of:**

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Current service cost	116.01	148.39
Past service cost	-	-
Interest cost	(8.85)	1.70
Return on plan assets	-	-
Actuarial (gain) / loss	-	-
<b>Expenses recognised in consolidated profit/loss (Refer Note Below)</b>	<b>107.16</b>	<b>150.09</b>

Note : Gratuity expense of ₹ 150.10 lakh (March 31, 2023 : ₹ 172.50 lakh) includes nil (March 31, 2023 : ₹ 13.86 lakh) 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, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Actuarial (gains) / losses	-	-
- changes in demographic assumptions	-	(42.33)
- changes in financial assumptions	9.20	(52.16)
- experience variance	26.21	(12.66)
Return on plan assets, excluding amount recognised in net interest expense	(1.90)	(7.62)
<b>Component of defined benefit costs recognised in other comprehensive income</b>	<b>33.51</b>	<b>(114.77)</b>

**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:**

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at the beginning	1,649.69	1,523.91
Acquisition adjustment	-	-
Add: Investment income	119.77	100.27
Add: Expected return on plan assets	-	-
Add: Employer's contribution	-	85.76
Add: Employee's contribution	-	-
Less: Benefits paid	(39.60)	(67.87)
Add: Actuarial gains / (losses) on the plan assets	1.90	7.62
Fair value of plan assets at the end	<b>1,731.76</b>	<b>1,649.69</b>

**g) The principal assumptions used for the purpose of the actuarial valuations were as follows:**

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
<b>Economic assumptions</b>		
1 Discount rate	7.08%	7.26%
2 Rate of increase in compensation levels	10.00%	10.00%
<b>Demographic assumptions</b>		
1 Expected average remaining working lives of employees (years)	19.56	20.43
2 Retirement Age (years)	58	58
3 Mortality Rate	<b>Indian Assured Lives Mortality (2012-14) (modified) ultimate</b>	
<b>Withdrawal Rate</b>		
1 Ages up to 30 Years	20.00%	20.00%
2 Ages from 30-44	20.00%	20.00%
3 Above 44 years	20.00%	20.00%

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.

(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.**

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation	1,907.76	1,685.02
Fair value of plan assets	1,731.76	1,649.69
<b>Net (assets) / liability</b>	<b>176.00</b>	<b>35.33</b>
<b>Classification into long term and short term:</b>		
- Classified as long term	-	-
- Classified as short term	176.00	35.33
<b>Total</b>	<b>176.00</b>	<b>35.33</b>

**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, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
<b>A. Discount rate</b>		
Effect on defined benefit obligation due to 1% increase in Discount Rate	(49.90)	(51.96)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	52.99	55.61
<b>B. Salary escalation rate</b>		
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	53.35	54.30
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(52.13)	(53.01)

**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:**

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
1 year	253.88	253.88
2 to 5 years	1,008.79	879.49
More than 5 years	473.57	1,171.81

**k) Enterprise best estimate of contribution during next year is ₹291.32 lakh (March 31, 2023: ₹ 151.35 lakh).**

**l) There is no change in the method used in the preparing the sensitive analysis from prior years.**

(All amounts are in ₹ lakh, unless otherwise stated)

## Note 38 : Related Party Transactions

### (a) List of Related Parties

Nature of Relationship	Name of the Related Party
Subsidiary Company	a) Uddipt Mobility India Private Limited
Associate Company	a) Relan Industrial Finance Limited
Joint Ventures	a) Exhaust Technology 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) Up to 30.06.22
	g) Shri Udayan Banerjee (Director)
	h) Shri Nitin Vishnoi (Whole time Director & 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
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, 2024	For the Year Ended March 31, 2023
Sale of Finished Goods	3.06	31.14
Purchase of Goods	11.60	29.06
Expenses incurred on their behalf	2.01	-
<b>Closing Balances</b>		
Particulars	As At March 31, 2024	As At March 31, 2023
Trade Receivable	37.01	33.95
Other Receivable	18.47	13.44
Trade Payable	48.19	36.59

