MUNJAL AUTO

38th Annual Report & Accounts 2022-23

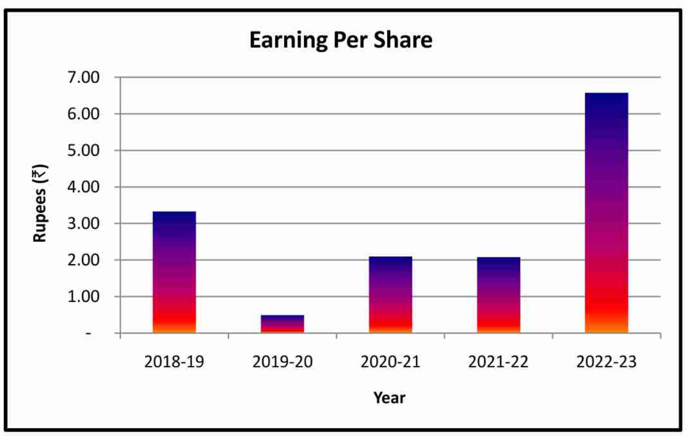
Munjal Auto Industries Limited

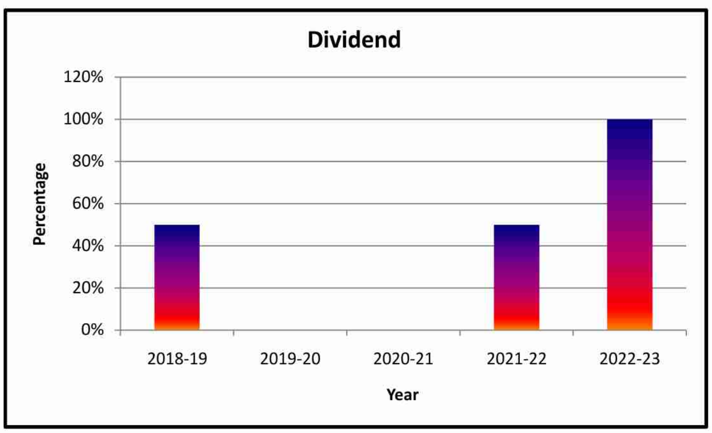
FINANCIAL STATISTICS
FIVE YEARS' TRACK RECORD

(Amount ₹ in Lakhs)

	2018-19	2019-20	2020-21	2021-22	2022-23
Equity Share Capital	2,000	2,000	2,000	2,000	2,000
Reserves & Surplus	28,116	27,374	29,536	31,633	37,256
Deferred Tax Liability / (Assets)	(1,297)	(1,247)	(659)	(269)	721
Secured Loans	2,321	8,020	6,870	4,763	3,092
Total External Liability	20,850	33,363	39,774	39,120	34,762
Total Assets	51,990	69,510	77,521	77,248	77,831
Sales	1,15,089	1,14,821	1,99,154	1,71,570	1,59,504
YoY Growth	8.49%	-0.23%	73.45%	-13.85%	-7.03%
Profit Before Interest, Depreciation & Tax (PBDIT)	6,539	3,686	6,390	5,592	6,990
Interest	381	844	867	488	440
Depreciation	1,875	2,157	2,248	2,099	2,037
Profit Before Tax	4,283	685	3,275	3,004	9,229*
Profit After Tax	3,325	494	2,103	2,081	6,573*
Earning Per Share (Nominal value of ₹ 2/- each)	3.33	0.49	2.10	2.08	6.57
Dividend	50%	-	-	50%	100%

* It includes exceptional profit of ₹ 4,716 Lacs from sale of surplus land at Waghodia Plant.





CORPORATE INFORMATION
Munjal Auto Industries Limited
CIN: L34100GJ1985PLC007958

BOARD OF DIRECTORS

CHAIRMAN AND MANAGING DIRECTOR
Mr. Sudhir Kumar Munjal

WHOLE TIME DIRECTORS
Mrs. Anju Munjal
Mr. Anuj Munjal

DIRECTORS
Mr. Vikram Shah
Mr. Naresh Kumar Chawla
Mr. Mahendra Sanghvi
Mr. Ramkisan Devidayal
Mr. Sudesh Kumar Duggal
Mr. Jal Ratanshaw Patel
Ms. Avi Sabavala

CFO
Mr. Brham Prakash Yadav

COMPANY SECRETARY
Mr. Rakesh Johari

AUDITORS
K C Mehta & Co LLP
Chartered Accountants
Meghdhanush, Race Course,
Vadodara - 390007

BANKERS
State Bank of India
HDFC Bank Limited

REGISTERED OFFICE & PLANT I
187, GIDC Industrial Estate,
Waghodia - 391760
Dist. Vadodara, Gujarat

PLANT II
Plot No.37, Sector 5, Phase II,
Growth Centre, Bawal - 123501
Dist. Rewari, Haryana

PLANT III
Plot No.11, Industrial Park -2, Village: Salempur,
Mehdood, Haridwar - 249402, Uttarakhand

PLANT IV
Plot No.32A, Industrial Area,
Phase II, Dharuhera - 122106,
Dist. Rewari, Haryana

CORPORATE OFFICE
Unitech Business Zone, 2nd Floor,
Tower C, Nirvana Country, South City - 2,
Sector - 50, Gurugram - 122018

CONTENTS

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present 38th Annual Report together with the audited financial statements for the financial year ended March 31, 2023.

1. THE STATE OF COMPANY'S AFFAIRS:

(i) FINANCIAL RESULTS - STANDALONE AND CONSOLIDATED

The Company's financial performance for the year ended March 31, 2023 is summarized below: -

(Amount ₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	1,58,145.56	1,70,655.10	1,98,428.79	1,91,567.74
Other income	1,358.80	914.49	1,274.33	545.47
Total Income	**1,59,504.36**	**1,71,569.59**	**1,99,703.12**	**1,92,113.21**
Profit before depreciation, exceptional item and tax	**6,550.15**	**5,103.18**	**7,562.35**	**7,640.98**
(Less): Depreciation	(2,036.92)	(2,098.97)	(5,301.90)	(3,574.15)
Add/(Less): Exceptional item	4,716.32	-	4,764.68	-
Profit before Tax	**9,229.55**	**3,004.21**	**7,025.13**	**4,066.83**
Add/(Less): Taxation				
- Current year	(2570.32)	(929.17)	(2,570.32)	(1,304.79)
- Earlier years	(87.82)	13.96	(149.27)	15.00
- Deferred tax	1.44	(8.46)	856.51	184.16
Profit after tax	**6,572.85**	**2,080.54**	**5,162.05**	**2,961.20**
Attributable to:				
Add /(Less):Non-Controlling Interest	-	-	451.45	(281.81)
Shareholders of the Company	6,572.85	2,080.54	5,613.50	2,679.39
Opening balance for retained earnings	**29,779.52**	**27,698.98**	**29,833.74**	**27,154.35**
(Less):Dividend	**(1,000.00)**	**-**	**(1,000.00)**	**-**
Closing balance for retained earnings	**35,352.37**	**29,779.52**	**34,447.25**	**29,833.74**
Earnings per share (in ₹)	**6.57**	**2.08**	**5.61**	**2.96**

(ii) STANDALONE FINANCIAL HIGHLIGHTS/SUMMARY

During FY 2022-23, total income of the Company was ₹ 1,595 Crores as compared to ₹ 1,716 Crores in FY 2021-22, showing drop of about 7.05%.

Profit before tax and Profit after tax were ₹ 92.30 Crores and ₹ 65.73 Crores respectively for the FY 2022-23 as against ₹ 30.04 Crores and ₹ 20.81 Crores respectively in the previous year which can be mainly attributed to exceptional item by way of sale of surplus Land.

(iii) CONSOLIDATED FINANCIAL HIGHLIGHTS/ SUMMARY

During FY 2022-23, total income of the Company was ₹ 1,997 Crores as compared to ₹ 1,921 Crores in FY 2021-22, showing an increase of about 3.96%. Profit before tax and Profit after tax were ₹ 70.25 Crores and ₹ 51.62 Crores respectively for the FY 2022-23 as against ₹ 40.67 Crores and ₹ 29.61 Crores respectively in the previous year.

2. PERFORMANCE AND CONTRIBUTION OF SUBSIDIARY

(i) PERFORMANCE OF SUBSIDIARY

Revenue from operations of Indutch Composites Technology Private Limited (ICTPL) was ₹ 403 Crores in FY 2022-23 as against ₹ 209 Crores in the previous year.

Profit before tax and Profit after tax of ICTPL were ₹ (-) 23.73 Crore and ₹ (-) 15.31 Crore respectively during the current year as against profit of ₹ 9.06 Crore and ₹ 7.24 Crore respectively in the previous year.

(ii) CONSOLIDATED FINANCIAL STATEMENTS (INCLUDING CONTRIBUTION TO OVERALL PERFORMANCE OF THE COMPANY)

The consolidated financial statements of the Company are prepared in accordance with the Indian Accounting Standards (Ind AS) - 110 on Consolidated Financial Statements, Section 129 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("the Listing Regulations") along with a separate statement containing the salient features of the financial performance of its subsidiary in the prescribed form. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report and reflect the contribution of the subsidiary to the overall performance of the Company.