#### (ii) Entities over which KMP has significant influence

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Purchase of Fixed Assets		1.21
CSR Expenditure paid	159.11	55.09

(All amounts are in ₹ lakh, unless otherwise stated)

**(iii) Key Management Personnel**

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Remuneration Paid	1,165.32	844.09
Salary Paid	392.22	317.35
Reimbursement of Expenses	24.36	12.42
Sitting Fee Paid	25.00	24.30
Dividend Paid	3,262.92	1,539.83

**Closing Balances**

Particulars	As At March 31, 2024	As At March 31, 2023
Payable to KMP	270.98	165.36

**(iv) Relative of Key Management Personnel**

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Salary Paid	15.36	15.36
Dividend Paid	511.74	241.50

**Closing Balances**

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
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, 2024	For the Year Ended March 31, 2023
<b>Sale of Finished Goods</b>		
Exhaust Technology Private Limited	3.06	31.14
<b>Purchase of Goods</b>		
Exhaust Technology Private Limited	11.60	29.06
<b>Balance Payable</b>		
Exhaust Technology Private Limited	48.19	36.59
<b>Balance Receivable</b>		
Exhaust Technology Private Limited	51.31	45.22

**(ii) Entities over which KMP has significant influence**

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Purchase of Fixed Assets</b>		
AMR AI Digital Private Limited	-	1.21
<b>CSR Expenditure Paid</b>		
Sharda CSR Foundation Trust	159.11	55.09

(All amounts are in ₹ lakh, unless otherwise stated)

**(iii) Key Management Personnel**

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Remuneration Paid</b>		
Ajay Relan	1,033.42	792.41
Nitin Vishnoi	131.89	51.68
<b>Salary Paid</b>		
Aashim Relan	144.61	144.61
Srinivasan Narasimhan		33.12
Puru Aggarwal	-	48.74
Puru Aggarwal *	247.61	90.88
<b>Reimbursement of Expenses</b>		
Puru Aggarwal	24.36	5.80
Srinivasan Narasimhan	-	6.62
<b>Sitting Fee Paid</b>		
Kishan N Parikh	7.20	6.85
Ashok Kumar Bhattacharya	7.20	6.50
Udayan Banerjee	6.85	6.50
Sarita Dhuper	3.00	3.00
Sharda Relan	0.75	1.45
<b>Dividend Paid</b>		
Ajay Relan	3,000.04	1,415.77
Aashim Relan	262.88	124.06
<b>Balance Payable</b>		
Ajay Relan	170.07	120.17
Nitin Vishnoi	20.72	4.22
Aashim Relan	0.17	0.17
Puru Aggarwal	80.02	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, 2024	For the Year Ended March 31, 2023
<b>Dividend Paid</b>		
Mala Relan	449.73	212.24

**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 respect 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 actuarial 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.



(All amounts are in ₹ lakh, unless otherwise stated)