3. DIVIDEND

i. Dividend Distribution Policy

The Board of Directors of the Company has formulated a Dividend Distribution Policy ('the Policy')in accordance with the regulation 43A of the listing regulations. The Policy is available on the Company's website URL:https://munjalauto.com/wp-content/uploads/2021/09/Dividend-Distribution-Policy.pdf

ii. Declaration and Payment of Dividend

Considering the Company's financial performance, the Board is pleased to recommend a dividend @ 100% i.e. Rs. 2/- on equity share of Rs. 2/- each for the financial year ended March 31, 2023. The Board has recommended such dividend based on the parameters laiddown in the policy and dividend will be paid out of the profits for the year.

The said dividend, if approved by the Members at the ensuing Annual General Meeting ('the AGM") will be paid to those Members whose name appears on the register of Members (including Beneficial Owners) of the Company as at the end of Saturday, August 26, 2023. The said dividend, if approved by the Members, would involve cash outflow of ₹ 20 crore, resulting in a payout of ~30.43% of the standalone net profit of the Company for FY 2022-23.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

iii. Book Closure and Record Date

The Register of Members and Share Transfer Books of the Company will be closed from Sunday, August 27, 2023, to Saturday, September 02, 2023 (both days inclusive) and the Company has fixed Saturday, August 26, 2023 as the "Record Date" for the purpose of determining the entitlement of members to receive final dividend for the financial year ended March 31, 2023.

4. CHANGE IN NATURE OF BUSINESS

During FY 2022-23, there was no change in the nature of Company's business.

5. CAPACITY UTILIZATION & PLANT OPERATIONS

During FY 2022-23, your Company focused on optimizing investments and ensuring business continuity to enhance market share across various platforms.

All four units of the Company, located at Waghodia in Gujarat, Bawal as well as Dharuhera in Haryana and Haridwar in Uttarakhand are running well and continue to operate at a satisfactory level of efficiency.

6. CHANGES IN CAPITAL STRUCTURE

The paid-up equity capital as on March 31, 2023 stood at ₹ 20 crore consisting of 10 crore equity shares of ₹ 2/- each with no change as compared to previous financial year.

The Company has not issued any equity shares during the year. Accordingly, the Company is neither required to furnish any information in respect of issue of equity shares with differential rights pursuant to Rule 4(4) of Companies (Share Capital and Debentures) Rules, 2014 ('SCD Rules') nor in respect of issue of Employees Stock Option pursuant to Rule 12(9) of SCD Rules nor in respect of issue of Sweat Equity Shares pursuant to Rule 12(9) of SCD Rules. The Company has only one class of equity shares with face value of ₹ 2/- each, ranking pari-passu.

7. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the recommendations of the Nomination and Remuneration Committee ('NRC'), the Board of Directors has approved the following appointments during the year under review in accordance with the Company's Articles of Association and Companies Act, 2013, subject to the approval of the Members at the forthcoming AGM:

i. In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Anuj Munjal (DIN: 02714266), Executive, Whole-Time Director of the Company, retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. His reappointment is recommended by the Nomination and Remuneration Committee. A brief resume and other details of Mr. Anuj Munjal, who is proposed to be re-appointed as a Director of your Company, have been furnished in the explanatory statement to the notice of the ensuing annual general meeting.

ii. In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sudhir Kumar Munjal (DIN: 00084080), who was earlier appointed as Managing Director of the Company for the term of 5 years would expire on October 28, 2023, and being eligible, has offered himself for re-appointment. Based on the recommendations of the NRC, the Board of Directors at its meeting re-appointed Mr. Sudhir Kumar Munjal as Managing Director of the Company for a period of 5 years commencing from October 29, 2023 to October 28, 2028. His re-appointment and remuneration payable to him are subject to the approval of the Members at the ensuing AGM. A brief resume and other details of Mr. Sudhir Kumar Munjal, who is proposed to be re-appointed as a Managing Director of your Company, have been furnished in the explanatory statement to the notice of the ensuing annual general meeting.

8. POLICY FOR NOMINATION AND APPOINTMENT OF DIRECTORS

The Company's Policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act (salient features) has been briefly disclosed hereunder and in the report on Corporate Governance, which is a part of this report.

Selection and procedure for nomination and appointment of Directors

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a director's appointment or re-appointment is required. The NRC reviews and vets the profiles of potential candidates vis-à-vis the required competencies, undertakes due diligence and meeting potential candidates, prior to making recommendations of their nomination to the Board.

Criteria for determining qualifications, positive attributes and independence of a Director

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the SEBI Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- **Qualifications** - The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.

- **Positive Attributes** - Apart from the duties of Directors as prescribed in the Act, the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.

- **Independence** - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act and the Rules framed thereunder read with Regulation 16(1)(b) of the Listing Regulations.

9. ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provision of the Act and the SEBI Listing Regulations.

The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India. ('SEBI')

In a separate meeting of independent directors, performance of Non-Independent Directors and the Board as a whole was evaluated. Additionally, they also evaluated the Chairman of the Board, taking into the views of Executive and Non-Executive Directors in the aforesaid Meeting. The Board also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The above evaluations were then discussed in the Board Meeting and performance evaluation of Independent directors was done by the entire Board, excluding the Independent Director being evaluated.

10. QUALITY

Your Company is focusing on quality, right from new product development stage such as design of processes, manufacturing of tools, fixtures & dies, to ensure quality output. This is the attribute of your Company which has enabled it to sustain as a consistent quality producer over the years.

11. FINANCE

Your Company continued to focus on operational improvement. Continuing focus on managing optimal levels of inventory, sound business performance, operating efficiencies in various segments of business and cost saving drive across the organization have helped it generating smooth cash flow from operations.

Your Company continues to enjoy excellent credit ratings for both long and short tenure borrowings and maintains impeccable debt-servicing track record, which helps it retain excellent rapport with all of its bankers.

12. CORPORATE GOVERNANCE

The Company follows the best governance practices to boost long-term shareholder value and respect minority rights.The Company considers the same as its inherent responsibility to disclose timely and accurate information to its stakeholders regarding its operations and performance, as well as the leadership and governance of the Company.

The Company is committed to the Code of Conduct which articulates values and ideals that guide and govern the conduct of the Company as well as its employeesin all matters relating to business. The Company's overall governance framework, systems and processes reflect and support its Mission, Vision and Values.The Company's governance guidelines cover aspects mainly relating to the composition and role of the Board, Chairman and Directors, Board diversity etc. of the Board.

Certificate of Corporate Governance and Non-Disqualification of Directors, issued by Secretarial Auditor of the Company is attached to the Corporate Governance Report as Annexure III and Annexure IV respectively.

13. TRANSFER TO GENERAL RESERVE

The Company is not required to transfer any amount to its reserves. Accordingly, no amount has been transferred to General Reserve of the Company.

14. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, your Company has transferred unpaid/unclaimed dividend amounting to ₹ 18.65 Lakhs for FY 2014-15 and related 53,592 shares to the Investor Education and Protection Fund Authority (IEPF) of the Central Government of India.

15. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in 'Annexure A' of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report. CSR Policy is available on the Company's website on https://www.munjalauto.com/wp-content/uploads/2018/08/CSR-Policy..pdf

The Company has spent ₹ 62.00 Lakhs as against the amount required to be spent on CSR activities during the year under review in accordance with the provisions of Section 135 of the Act of ₹ 47.74 Lakhs.

16. POLICY RELATING TO PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Womenat Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Internal Complaints Committee ('ICC') is in place for all works and offices of the Company toredress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are supposed to adhere to and conduct themselves as prescribed in this policy.

The summary of sexual harassment complaints received and disposed off during the financial year is as under:

- Number of Complaints Received – Nil
- Number of Complaints Disposed off – Nil

17. DEPOSITS

Your Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended March 31, 2023.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the FY 2022-23, your Company has not given any guarantees or securities within the meaning of the provisions of Section 186 of the Act.

However, the aggregate of loans and advances granted, as also investments made, if any are within the limits of Section 186 of the Act and have been disclosed in financial statements.

19. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) In the preparation of the annual accounts financial year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) they have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit and loss of the Company for the financial year ended March 31, 2023 under review;

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

d) they have prepared the annual accounts for the financial year ended March 31, 2023 on a going concern basis;

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

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

20. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 ('the Act') and Listing Regulations, the Company has formulated a Policy on Related Party Transactions ('RPT Policy') for identifying, reviewing, approving and monitoring of Related Party Transactions and the same is available on the Company's website at https://www.munjalauto.com/wp-content/uploads/2018/08/Related-Party-Transaction-Policy..pdf.

All related party transactions entered into during FY 2022-23 were on arm's length basis and in the ordinary course of business and were reviewed and approved by the Audit Committee. With a view to ensuring continuity of day-to-day operations, an omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm'slength basis. A statement giving details of all related party transactions entered pursuant to the omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review.

As per the Listing Regulations, if any Related Party Transaction ('RPT') exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover as per the last audited financial statement whichever is lower, would be considered as Material Related Party Transactions and would require Members approval. In this regard, there were no Material Related Party Transactions with any of its related parties as per the Act. Therefore, the disclosure of the Related Party Transactions as required under Section 134(3)(h) of the Act in AOC-2 is not applicable to the Company for FY 2022-23 and, hence, the same is not required to be provided.

In terms of Regulation 23 of the SEBI Listing Regulations, the Company submits details of related party transactions on a consolidated basis as per the specified format to the stock exchanges on a half-yearly basis. The details of the transactions with related parties are provided in the accompanying Financial Statements.

21. HOLDING/SUBSIDIARY COMPANY

During the FY 2022-23, Thakurdevi Investments Private Limited (TDIPL) continues to be holding Company of the Company, holding 74.81% Equity Share Capital of the Company.

During the FY 2022-23, Indutch Composites Technology Pvt. Ltd. (ICTPL) continues to be subsidiary company. Munjal Auto Industries Limited continues to hold 68% Equity Share Capital of ICTPL. The annual accounts of subsidiary companies are available on the website of the Company viz. www.munjalauto.com.

There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the holding or subsidiary.

The Board of Directors of your Company ('the Board') has approved a policy for determining material subsidiaries. Indutch Composites Technology Pvt. Ltd. is material subsidiary Company. The Policy on material subsidiaries can be viewed on the Company's website https://munjalauto.com/finance/reg-46-disclosure/.

The Secretarial Audit Report for the year 2022-23, for material unlisted subsidiary Company i.e. Indutch Composites Technology Pvt. Ltd. given by M/s. Devesh Pathak & Associates, Practising

Company Secretaries, Vadodara is attached as '**Annexure F**' to this Report.

22. AUDIT COMMITTEE RECOMMENDATIONS

During the FY 2022-23, the Board has accepted all recommendations of Audit Committee and accordingly no disclosure is required to be made in respect of non-acceptance of any recommendation of the Audit Committee by the Board.

23. INTERNAL FINANCIAL CONTROL

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. The Company has a well-defined delegation of authority with specified limits for approval of expenditure, both capital andrevenue.

The Audit Committee deliberated with the members of the Management, considered the systems as laid down and met the internal audit team and statutory auditors to ascertain their views on the internal financial control systems. The Audit Committee satisfied itself as to the adequacy and effectiveness of the internal financial control systems as laid down and kept the Board of Directors informed. However, the Company recognizes that no matter how the internal control framework is, it has inherent limitations and accordingly, periodic audits and reviews ensure that such systems are updated on regular intervals.

24. INSURANCE

Your Company's assets are adequately insured against multiple risks from fire, riot, earthquake, terrorism and other risks, which are considered necessary by the Management.

As an additional coverage, a Public Liability Insurance Policy is also in place to cover public liability, if any, arising out of any industrial accidents. The Company has also covered the Directors' and Officers' liability under the Act to meet with any eventuality.

25. RATINGS FOR BORROWING

ICRA, the rating agency has reaffirmed AA- with stable outlook for the long-term ratings for bank facilities and A1+ the short-term rating for short term bank facilities and commercial paper of your Company vide letter dated October 28, 2022. The aforesaid rating is valid till June 30, 2023.

26. AUDITORS

I. Statutory Auditors

The Company at its 37th AGM held on September 16, 2022 appointed K C Mehta & Co. LLP, Chartered Accountants, Vadodara, as Statutory Auditors of the Company for a second term of 5 consecutive years commencing from the conclusion of ensuing 37th Annual General Meeting until the conclusion of 42nd Annual General Meeting of the Company to be held in 2027.

II. Internal Auditors

CNK & Associates LLP, Chartered Accountants, Vadodara, have been appointed as Internal Auditors of the Company in terms of Section 138 of the Companies Act, 2013 and rules and regulations, made thereunder, for the Financial Year 2023-24 by the Board of Directors, upon recommendation of the Audit Committee.

III. Secretarial Auditors

As required under Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint a Secretarial Auditor for auditing secretarial and related records of the Company.

The Secretarial Audit Report for the year 2022-23, given by M/s. Devesh Pathak & Associates, Practising Company Secretaries, Vadodara is attached as 'Annexure B' to this Report.

The Board at its meeting held on May 23, 2023 has re-appointed M/s. Devesh Pathak & Associates, Practising Company Secretaries, Vadodara as Secretarial Auditors for the financial year 2023-24.

IV. Cost Records and Audit

The Company is neither required to maintain Cost Records nor required to appoint Cost Auditor pursuant to Section 148 of the Act and rules framed thereunder.

27. EXPLANATIONS/COMMENTS ON STATUTORY AUDITORS' REPORT & SECRETARIAL AUDITORS' REPORT

Neither the Statutory Auditors nor the Secretarial Auditors of the Company, in their respective Draft reports, have made any qualifications, reservations, adverse remarks or disclaimers. Accordingly, no explanations/ comments thereon are required to be furnished.

28. AUDIT COMMITTEE

The composition of the Audit Committee is in line with the provisions of Section 177 of the Act read with Regulation 18 of the Listing Regulations. The Chairman of the Audit Committee is an Independent Director. The Audit Committee of the Board provides reassurance to the Board on the existence of an effective internal control environment that ensures the efficiency and effectiveness of the operations of the Company and safeguarding of assets and adequacy of provisions for all liabilities. Further details on the Audit Committee and its terms of reference etc. have been furnished in Corporate Governance Report.

29. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee (NRC) is in line with the Section 178 of the Act read with Regulation 19 of the Listing Regulations. The Committee determines overall Company's Policy on remuneration packages and other terms and conditions of the appointment of the Executive Directors and senior management of the Company as well as sitting fees to the Non-Executive Directors of the Company and also to approve payment of remuneration to Managing Director and Whole Time Directors as decided by the members of the Company and recommends to the Board of Directors for their consideration and approval. The details of meetings and their attendance are included in the Corporate Governance Report.

30. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders' Relationship Committee (SRC) is in line with the Section 178 of the Act and Regulation 20 of the Listing Regulations. The Committee looks into investors' grievances arising out of issues regarding share transfers, dividends, dematerialization and related matters, evaluating performance and service standards of the Registrar and Share Transfer Agent and takes requisite action(s) to redress the same. The details of meetings and their attendance are included in Corporate Governance Report.

31. REPORTING OF FRAUDS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and rules framed thereunder either to the Company or to the Central Government.

32. ANNUAL RETURN ON THE WEBSITE

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY 2022-23 is uploaded on the website of the Company at https://munjalauto.com/finance/annual-reports.

33. CODE OF CONDUCT

The Code of Conduct is applicable to the members of the Board and all designated employees in the course of day to day business operations of the Company. The Code laid down by the Board is known as "Code of Conduct and Fair Disclosure of Unpublished Price Sensitive Information" which forms an Appendix to the Code of Conduct of the Company which is in line with SEBI (Prohibition of Insider Trading) Regulation, 2018.

The Company has received affirmations from Board members as well as senior management confirming their compliance with the said Code for FY 2022-23.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place in business practices and dealing with stakeholders. All the Board members and the senior management personnel have confirmed their compliance with the Code. All management personnel are being provided appropriate training in this regard.

34. WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Code of Conduct ('CoC'), any actual or potential violation, howsoever in significant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the CoC can not be undermined.

Pursuant to Section 177(9) of the Act, read with Regulation 22 of the Listing Regulations a vigil mechanism was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairperson of the Audit Committee for redressal. All persons have access to the Chairperson of the Audit Committee. The policy of vigil mechanism is available on the Company's website at URL: https://www.munjalauto.com/wp-content/uploads/2018/08/Whistle-Blower-Policy..pdf.

35. PREVENTION OF INSIDER TRADING

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the 'Trading Window' is closed. The Board is responsible for implementation of the code. All Directors and the designated employees have confirmed compliance with the code.

36. BOARD MEETINGS

Five meetings of the Board of Directors were held during the financial year 2022-23. Details of the composition of the Board and its committees and of the meeting held, attendance of the Directors of such meetings and other relevant details are provided in the Corporate Governance Report.

37. RISK MANAGEMENT POLICY

Your Company has constituted a Risk Management Committee as per Regulation 21 of the Listing Regulations to frame, implement, monitor and review the Risk Management plan and to ensure its effectiveness to address their short term, medium term and long terms risks. Further, your Company has established procedures to periodically place before the Board, the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks.

38. CHANGES AND COMMITMENTS

There has been no material change/ commitment affecting the financial position of the Company during the period from the end of the financial year on March 31, 2023 to the date of the Report.

39. PARTICULARS OF EMPLYOEES

The Statement of disclosure of remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as 'Annexure C'. The information as per Rule 5(2) of the Rules forms part of this report. However, in terms of provisions of Section 136 of the Companies Act, 2013, the report and Financial Statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the registered office of the Company.

40. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e) of the Listing Regulations, is enclosed as 'Annexure D' and forms part of this report.

41. INDUSTRIAL RELATIONS

Industrial relations have remained cordial throughout the year in the Company at its all units.

42. ENVIRONMENT, HEALTH, SAFETY AND SOCIAL RESPONSIBILITY

The Company has always been conscious of the need to conserve energy in its manufacturing plants and to protect environment. Energy conservation is achieved through optimized consumption of power and fossil fuels and improvements in energy productivity through Energy Conservation ('ENCON') projects, which contributes inreduction in operational costs and climate change mitigation through reduction in greenhouse gases.

Your Company is environment-conscious and committed to making a positive contribution to the communities where it operates. The Company has been proactively pursuing measures and reaching out to the communities surrounding the areas of its operations by extending support and lending a helping hand to some very credible social institutions that are committed to address social causes.

Your Company has been certified for Occupation, Health and Safety (OHSAS) ISO 45001:2018 from Bureau Veritas during FY 2021-22, which is valid upto May 01, 2025.

43. CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION AS WELL AS FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 134(3)(m) of the Act read with rules made thereunder is annexed to this report as '**Annexure E**'.