### Note 39A : Right-of-Use Assets

Particulars	Land	Land & Building	Vehicle	Total
<b>Gross Carrying Amount</b>				
<b>As at April 01, 2022</b>	<b>1,049.84</b>	<b>-</b>	<b>185.91</b>	<b>1,235.75</b>
Add: Additions made during the year	-	1,449.10	-	<b>1,449.10</b>
Less: Disposals / adjustments during the year	-	-	132.11	<b>132.11</b>
<b>As at March 31, 2023</b>	<b>1,049.84</b>	<b>1,449.10</b>	<b>53.80</b>	<b>2,552.74</b>
Add: Additions made during the year	-	-	-	-
Less: Disposals / adjustments during the year	-	-	19.78	<b>19.78</b>
<b>As at March 31, 2024</b>	<b>1,049.84</b>	<b>1,449.10</b>	<b>34.02</b>	<b>2,532.96</b>
<b>Accumulated depreciation and impairment</b>				
<b>As at April 01, 2022</b>	<b>166.24</b>	<b>-</b>	<b>52.69</b>	<b>218.93</b>
Add: Depreciation charge for the year	56.67	93.37	15.49	<b>165.53</b>
Less: On disposals / adjustments during the year	-	-	37.76	<b>37.76</b>
<b>As at March 31, 2023</b>	<b>222.91</b>	<b>93.37</b>	<b>30.42</b>	<b>346.70</b>
Add: Depreciation charge for the year	55.52	149.48	8.70	<b>213.70</b>
Less: On disposals / adjustments during the year	-	-	13.20	<b>13.20</b>
<b>As at March 31, 2024</b>	<b>278.43</b>	<b>242.85</b>	<b>25.92</b>	<b>547.20</b>
<b>Net carrying amount</b>				
<b>As at March 31, 2024</b>	<b>771.41</b>	<b>1,206.25</b>	<b>8.10</b>	<b>1,985.76</b>
<b>As at March 31, 2023</b>	<b>826.93</b>	<b>1,355.73</b>	<b>23.38</b>	<b>2,206.04</b>

#### Notes:

- Leasehold Land representing the properties taken on lease for plants having lease terms between 20 to 35 years.
- Leasehold Land & Building representing the properties taken on lease for plant at chakan having lease terms of 10 years.
- Leasehold vehicle representing the vehicles taken on lease for offices having lease terms of 5 years.
- 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.
- The company has not booked any impairment charges for Right of Use of Assets for the year ended as at March 31, 2024 and also as at March 31, 2023

### Note 39B : Lease Liabilities

#### Movements in carrying value of recognised liabilities

<b>As at April 01, 2022</b>	<b>1,245.65</b>
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
<b>As at March 31, 2023</b>	<b>2,464.23</b>
Add: Additions during the year	-
Add: Interest expense on lease liabilities	198.54
Less: (Disposals) / adjustments during the year	7.52
Less: Repayment of lease liabilities	288.71
<b>As at March 31, 2024</b>	<b>2,366.54</b>

	As At March 31, 2024	As At March 31, 2023
Non-current lease liabilities	2,247.08	2,358.75
Current lease liabilities	119.46	105.48
<b>Total lease liabilities</b>	<b>2,366.54</b>	<b>2,464.23</b>

### Note 39C : Profit on sale of termination of lease

Disposal of Right of Use Assets	6.58
Less : Reversal of Lease Liability	7.52
<b>(Profit)/ Loss on termination of Lease*</b>	<b>(0.94)</b>

\* Included in miscellaneous Income in Note No.25

(All amounts are in ₹ lakh, unless otherwise stated)

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 committed 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, 2024	As At March 31, 2023
i) Disputed State Tax Matters	630.10	665.38
ii) Disputed Service Tax Matters	16.96	16.96
iii) Disputed GST Matters	215.62	24.37
iv) Disputed Income Tax Matters	424.28	385.00
v) Disputed Central Excise Matters	440.00	440.00
vi) Dispute with Vendor	90.44	132.25
vii) Disputed EPFA demand	0.62	18.31

- II Irrevocable Letter of credit outstanding with Banks

i) With Foreign LC	9,250.53	2,054.71
ii) With Inland LC	1,982.25	8,723.28

**Note:** Letter of Credit above includes amount relating to outstanding of under LC/Buyer's Credit/DRUL bills under collection:

Foreign LC - March 31, 2024 : Nil (March 31, 2023 : 154.77 lakh)

Inland LC - March 31, 2024 : Nil (March 31, 2023 : 654.60 lakh)

### (b) Commitments

Particulars	As At March 31, 2024	As At March 31, 2023
Capital Commitment	565.23	589.74

Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of March 31, 2024: ₹ 1069.50 lakh (March 31, 2023 : ₹ 537.01 lakh))

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.