44. BUSINESS RESPONSIBILITY SUSTAINIBILITY REPORT

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, mandates the top 1000 Listed Companies by market capitalisation to include Business Responsibility Report ("BR Report") in their Annual Report.

Your Company falls under the top 2000 Listed Companies by market capitalisation. Accordingly, a BR Report describing the initiatives taken by the Company from an environmental, social and governance perspective, does not forms part of this Report.

45. REMUNERATION POLICY

Pursuant to provisions of the Act, the Nomination and Remuneration Committee (NRC) of your Board has formulated a Remuneration Policy for the appointment and determination of remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees. The NRC has developed criteria for determining the qualification, positive attributes and independence of Directors and for making payments to Executive and Non-Executive Directors. The remuneration policy of the Company can also be viewed at the website of the Company i.e. www.munjalauto.com.

46. STATUTORY DISCLOSURES

Your Directors state that there being no transactions with respect to following items during the year under review, no disclosure or reporting is required in respect of the following matters:

i. No Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

ii. No Issue of equity shares with differential rights as to dividend, voting or otherwise.

iii. No Issue of shares (including sweat equity shares) to employees of your Company under any scheme.

iv. No receipt of remuneration or commission by the Managing Director nor the Whole-time Directors of your Company from its subsidiaries.

v. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

vi. No Buy-back of shares or financial assistance under Section 67(3).

vii. No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

viii. No settlements have been done with banks or financial institutions.

47. COMPLIANCES WITH APPLICABLE SECRETARIAL STANDARDS

The Company is fully compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of Board of Directors and General Meetings respectively.

48. (A) STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE ACT

The Board of Directors hereby declares that all the independent directors duly appointed by the Company have given the declaration and they meet criteria of independence as provided under Section 149(6) of the Act.

(B) A STATEMENT WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF INDEPENDENT DIRECTORS

Your Directors are of the opinion that Independent Directors of the Company are of high integrity and suitable expertise as well as experience (including proficiency).

ACKNOWLEDGEMENTS

The Board of Directors express their sincere thanks to all of its Stakeholders, including, inter alia, Suppliers, Vendors, Investors and Bankers and appreciation to all its customers for their consistent, abiding support throughout the year.

Your Company also records its appreciation of the contributions made by employees at all levels. Their commitment, cooperation and support are indeed the backbone of all endeavors of the Company.

The Company would like to gratefully acknowledge support/guidance of Government of India and especially Goods and Services Tax (GST) Department, Income Tax Department, Industrial & Labour Departments, Government of Gujarat, Government of Haryana, Government of Uttarakhand and other government agencies, the Company has been receiving over the years and is looking forward to their continued support/guidance in times to come.

For and on behalf of the Board of Directors
Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN : 00084080

Date : May 23, 2023
Place : Gurugram

ANNEXURE 'A' TO THE BOARD'S REPORT

Annual Report on CSR Activities for the year 2022-23

1. **Brief outline on CSR Policy of the Company**

The Company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013. The CSR policy, inter alia, covers the concept (CSR philosophy, snapshot of activities undertaken by the group and applicability, scope/area/localities to be covered and activities), resources, identification and approval process (resources/fund allocation, identification process and approval process) modalities of execution and implementation and monitoring.

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	Mr. Vikram Shah	Chairman, Non-Executive Independent Director	1	1
2	Mr. Naresh Kumar Chawla	Member, Non-Executive Independent Director	1	1
3	Mr. Sudhir Kumar Munjal	Member, Chairman & Managing Director	1	1
4	Mrs. Anju Munjal	Member, Whole Time Director	1	1
5	Mr. Anuj Munjal	Member, Whole Time Director	1	1

3. Web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:
   - The composition of the CSR committee is available on the Company's website at https://munjalauto.com/composition-of-committees/
   - The CSR Policy of the Company is available on the Company's website at https://munjalauto.com/finance/key-policies/
   - The details of CSR projects are available on our website at: https://www.munjalauto.com/wp-content/uploads/2018/08/CSR-Policy..pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) **- Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020-21	2.42 lakhs	2.42 lakhs
2	2021-22	5.54 lakhs	5.54 lakhs
	Total	**7.96 lakhs**	**7.96 lakhs**

6. Average net profit of the company as per section 135(5): ₹ **23.87 Crores**

7. (a) Two percent of average net profit of the company as per section 135(5):₹ **47.74 Lacs**
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
   (c) Amount required to be set off for the financial year, if any: ₹ **7.96 Lacs**
   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ **39.78Lacs**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ Lakhs)	Amount Unspent (in ₹ Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
62.00	Nil	N.A.	N.A.	Nil	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year: **N/A**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes /No)	(5) Location of the project State	District	(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation- Direct (Yes/No)	(11) Mode of Implementation- Through Implementing Agency Name	CSR Registration number
	-	-	-	-		-	-	-	-	-	-	-
	Total	-	-	-		-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project State	District	(6) Amount spent for the project (in ₹)	(7) Mode of Implementation- Direct (Yes/No)	(8) Mode of Implementation- Through Implementing Agency Name	CSR Registration number
1	Education and Health care	Special Education, medical intervention including preventive health care in Disability/ Social Sector	Yes	Gujarat,	Vadodara	12,00,000	No	Disha Charitable Trust	CSR00004073
2.	Mahatma Satyanandji Munjal Alopathic, Ayurvedic, Homeopathic Clinic	Preventive Healthcare	Yes	Gujarat,	Sabarkantha	50,00,000	No	Vanprastha Saadhak Ashram	CSR00006987
	Total					**62,00,000**			

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **N/A**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹ 62 lakhs**

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹ Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	47.74
(ii)	Total amount spent for the Financial Year	62.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**14.26**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any [Excess spending in the year 2020-21]	7.96
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**22.22***

*Amount available for set off in succeeding financial years is ₹ 14.26 lakhs of FY 2022-23, ₹ 5.54 lakhs of FY 2021-22 and ₹ 2.42 lakhs of FY 2020-21. Therefore, total amount available for set off in succeeding financial years is ₹ 22.22 lakhs.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹ Lakhs)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2021-22	-	-	-	-	-	-
2.	2020-21	-	-	-	-	-	-
3.	2019-20	-	-	-	-	-	22.01
	Total	-	-	-	-	-	22.01

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**N/A**

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹)	(9) Status of the project - Completed / Ongoing
-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(a) Date of creation or acquisition of the capital asset(s).: **N/A**

(b) Amount of CSR spent for creation or acquisition of capital asset.:**N/A**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:**N/A**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).: **N/A**

No capital asset was created / acquired during FY 2021-22 through CSR spend.

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).:**Not Applicable**

For and on behalf of the Board of Directors
Munjal Auto Industries Limited

Place : Gurugram
Date : May 23, 2023

Mr. Sudhir Kumar Munjal
Chairman & Managing Director
DIN: 00084080

Mr. Vikram Shah
Chairman-CSR Committee
DIN : 00007914

ANNEXURE ‘B’ TO THE BOARD’S REPORT

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members,
Munjal Auto Industries Ltd,
187, GIDC Industrial Estate
Waghodia
Dist: Baroda-391760

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon. Based on our verification of the **Munjal Auto Industries Limited**’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

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

(iv) 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, 1992; [Presently: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.]

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Presently: The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018]

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Presently: The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Repealed)[Presently: Securities and Exchange Board of India(Issue and Listing of Non-Convertible Securities) Regulations, 2021]

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Presently: The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021]

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Presently: The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018]

(vi) Having regard to the products, processes and locations of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof **on test check basis, we further report that** the Company has compliance management system for the sector specific laws specifically applicable to the Company as informed to us by the company as follows:

(a) The Environment (Protection) Act, 1986

(b) The Air (Prevention and Control of Pollution) Act, 1981

(c) The Water (Prevention and Control of Pollution) Act, 1974

(d) The Hazardous Wastes (Management and Handling and Transboundary Movement) Rules, 1989

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

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

(ii) The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd [including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR')

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report (by way of information) that during the audit period, the Company has:

(a) not issued any securities during the period under review and accordingly

- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021]
- The securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

were not applicable during the audit period under review.

(b) neither got delisted Equity Shares nor bought back any security of the Company and accordingly

- Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021] and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

were not applicable during the audit period.

(c) The members of the Company at their 37^{th} AGM held on September 16, 2022 declared final dividend @ 50% for the year 2021-22 at the rate of ₹ 1/- per equity share of ₹ 2/- each.

(d) The members of the Company at their 37^{th} Annual General Meeting held onSeptember 16, 2022 passed Special Resolutions:

- To approve revision of remuneration as well continuation of payment of remuneration to Mr. Sudhir Kumar Munjal (DIN: 00084080) as a Managing Director of the Company.
- To approve revision of remuneration as well as continuation of payment of remuneration to Mrs. Anju Munjal (DIN: 00007867) as a Whole Time Director of the Company.
- To approve revision of remuneration as well as continuation of payment of remuneration to Mr. Anuj Munjal (DIN: 02714266) as a Whole Time Director of the Company.

For Devesh Pathak & Associates
Practising Company Secretaries

Date : May 26, 2023
Place : Gurugram

CS Devesh A. Pathak
Sole Proprietor
FCS: 4559
CP No. 2306
UDIN : F004559E000385676

Note: This report is to be read with our letter of even date which is enclosed as forming integral part of this report.

May 26, 2023

To,
The Members,
Munjal Auto Industries Limited
187, GIDC Industrial Estate
Waghodia
Vadodara-391760

Ref: Secretarial Audit Report dated May 26, 2023 pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and the practices we followed provided reasonable basis for our opinion.
3. We have not received an Independent Auditor's Report and Audited Financial Statement for the financial year ended on 31st March, 2023 and accordingly, we have relied upon the Unaudited Financial Statement and Management Representation provided by the Company on the matter.
4. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company and have relied upon the reports of designated professionals including Statutory Auditors for the purpose. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. Draft Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Devesh Pathak & Associates
Practising Company Secretaries

CS Devesh A. Pathak
Proprietor
FCS No.4559
CP No.:2306

ANNEXURE 'C' TO THE BOARD'S REPORT

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S.N.	Particulars	
i.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	**Executive Directors** CMD: 149 X WTD: 131 X WTD: 131 X
ii.	The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manger, if any of the Financial Year	**Executive Directors** CMD: 60% WTD: 60% WTD: 60% **KMPs** CFO: 10% CS: 10%
iii.	The % increase in the median remuneration of employees in the financial year	8.18%
iv.	The number of permanent employees on the rolls of Company	890
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	**% Increase in** / **2022-23** / **Justification/ Remarks** Salaries of Employees / 9.42% / - Managerial Remuneration / 60.00% / -
vi.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration is as per the remuneration policy of the company.

ANNEXURE 'D' TO THE BOARD'S REPORT
MANAGEMENT DISCUSSION & ANALYSIS

OUTLOOK

(i) Global Economy Overview

With no end in sight for the Russia-Ukraine conflict, energy and commodity markets continued to remain volatile, along with persisting disruptions in global supply chains, higher inflation, and the sharp rise in central bank rates. The unanticipated failures of two regional banks in the United States and the collapse of the Credit Suisse have exerted significant pressure on financial markets.However, global economic conditions started showing signs of stabilization in early 2023, with a slight moderation in projected global inflation to 7.0% in 2023 as compared to 8.7% in 2022 (as per OECD). The goodnews is that towards the latter part of FY 2022-23 and leaning into the nextfiscal, energy and food prices have softened significantly, which augurs well for return of global demand and ebbing of the tight liquidity conditions seen in FY 2022-23.

(ii) Indian Economy Overview

As per National Statistical Office ("NSO") the growth in the real GDP during FY 2022-23 is estimated at 7.0%, compared to 9.1% in FY 2021-22. This is driven by the accentuated headwinds from prolonged geopolitical tensions, tightening global financial conditions and slowing external demand.

The Indian automotive industry has seen a healthy revival in FY 2022-23, aided by a recovery in the economic activities and recovery in mobility post COVID impacted period (FY 2021-22). However, the two-wheeler segment is yet to reach the pre-pandemic levels as the industry navigates through high inflation, supply chain hurdles, a sharp increase in input costs, and the rising cost of ownership due to regulatory changes.

According to the Society of Indian Automobile Manufacturers (SIAM), the two-wheelers segment grew by a relatively moderate 17% YoY growth, after witnessing de-growth for the previous three consecutive years. The long-term two-wheeler growth potential in India is backed by the relatively young population, rising incomes, wide availability of credit and financing options, and boost to the local manufacturing ecosystem.

(ii) Future Outlook

The Automobile sector is expected to a very strong growth in FY 2023 on a weaker base and very strong consumer demand in all segments. Post COVID there is a strong pent-up demand in all segments and we expect the industry to maintain very strong volume growth.

The increase in consumer spending across categories during the holiday season of 2022 is an indication of a resurgence in consumer confidence and bodes well for future industry growth. With two-wheeler penetration still low, combined with the growing road network, the future holds great promise. Other factors driving growth are the availability of unique underwriting tools that enable new age digital lenders to cater to a large section of credit-worthy customers who were traditionally outside the formal lending ecosystem. Financial penetration will further shape the demand for two-wheeler purchases going forward.

COMPANY'S FINANCIAL PERFORMANCE

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of thefinancial position, financial performance including othercomprehensive income, cash flows and changes in equityof the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Actread with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The financials have been prepared considering the above requirements of applicable laws.

During FY 2022-23, total income of the Company was ₹ 1,595 Crores as compared to ₹ 1,716 Crores in FY 2021-22, showing drop of about 7.05%.

Profit before tax and Profit after tax were ₹ 92.30 Crores and ₹ 65.73 Crores respectively for the FY 2022-23 as against ₹ 30.04 Crores and ₹ 20.81 Crores respectively in the previous year which can be mainly attributed to exceptional item by way of sale of surplus Land.

(i) Key Financial Ratios

As required under Regulation 34 of the Listing Regulations, details of changes are:

Particulars	FY 2022-23	FY 2021-22	Change (in %)	Remarks - 2022-23
Debtors turnover ratio-times	6.98	6.43	8.55	The ratios in the current year have improved compared to the previous year, mainly on account of effectively processing credit period.
Inventory turnover ratio - times	31.77	31.07	2.25	The ratios in the current year have improved compared to the previous year, because of decrease in average inventory level in comparison to cost of goods sold.
Interest coverage ratio	11.25	7.15	57.32	Interest coverage ratio was improved due to reduction in borrowing.
Current ratio - times	1.50	1.31	14.50	Overall the trade receivables and trade payables of the Company has increased owing to the BS VI pricing premium.
Debt equity ratio	0.08	0.14	42.86	Debt equity ratio has improved due to reduction in borrowing.
Operating Profit margin (%)	5.83	1.65	253.33	The ratios in the current year have improved compared to the previous year, primarily reflecting better operational performance and reduction in borrowing and extra ordinary gain on sale of leasehold land.
Net Profit margin (%)	4.16	1.22	240.98	The ratios in the current year have improved compared to the previous year, primarily reflecting better operational performance and reduction in borrowing and extra ordinary gain on sale of leasehold land.
Return on net worth (%)	16.74	6.18	170.87	The ratios in the current year have improved compared to the previous year, primarily reflecting better operational performance and reduction in borrowing and extra ordinary gain on sale of leasehold land.

DEVELOPMENTS AT OUR SUBSIDIARY

In the Financial year 2018-19 your Company took majority stake in Indutch Composites Technology Private Limited. The purpose of this acquisition was twofold, first, to diversify the risks in the present business. Second, to enter an area of huge market potential. India is just starting to realize the benefits of the use of composites as a material and in the coming years, its use across sectors will increase. Today the company is the leader in the country for windmill blades and tools.

In the past four years the company has grown four folds to touch a turnover of four hundred Crore rupees. There is huge potential for growth in this business.

HUMAN RESOURSE DEVELOPMENT

The Company has always considered its employees an important stakeholder for its success, and its vision statement reflects that.

We are committed to creating a fair, inclusive, and collaborative work environment where all the employees can learn, develop, and achieve their full potential. As an innovation and people driven Company, our success is driven by the success and satisfaction of our employees. A diverse workforce brings together a wide range of perspectives, ideas and experiences leading to enhanced innovation, and creativity in problem solving and decision-making processes. At MAIL, we onboard talent and nurture their growth through regular training and other knowledge enhancing and skill upgradation mechanisms. Raising employees' involvement in the decision making process and grooming them for leadership positions has been an ongoing process.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

We have a robust internal control system corresponding to our size and operating structure. The Internal Control System is integrated with our financial and operating systems which directs in a more effective manner. Your Company has deployed an Enterprise Resource Planning ("ERP") system based on SAP platform enabling a high degree of system-based checks and controls ensuring protection of its assets and interests. The governance risk and compliance framework further ensure that internal controls are effective and complied with. The audit findings and management's resolution plans are reported on a quarterly basis to the Audit Committee by the internal auditor. The internal auditor of your Company also reports to the Audit Committee in respect of adequacy of internal control systems and weaknesses, if any. Furthermore, the statutory auditor reports on the adequacy and effectiveness of the internal financial controls in respect of financial reporting.

Your Company has appointed reputed firm of Chartered Accountants for internal audit functions consisting of experienced and professionally qualified team. The Internal Auditor reports directly to the Board through Audit Committee. The internal auditor has covered the area of internal financial Controls, reconciliation of GST inputs, Checking of TDS compliances and GST compliances. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

OPPORTUNITIES & THREATS

OPPORTUNITIES

India, as an emerging economy, is at the cusp of exponential growth in various sectors. While some sectors, like the automotive sector, are seeing paradigm shifts in their products. Sectors like electronics and other areas linked to the digital wave, are witnessing huge strides in growth.

The Company has a strong mechanism to anticipate and manage risks. The Company's robust systems, processes, standards, code of conduct, organisational structure, and appropriate review mechanisms enable it to conduct its business and actively monitor, manage, and mitigate potential risks.

Your Company is looking at opportunities in both, the fast-changing automotive sector and other upcoming sectors. With the maturing of the business environment and the financial sector, there are many organic and inorganic opportunities that the company is looking at.

THREATS

High energy cost, labour cost and increased of price of raw material which may lead to increase the carrying cost and working capital interest cost, are the major constraint for the Company.

The automotive industry is subject to environmental and other regulations. Therefore, any adverse impact on the industry in general and the Company's customers due to any change in such rules can affect its business. Further, there has been a gradual shift in the industry from pure ICE-dependent vehicles. An acceleration in this trend will adversely affect the ICE- dependent business of the Company.

The auto segment is seeing a paradigm shift with the introduction of electric mobility. This does pose a threat to the Company, like many in the industry. Munjal Auto is closely monitoring the developments. We are working on getting business from our existing customers, which will not be affected by electrification, as well as new businesses. We are also looking at newer sectors to enter into, like our subsidiary Indutch Composites Technology Private Limited.