(All amounts are in ₹ lakh, unless otherwise stated)

## Note 41: Particulars of Unhedged Foreign Currency Exposure

	As At March 31, 2024		As At March 31, 2023	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivable	US\$ 15.25 lakh	1,270.71	US\$ 17.97 lakh	1,476.66
Trade Payables	US\$ 106.17 lakh	8,847.94	US\$ 35.76 lakh	2,938.20
Trade Payables	EURO 2.73 lakh	245.73	EURO 13.99 lakh	1,250.48
Trade Payables	JPY 0.25 lakh	0.14	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 2 Customers (March 31, 2023, 3 Customers) of the Company's manufacturing & trading business are ₹ 198,188.61 lakh (March 31, 2023 ₹ 225,337 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, 2024 and March 31, 2023.

## 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 financial liabilities, including their levels of in the fair value hierarchy:

(All amounts are in ₹ lakh, unless otherwise stated)

**As at March 31, 2024**

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
<b>Financial assets measured at fair value</b>									
Investment in mutual funds	-	33,414.48	-	-	33,414.48	33,414.48	-	-	33,414.48
<b>Financial assets not measured at fair value</b>									
Investment in equity shares (Unquoted)	-	-	2,876.25	-	2,876.25	-	-	-	-
Investment In tax free bond (Quoted)	-	-	500.00	-	500.00	574.95	-	-	574.95
Investment in Bonds (Quoted)	-	-	30,000.00	-	30,000.00	29,634.08	-	-	29,634.08
Staff advance	-	-	-	-	-	-	-	-	-
Security deposits	-	-	282.85	-	282.85	-	-	-	-
Interest accrued but not due on term deposits	-	-	1,001.28	-	1,001.28	-	-	-	-
Interest accrued others	-	-	3.10	-	3.10	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	115.00	-	115.00	-	-	-	-
Receivable from related parties	-	-	18.47	-	18.47	-	-	-	-
Trade receivables	-	-	22,715.69	-	22,715.69	-	-	-	-
Cash and cash equivalents	-	-	25,836.15	-	25,836.15	-	-	-	-
Other bank balances	-	-	627.85	-	627.85	-	-	-	-
	<b>- 33,414.48</b>		<b>83,976.64</b>	<b>-</b>	<b>1,17,391.12</b>	<b>63,623.51</b>	<b>-</b>	<b>-</b>	<b>- 63,623.51</b>
<b>Financial liabilities not measured at fair value</b>									
Lease Liabilities	-	-	-	2,366.54	2,366.54	-	-	-	-
Security Deposits	-	-	-	12.79	12.79	-	-	-	-
Unpaid dividends	-	-	-	80.22	80.22	-	-	-	-
Trade payables	-	-	-	49,489.27	49,489.27	-	-	-	-
Creditors for capital goods	-	-	-	1,267.23	1,267.23	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,216.05</b>	<b>53,216.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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
<b>Financial assets measured at fair value</b>									
Investment In tax free bond (Quoted)	-	570.74	-	-	570.74	570.74	-	-	570.74
Investment in mutual funds	-	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>									
Investment in equity shares (Unquoted)	-	-	2,405.12	-	2,405.12	-	-	-	-

(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
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	-	-	-	-
	-	<b>570.74</b>	<b>92,681.23</b>	-	<b>93,251.97</b>	<b>570.74</b>	-	-	<b>570.74</b>
<b>Financial liabilities not measured at fair value</b>									
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	-	-	-	-
	-	-	-	<b>55,425.26</b>	<b>55,425.26</b>	-	-	-	-

- 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 2024 and 31 March 2023.

- e) **Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of non-current investment in Bonds has been valued at amortised cost. Fair values have not been considered for valuation as it is long term in nature and held to maturity.