RISK AND CONCERNS

Risk, which is the manifestation of business uncertainty affecting corporate performance and prospects, is an integral part of business. The Company follows a well-defined and exhaustive risk management process, which is integrated with its operations. This enables the Company to identify, categorise and prioritise operational, financial and strategic business risks. To address the identified risks, the Company continues to spend significant time, effort and human resources to manage and mitigate such risks.

The Company has a well-established risk management policy and procedures based on which risks are identified and assessed across its business units and operations. To manage and mitigate the risks, mitigation plans are embedded in the various initiatives that the management has already executed. These plans are reviewed by the Risk Management Committee of the Company. For better mitigation of Risk, the Company has made a Risk Management Committee. The Committee reviews the concerned risks. The Company reviews the effectiveness of the mitigation strategies and their implementation process.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the markets, exchange rate variations, global economic, social & demographic factors, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

For and on behalf of the Board of Directors
Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN : 00084080

Date : May 23, 2023
Place : Vadodara

ANNEXURE 'E' TO THE BOARD'S REPORT

Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo [Particulars pursuant to the Companies (Accounts) Rules, 2014]

A. Conservation of Energy

Your Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the strong pillars of preserving natural resources. Your Company has taken various initiatives as listed below, for energy conservation and preserving natural resources:

- Programs for improving energy, efficiency and energy productivity across all operations;
- Rainwater harvesting, reduce usage, reuse and recycle water;
- Domestic sewage treatment and recycling facilities are a part of design in all its units towards becoming zero water discharge;
- Creating awareness and promote sustainability amongst stakeholders.

The Management is pursuing energy conservation with considerable focus and commitment. Effective use of energy, particularly in the hard core manufacturing processes of the Company. Optimal utilization of various energy resources like power, fuel and oil is ensured by ongoing measures/steps that improve power factor and other consumption.

B. Technical Absorption

Since, the Company has not imported technology; the Company has no information to offer in respect of Technology Absorption.

C. Foreign Exchange Earnings and outgo

Foreign Exchange earnings and outgo during the year under review are as follows:

(Amount ₹ in Lakhs)

		2022-23	2021-22
(a)	Foreign Exchange Earnings	69.32	77.79
(b)	Foreign Exchange Outgo	34.69	35.48

ANNEXURE 'F' TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members,
INDUTCH COMPOSITES TECHNOLOGY PRIVATE LIMITED
Plot No. (187/P &187/P/1/)/B/1,
GIDC Industrial Estate,
Waghodia
Vadodara, Gujarat-391760

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the **INDUTCH COMPOSITES TECHNOLOGY PRIVATE LIMITED**'s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

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

(iv) 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, 1992; [Presently: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.]

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Presently: The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018]

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Presently: The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Repealed)[Presently: Securities and Exchange Board of India(Issue and Listing of Non-Convertible Securities) Regulations, 2021]

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Presently: The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021]

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Presently: The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018]

(vi) Having regard to the products, processes and locations of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof **on test check basis, we further report that** the Company has compliance management system for the sector specific laws specifically applicable to the Company as informed to us by the Company as follows:

(a) The Environment (Protection) Act, 1986

(b) The Air (Prevention and Control of Pollution) Act, 1981

(c) The Water (Prevention and Control of Pollution) Act, 1974

(d) The Hazardous Wastes (Management and Handling and Transboundary Movement) Rules, 1989

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

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

ii. The Listing Agreement entered into by the Company with the Stock Exchanges, if applicable. [Including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report (by way of information) thatduring the audit period, the Company has:

(a) The Company being unlisted-

1) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
3) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
4) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
5) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
6) 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;
7) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
8) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

were not applicable during the audit period.

(b) The members of the Company at their 13th Annual General Meeting held on 15th September, 2022 passed Special Resolutions in respect of approval to

- Revision in remuneration of as well as re-appointment of Shri Binayak Rath (DIN: 02784819) as an Executive Director.
- Revision in remuneration of as well as re-appointment of Shri Sathianarayanan Palaniappan (DIN: 02852765) as an Executive Director.
- Shifting of the Registered office of the Company from Vadodara to Waghodia
- The Company is a subsidiary of Munjal Auto Industries Ltd. the Listed Company.
- The members of the Company at their 13th Annual General Meeting held on 14th September, 2022 appointed Mr. Naresh Kumar Chawla as Independent Director and Ms. Avi Sabavala as Independent Women Director.

For **Devesh Pathak & Associates**
Practising Company Secretaries

CS Devesh A. Pathak
Sole Proprietor
FCS No.4559 CP No.: 2306
UDIN: **F004559E000347528**

Date : 22.05.2023
Place : Vadodara

Note: This report is to be read with our letter of even date which is enclosed as forming integral part of this report.

May 22, 2023

To,
The Members,
INDUTCH COMPOSITES TECHNOLOGY PRIVATE LIMITED
Plot No. (187/P &187/P/1/)/B/1,
GIDC Industrial Estate,
Waghodia
Vadodara, Gujarat-391760

Ref: Secretarial Audit Report dated May 22, 2023 pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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

3. We have not received an Independent Auditor's Report and Audited Financial Statement for the financial year ended on 31st March, 2023 and accordingly, we have relied upon the Unaudited Financial Statement and Management Representation provided by the Company on the matter.

4. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company and have relied upon the reports of designated professionals including Statutory Auditors for the purpose. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happenings of events etc.

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

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

For Devesh Pathak & Associates
Practising Company Secretaries

CS Devesh A. Pathak
Proprietor
FCS No.4559
CP No.:2306

CORPORATE GOVERNANCE REPORT

(1) Company's philosophy on Corporate Governance

The Company strongly believes that having a robust governance structure is the stepping stone for every milestone ahead. The Company further asserts that good Corporate Governance fosters long-term corporate goals and enhances stakeholders' value. The Company has always been committed to the Code of Conduct ('CoC') that enunciates and imbibes principles, values and ideals guiding and governing the conduct of the Companyas well as its employees in all matters relating to business.The Company's overall governance framework, systems and processes reflect and support its Mission, Vision and Values and also guide the Company on its journey towards continued success.

The Company's business strategies are guided by its philosophy on Corporate Governance which ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and society at large.

Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of the Company as on March 31, 2023, have affirmed compliance with their respective Codes of Conduct. The Company is in full compliance with the requirements of Corporate Governance under the SEBI Listing Regulations.

(2) Board of Directors

The Company has an active, experienced, diverse and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's Corporate Governance philosophy. The Company has an optimum combination of Executive and Non-Executive Directors which is in conformity with Regulation 17 of the SEBI Listing Regulations read with Sections 149 and 152 of the Act. The Board periodically evaluates the need for change in its composition and size.

In terms of Regulation 17 of the SEBI Listing Regulations, at least 50% of the Board should comprise of Non-Executive Independent Directors with at least one-Woman Director. Out of total 10 Directors as on March 31, 2023, the Board is constituted with 7 Independent Directors i.e. 70.00% of the Board. The Company has 2 Women Directors on the Board as of the said date one of them holding her office as Executive Director and the another one as Independent Director.

The Chairman & Managing Director and two Whole Time Directors are the Executive Directors of the Company looking after the day-to-day management of your Company, belonging to the Company's promoter group. The remaining Non-Executive Directors comprising of seven Independent Directors, possess requisite qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration (sitting fees) that Directors would be entitled to under the Companies Act, 2013 ('the Act') as Non-Executive Directors, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates which in their judgement would affect their independence. None of the Directors, other than those belonging to the promoter group of the Company, are inter-se related to each other.

The Senior Management of the Company have made disclosures to the Board confirming that there were no material financial and/or commercial transactions between them and the Company that could have a potential conflict of interest with the Company at large.

a. Composition of the Board

The Board comprises of 10 Directors as on March 31, 2023. The names and categories of Directors, the number of Directorships and Committee positions held by them in other companies are given below. None of the Directors of the Company is appointed as Director in more than 7 listed entities; further none of the Executive Directors is an Independent Director in more than 3 listed companies and none of Non-Executive Directors is Director in more than 7 listed companies [Regulation 17A of the Listing Regulations]. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees [Regulation 26(1) of the Listing Regulations], across all the listed entities. Detailed Composition of the Board Directors is available on the Company's website at https://munjalauto.com/composition-of-committees/.

b. Board Procedure

The Company Secretary tracks and monitors the Boardand its Committees proceedings to ensure that the terms of reference/charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked. The terms of reference/charters are amended and updated from time to time in order to keep the functions and role of the Board and its Committees at par with the changing statutes. Meeting effectiveness is ensured through detailed agenda, circulation of material in advance and as per statutory timelines, detailed presentations at the Meetings and tracking of action taken reports at every Meeting. Additionally, based on the agenda, Meetings are attended by invitees which bring in the requisite accountability and also provide developmental inputs.

The Board plays a critical role in the strategy development of the Company. To enable the Board to discharge its responsibilities effectively and take informed decisions, the Managing Director apprises the Board on the overall performance of the Company every quarter including the performance of the subsidiaries.

The Board periodically reviews the strategy, annual business plan, business performance of the Company and its subsidiaries, technology and innovation, quality, customer centricity, capital expenditure budgets and risk management, safety and environment matters. Amongst other things, the Board also reviews the compliance reports of the laws applicable to the Company, internal financial controls and financial reporting systems, minutes of the Board Meetings of the Company's subsidiary companies, adoption of quarterly/half-yearly/annual results, corporate restructuring, transactions pertaining to purchase/disposal of property, minutes of the Meetings of the Audit and other Committees of the Board.

c. Number of Board Meetings, Attendance of Directors at Meetings of the Board and at the Annual General Meeting

During FY 2022-23, the Board met five times viz. on April 29, 2022, May 27, 2022, August 10, 2022, November 14, 2022 & February 07, 2023.

The composition and attendance record of members of the Board is given below:

Name of Directors	Number of Board Meetings held during the year 2022-23		Attendance at last AGM held on September 16, 2022 (Yes/No)	No. of Directorships Held in Listed Companies	No. of Committee Memberships held*	Number of Committee Chairmanships held*
	Held	Attended		(excluding Private, Foreign and Section 8 Companies)		
Executive Directors (Promoters)						
Mr. Sudhir Kumar Munjal	5	5	Yes	1	1	-
Mrs. Anju Munjal	5	5	Yes	1	-	-
Mr. Anuj Munjal	5	5	Yes	1	1	-
Non Executive and Independent Directors						
Mr. Vikram Shah	5	5	Yes	1	1	1
Mr. Naresh Kumar Chawla	5	5	Yes	1	2	1
Mr. Mahendra Sanghvi	5	3	Yes	3	3	1
Mr. Ramkisan Devidayal	5	5	Yes	3	6	4
Mr. Sudesh Kumar Duggal	5	5	Yes	1	2	-
Mr. Jal Ratanshaw Patel	5	5	Yes	1	1	-
Ms. Avi Sabavala	5	5	Yes	2	1	-

* As required by Regulation 26 of the Listing Regulations, this disclosure Includes memberships/chairmanships in all public limited companies', whether listed or not, Audit Committee and Stakeholders' Relationship Committee only.

* Except Executive Directors, no other Directors are related inter se.

Directorship in other Listed Companies:

Sr. No.	Name of Directors	Name of Company(ies)	Category of Directorships
1	Mr. Sudhir Kumar Munjal	-	-
2	Mrs. Anju Munjal	-	-
3	Mr. Anuj Munjal	-	-
4	Mr. Vikram Shah	-	-
5	Mr. Naresh Kumar Chawla	-	-
6	Mr. Sudesh Kumar Duggal	-	-
7	Mr. Mahendra Sanghvi	Integra Engineering India Limited Shaily Engineering Plastics Limited	Non-Executive - Independent Director Executive Director-Chairman
8	Mr. Ramkisan Devidayal	Banco Products (India) Limited 20 Microns Limited	Non-Executive - Independent Director Non-Executive - Independent Director
9	Mr. Jal Ratanshaw Patel	-	-
10	Ms. Avi Sabavala	Neogen Chemicals Limited	Non-Executive - Independent Director

d. **List of core skills/expertise/competencies as identified by the Board of Directors of the Company as required in the context of Company's business and sector for it to function effectively and those actually available with the Board**

Name of Directors	Mr. Sudhir Kumar Munjal	Mrs. Anju Munjal	Mr. Anuj Munjal	Mr. Vikram Shah	Mr. Naresh Kumar Chawla	Mr. Ramkisan Devidayal	Mr. Mahendra Sanghvi	Mr. Sudesh Kumar Duggal	Mr. Jal Ratanshaw Patel	Ms. Avi Sabavala
Skills/Expertise/Competencies Whether available with the Board or not?										
INDUSTRY KNOWLEDGE/ EXPERIENCE										
Experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Industry knowledge	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Understanding of relevant laws, rules, regulation and policy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓		✓		✓			
TECHNICAL SKILLS/ EXPERIENCE										
Accounting and Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business Development and Strategy	✓	✓	✓				✓			
Information Technology	✓	✓	✓	✓	✓		✓			
Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
BEHAVIORAL COMPETENCIES										
Integrity and ethical standards	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mentoring abilities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Interpersonal relations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

e. **Annual Evaluation of the Board, its Committees and Individual Directors**

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for FY 2022-23.

As part of the evaluation process, the performance of Non-Independent Directors, the Chairman and the Board was conducted by the Independent Directors. The performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board excluding the Director being evaluated.

f. **Director seeking re-appointment**

In accordance with the Section 152 of Companies Act, 2013, one-third of the Retiring (Executive Directors) Directors retires by rotation and, if eligible, offers for re-election at the Annual General Meeting of shareholders. Accordingly, Mr. Anuj Munjal retires in the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Nomination & Remuneration Committee

('NRC') as well as the Board have recommended his appointment as director liable to retire by rotation at the 38th Annual General meeting.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sudhir Kumar Munjal (DIN: 00084080), who was earlier appointed as Managing Director of the Company for the term of 5 years would expire on October 28, 2023, and being eligible, has offered himself for re-appointment. Based on the recommendations of the NRC, the Board of Directors at its Meeting re-appointed Mr. Sudhir Kumar Munjal as Managing Director of the Company for a period of 5 years commencing from October 29, 2023 to October 28, 2028. His re-appointment and remuneration payable to him are subject to the approval of the Members at the ensuing AGM.

g. Compliance Certificate

In terms of Regulation 17(8) of Listing Regulations, Chairman & Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2023 forming part of this Report as Annexure I.

h. Code of Conduct for the Board and Senior Management Personnel

The Company has formulated comprehensive Code of Conduct ('Code') for Board and Senior Management Personnel of the Company which is available on the website of the Company at https://www.munjalauto.com/wp-content/uploads/2018/08/Code-of-Conduct.pdf.

The Company has received affirmations from the Board and Senior Management Personnel confirming their compliance with the said Code for FY 2022-23. An annual declaration signed by the Chairman & Managing Director to this effect forms part of this Report as **Annexure II**.

i. Familiarisation Programme for Board Members

The Company regularly provides orientation and business overview to its Directors by way of detailed presentations by the various business & functional heads at Board meetings and through other interactive programmes. Such meetings/ programmes include briefings on the culture, values, business model, domestic business of the Company, the roles and responsibilities of Directors and senior executives. Besides these, the Directors are regularly updated about Company's new projects, R&D initiatives, changes in regulatory environment and strategic direction.

The Board members are also provided relevant documents, reports and internal policies to facilitate familiarisation with the Company's procedures and practices, from time to time.

Pursuant to the provisions of Regulation 25(7) and Regulation 46 of the SEBI Listing Regulations, kindly refer to the Company's website https://munjalauto.com/wp-content/uploads/2022/09/Directors-Familiarization-Programme-FY-2022.pdf for details of the familiarization programme for IDs on their roles, rights, responsibilities inthe Company, nature of the industry in which the Companyoperates, business model of the Company and relatedmatters.

3. Remuneration to Directors

a. Remuneration Policy

As per the remuneration policy, the remuneration paid to Executive Directors is recommended by the NRC and approved by the Board, subject to subsequent approval by shareholders at the general meeting and such other authorities, as the case may be. The terms and conditions of the employment of Executive Directors are governed by the shareholders' approval taken in that regard, wherein all the details are provided in the explanatory statement. The remuneration is arrived at after considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company.

The remuneration paid to Executive Directors is commensurate to their respective roles and responsibilities. Remuneration paid to Directors, subject to limits prescribed under Part II of Schedule V to the Companies Act, 2013, generally consists of fixed salary, perquisites, allowances and retiral benefits as decided by the NRC and such other benefits in accordance with market practices.

The Non-Executive Directors of the Company are paid sitting fees for attending each meeting of the Board, Committees thereof and any other meetings of the Directors. While deciding the remuneration, various factors such as Director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, etc. are taken into consideration.

Non-Executive Directors do not have any other pecuniary relationship with the Company except as stated above.

b. Remuneration paid/payable to Executive Directors and Sitting Fees paid to Non-Executive Directors for the year ended March 31, 2023

The remuneration paid/payable to the Executive Directors and Non-Executive Directors of the Company during the year ended March 31, 2023 is as follows:

(Amount ₹ In Lakhs)

Sr. No.	Name of Directors	Basic Salary	Perquisites, Allowances & Retirals	Sitting Fee	Total compen-sation
1.	Mr. Sudhir Kumar Munjal	240.00	304.34	-	544.34
2.	Mrs. Anju Munjal	210.00	266.30	-	476.30
3.	Mr. Anuj Munjal	210.00	266.30	-	476.30
4.	Mr. Vikram Shah	-	-	5.34	5.34
5.	Mr. Naresh Kumar Chawla	-	-	6.30	6.30
6.	Mr. Mahendra Sanghvi	-	-	3.20	3.20
7.	Mr. Ramkisan Devidayal	-	-	4.50	4.50
8.	Mr. Sudesh Kumar Duggal	-	-	5.40	5.40
9.	Mr. Jal Ratanshaw Patel	-	-	4.50	4.50
10.	Ms. Avi Sabavala	-	-	3.00	3.00

* Notice period in case of Mr. Sudhir Kumar Munjal, Chairman & Managing Director, Mrs. Anju Munjal and Mr. Anuj Munjal, Whole Time Directors is 180 days.

(4) Risk Management

Your Company has a well-defined risk management framework in place. Further, your Company has established procedures to periodically place before the Board, the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks. Moreover, in terms of Regulation 21 of the Listing Regulations, Risk Management Committee also is in place.