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 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 ₹ 17.27 (March 31, 2023: ₹ 8.15) per equity share as final dividend for the year ended March 31, 2024. In addition to the above dividend, subsequent to year end the Directors have recommended the payment of a final dividend of ₹ 9.92 (March 31, 2023: ₹ 17.27) 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, 2024	As At March 31, 2023
Lease Liability (Refer to note 18)	2,366.54	2,464.23
Less: Cash and cash equivalents (Refer to note 14)	25,836.15	15,725.80
<b>Net debt (A)</b>	<b>(23,469.61)</b>	<b>(13,261.57)</b>
Equity share capital (Refer to note 16)	594.63	594.63
Other equity (Refer to note 17)	99,994.24	75,190.88
<b>Total Capital (B)</b>	<b>1,00,588.87</b>	<b>75,785.51</b>
<b>Capital and net debt (C=A+B)</b>	<b>77,119.26</b>	<b>62,523.94</b>
<b>Gearing ratio (A/C)</b>	<b>-30.43%</b>	<b>-21.21%</b>

(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 company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market 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 continuously monitoring the credit worthiness of the customers, to whom the company grants credit period in the normal course of business including taking credit insurance against export receivables. The parent company uses expected credit loss model to assess the impairment 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, 2024 and March 31, 2023 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, 2024

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
<b>Non derivative financial liabilities</b>					
Creditors for capital goods	1,267.23	-	-	-	1,267.23
Trade payables	49,489.27	-	-	-	49,489.27
Lease Liabilities	71.32	139.36	869.49	1,286.36	2,366.53
Unclaimed dividends	80.22	-	-	-	80.22
Security deposit	-	-	-	12.79	12.79
	<b>50,908.05</b>	<b>139.36</b>	<b>869.49</b>	<b>1,299.15</b>	<b>53,216.05</b>

As At March 31, 2023

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
<b>Non derivative financial liabilities</b>					
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
	<b>53,016.60</b>	<b>22.52</b>	<b>545.48</b>	<b>1,840.68</b>	<b>55,425.27</b>

#### 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 within acceptable 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 functional 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, 2024	+5%	454.69
	-5%	(454.69)
March 31, 2023	+5%	209.44
	-5%	(209.44)

##### Exposure to Currency Risk:

As At March 31, 2024	US\$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)*	15.25	-	-	-
Foreign currency exposure not hedged (Buy)	106.17	2.73	0.25	-
Derivative contract outstanding	-	-	-	-

(All amounts are in ₹ lakh, unless otherwise stated)

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	-	-	-	-

\*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
<b>Inventories</b>				
June 30, 2023	20,438.93	19,674.78	-764.15	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of Goods in Transit.
September 30, 2023	19,469.00	21,218.78	1,749.78	
December 31, 2023	18,842.40	18,842.40	-0.00	
March 31, 2024	19,691.15	21,222.34	1,531.19	

Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
<b>Trade receivables (Net of related party receivables)</b>				
June 30, 2023	33,866.66	39,311.48	5,444.82	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, 2023	29,310.21	37,805.68	8,495.47	
December 31, 2023	26,153.98	34,554.64	8,400.66	
March 31, 2024	22,992.43	34,696.08	11,703.65	

Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
<b>Trade Payables (Net of related party payables)</b>				
June 30, 2023	46,611.46	43,151.17	-3,460.29	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, 2023	53,355.70	47,738.62	-5,617.08	
December 31, 2023	51,432.19	51,432.19	-	
March 31, 2024	48,956.38	42,186.01	-6,770.37	

## Note 47: Subsequent Event

### a) Dividend Paid and proposed:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Declare and Paid During the Year:</b>		
i.) Final Dividend for FY 2022-23: ₹ 17.27 per share (FY 2021-22: ₹ 8.15 per share)	5,134.65	2,423.13
	<b>5134.65</b>	<b>2423.13</b>
<b>Proposed for Approval at the Annual General Meeting (not recognised as a liability)</b>		
ii.) Final Dividend for FY 2023-24: ₹ 9.92 per share (FY 2022-23: ₹ 17.27 per share)	2,949.38	5,134.65
	<b>2,949.38</b>	<b>5,134.65</b>

- b) No material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the standalone financial statements.

(All amounts are in ₹ lakh, unless otherwise stated)

**Note 48 : Disclosures pursuant to regulation 34 of Securities and Exchange Board of India (listing obligations and disclosure requirements) regulations, 2015 and section 186 of the Companies Act, 2013.**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Investments made are given under the respective heads (Refer Note No. 7)	2,876.25	2,405.12
	<b>2,876.25</b>	<b>2,405.12</b>

**Note 49A : 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% (74.00%)	India

\*Ownership Interest in bracket represents for the year ended March 31, 2023.

**Note 49B : Disclosure of the additional information as required by the Schedule III:**

**a) As at and for the year ended March 31, 2024**

Particulars	Net Assets (i.e.Total Assets minus Total 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
<b>Parent Company</b>								
Sharda Motor Industries Limited	97.14%	97,713.12	98.43%	29,489.72	118.98%	(25.08)	98.42%	29,464.64
<b>Indian Associates (Investment accounted for as per Equity Method)</b>								
Relan Industrial Finance Limited	0.36%	358.06	0.11%	33.58	0.00%	-	0.11%	33.58
<b>Indian Joint Ventures (Investment accounted for as per Equity Method)</b>								
Exhaust Technology Private Limited	2.50%	2,517.68	1.45%	435.78	-18.98%	4.00	1.47%	439.78
Uddipt Mobility India Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>1,00,588.87</b>	<b>100.00%</b>	<b>29,959.08</b>	<b>100.00%</b>	<b>(21.08)</b>	<b>100.00%</b>	<b>29,938.00</b>

**b) As at and for the year ended March 31, 2023**

Particulars	Net Assets (i.e.Total Assets minus Total 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
<b>Parent Company</b>								
Sharda Motor Industries Limited	96.75%	73,383.12	98.60%	20,542.52	100.00%	85.88	98.61%	20,628.40
<b>Indian Associates (Investment accounted for as per Equity Method)</b>								
Relan Industrial Finance Limited	0.43%	324.48	0.06%	11.46	0.00%	-	0.05%	11.46
<b>Indian Joint Ventures (Investment accounted for as per Equity Method)</b>								
Exhaust Technology Private Limited	2.74%	2,077.91	1.34%	279.41	0.00%	-	1.34%	279.41
Uddipt Mobility India Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>75,785.51</b>	<b>100.00%</b>	<b>20,833.39</b>	<b>100.00%</b>	<b>85.88</b>	<b>100.00%</b>	<b>20,919.27</b>

**Note 50:** 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 51:** 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, its associate and joint venture 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, its associate and joint venture (Ultimate Beneficiaries).

The Parent Company, its associate and joint venture has not received any fund from any party (Funding Party) with the understanding that the parent company, its associate and joint venture shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the parent company, its associate and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

#### **Note 52: Disclosure of transactions with struck off companies**

The parent company, its associate and joint venture 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 53:**

- A) No transactions to report on the parent company, its associate and joint venture against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
- Crypto Currency or Virtual Currency
  - Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
  - Registration of charges or satisfaction with Registrar of Companies except charges mentioned in note 21(ii) of the Consolidated financial statements.
  - Relating to borrowed funds:
    - Wilful defaulter
    - Utilisation of borrowed funds & share premium
    - Borrowings obtained on the basis of security of current assets
    - Discrepancy in utilisation of borrowings

#### **Note 54:**

Figures have been rounded off to the nearest Lakhs upto two decimal places except otherwise stated

**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

**Place of Signature: New Delhi**  
**Date: May 23, 2024**



## **SHARDA MOTOR INDUSTRIES LIMITED**

### **REGISTERED OFFICE**

D-188, OKHLA INDUSTRIAL AREA, PHASE - I, NEW DELHI - 110 020, INDIA

Tel.: +91 11 4733 4100

Website: [www.shardamotor.com](http://www.shardamotor.com)

E-mail: [investorrelations@shardamotor.com](mailto:investorrelations@shardamotor.com)

CIN: L74899DL1986PLC023202