(5) Committees of the Board

a. Audit Committee

The Audit Committee's role is to assist the Board inoverseeing the governance function and responsibilities in relation to the Company's financial reporting process carried out by the Management, internal control system, risk management system and internal and external audit functions. The Audit Committee functions according to its charter/terms of reference that defines its composition, authority, responsibilities and reporting functions. The Audit Committee of the Company is constituted in line with Section 177 of the Act and Regulation 18(3) of the Listing Regulations. All members of the Audit Committee are financially literate and have accounting or related financial management expertise as mandated by the Listing Regulations.

The Company's Audit Committee functions under the Chairmanship of Mr. Vikram Shah. Four Audit Committee meetings were held on May 27, 2022, August 10, 2022, November 14, 2022 & February 07, 2023 during F.Y. 2022-23 in due compliance with the stipulated provisions. The composition and attendance record of members of the Audit Committee is given below: -

Sr. No.	Name of Committee Members	Position held	No. of Meetings during FY 2022-23	
			Held	Attended
1.	Mr. Vikram Shah	Chairman	4	4
2.	Mr. Naresh Kumar Chawla	Member	4	4
3.	Mr. Sudhir Kumar Munjal	Member	4	4
4.	Mr. Sudesh Kumar Duggal	Member	4	4
5.	Mr. Jal Ratanshaw Patel	Member	4	4

Mr. Vikram Shah, the Chairman of the Committee is a Chartered Accountant. The role and terms of reference of the Committee covers the matters specified under Regulation 18(3) read with Part C of Schedule II of the Listing Regulations and Section 177 of the Act. Besides having access to all the required information from the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters.

Mr. Rakesh Johari the Company Secretary and Compliance Officer of the Company acts as a Secretary of the Committees.

b. Nomination & Remuneration Committee

The role of the NRC is to oversee the selection of Directors and Senior Management based on criteria related to the specific requirement of expertise and independence. The NRC evaluates the performance of Directors and Senior Management based on the expected performance criteria. The NRC also recommends to the Board the remuneration payable to Directors and Senior Management of the Company. An annual working plan for the NRC Meetings is generally agreed by the Members at the beginning of the year.

The Nomination and Remuneration Committee ('NRC') is constituted and functions in accordance with the Section 178 of the Act and Regulation 19 read with Paragraph A of Part D of Schedule II to the Listing Regulations.

One meeting of Nomination & Remuneration Committee was held on May 27, 2022 during F.Y. 2022-23. The composition and attendance record of the Nomination & Remuneration Committee is given below:

Sr. No.	Name of Committee Members	Position held	No. of Meetings during FY 2022-23	
			Held	Attended
1.	Mr. Mahendra Sanghvi	Chairman	1	1
2.	Mr. Vikram Shah	Member	1	1
3.	Mr. Sudhir Kumar Munjal	Member	1	1
4.	Mr. Ramkisan Devidayal	Member	1	1
5.	Mr. Jal Ratanshaw Patel	Member	1	1

The Company does not have any stock option scheme. None of the Directors hold any shares in the Company except Mr. Naresh Kumar Chawla who holds 500 shares & Mrs. Anju Munjal holds 622 shares as on March 31, 2023.

c. Stakeholder's Relationship Committee

This Committee looks into investors' grievances arising out of issues regarding share transfers, dividends, dematerialisation and related matters, evaluating performance and service standards of the Registrar and Share Transfer Agent and takes requisite action(s) to redress the same.

The role and terms of reference of the Committee cover the areas as contemplated under Regulation 20 read with Paragraph B of Part D of Schedule II to the Listing Regulations and Section 178 of the Act, as applicable.

The Stakeholder's Relationship Committee functions under the Chairmanship of Mr. Naresh Kumar Chawla. Four Stakeholders Relationship Committee meetings were held on May 27, 2022, August 10, 2022, November 14, 2022 & February 07, 2023 during F.Y. 2022-23. The composition and attendance record of members of the Stakeholder's Relationship Committee are given below:

Sr. No.	Name of Committee Members	Position held	No. of Meetings during FY 2022-23	
			Held	Attended
1.	Mr. Naresh Kumar Chawla	Chairman	4	4
2.	Mr. Mahendra Sanghvi	Member	4	3
3.	Mr. Ramkisan Devidayal	Member	4	4
4.	Mr. Anuj Munjal	Member	4	4
5.	Mr. Sudesh Kumar Duggal	Member	4	4

The Company confirms that there were no share transfers lying pending as on date which were received up to March 31, 2023 and all requests for dematerialization and re-materialization of shares as on that date were confirmed into the NSDL / CDSL system within prescribed time.

d. Share Transfer Committee

The role of the Share Transfer Committee (STC) is to attend to the requests pertaining to share transfers, transmissions, name deletions, issue of duplicate share certificates and dematerialization or rematerialization of shares etc. Mr. Vikram Shah is the Chairman and Mr. Sudhir Kumar Munjal is member of the Committee. The meetings of Share Transfer Committee are held every fortnight, if required.

During the reporting financial year, 9 meetings of Share Transfer Committees were held.

e. Corporate Social Responsibility ('CSR') Committee

The Corporate Social Responsibility ('CSR') Committee ofthe Board is constituted in accordance with the provisions of Section 135 of the Act. The CSR Committee has been entrusted with the specific responsibility of reviewing corporate social responsibility programmes. The scope of the CSR Committee also includes approving the budget of CSR activities, reviewing the CSR programmes, formulation of annual action plan and monitoring the CSR spends.The CSR Policy is displayed on the website of the Company at https://www.munjalauto.com/wp-content/uploads/2018/08/CSR-Policy..pdf.

Disclosures of contents of Corporate Social Responsibility as required under The Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as a separate annexure to the Board's report.

During the year, one meeting was held on May 27, 2022. The composition and attendance record of members of the CSR Committee is given below: -

Sr. No.	Name of Committee Members	Position held	No. of Meetings during FY 2022-23	
			Held	Attended
1.	Mr. Vikram Shah	Chairman	1	1
2.	Mr. Naresh Kumar Chawla	Member	1	1
3.	Mr. Sudhir Kumar Munjal	Member	1	1
4.	Mrs. Anju Munjal	Member	1	1
5.	Mr. Anuj Munjal	Member	1	1

f. Independent Directors Meeting

During the year under review, one (1) Meeting of the Independent Directors of the Company was held on March 21, 2023 as required under Schedule IV to theAct (Code for Independent Directors) and Regulation 25(3) of the SEBI Listing Regulations. At their Meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole including the Chairman of the Board and also assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

g. Risk Management Committee ("RMC')

During the year, two meetings were held on November 14, 2022 & February 07, 2023. The composition and attendance record of members of the RMC Committee is given below: -

Sr. No.	Name of Committee Members	Position held	No. of Meetings during FY 2022-23	
			Held	Attended
1.	Mr. Sudhir Kumar Munjal	Chairman	2	2
2.	Mr. Naresh Kumar Chawla	Member	2	2
3.	Mr. Anuj Munjal	Member	2	2

(6) Disclosure

a. Disclosure of transactions with Related Parties

The Company follows the following policy in regard to disclosure of the related party transactions to the Audit Committee:

(i) A statement in the summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee.

(ii) All related party transactions are in the ordinary course of business and on arm's length basis.

(iii) During the financial year 2022-23, there were no materially significant transactions entered into between the Company and its Promoter, Directors or the Management, Subsidiary or relatives etc. that might have potential conflict with the interests of the Company at large.

The policy on materiality of related party transactions and on dealing with related party transactions of related party is placed on the website of the Company i.e. www.munjalauto.com.

b. Disclosure of Accounting Treatment in preparation of Financial Statements

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

c. Code for Prevention of Insider Trading Practices

The Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and cautioning them of the consequences of violations.

d. Whistle Blower Policy:

The Company has a Vigil Mechanism (Whistle Blower policy) already in place and is posted on the Company's website at the following weblink: https://munjalauto.com/finance/key-policies/

e. Disclosure of policy on material subsidiaries

The policy for determining material subsidiaries is available on the Company's website at the following weblink: https://munjalauto.com/finance/key-policies/

f. Fees paid to Statutory Auditors

The details of fees for all services paid by the Company and its subsidiaries (excluding taxes), on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which statutory auditors are part of, are given in the table below:

Sr. No.	Name of the Entity	Relationship with Munjal Auto Industries Limited	Detail of Services	Amount (₹ In Lakhs)
1.	Munjal Auto Industries Ltd.	-	Audit Fess	18.25
2.	Munjal Auto Industries Ltd.	-	Tax Audit Fees	2.75
3.	Munjal Auto Industries Ltd.	-	Certifications	0.50
4.	Munjal Auto Industries Ltd.	-	Other services	3.40
5.	Munjal Auto Industries Ltd.	-	Out of Pocket exps.	0.13
6.	Indutch Composites Technology Pvt. Ltd.	Subsidiary Company	Audit Fees	7.50
7.	Indutch Composites Technology Pvt. Ltd.	Subsidiary Company	Tax Audit Fees	1.50
8.	Indutch Composites Technology Pvt. Ltd.	Subsidiary Company	Other services	3.90

g. General Shareholder's Information

1. Annual General Meeting

Date	September 02, 2023
Day	Saturday
Time	11:00 A.M.
Venue	Pursuant to the MCA General Circular no. 20/2020 dated May 5, 2020; General Circular no. 2/2022 dated May 05, 2022, General Circular No. 10/2022 dated December 28,2022 the Company will conduct its AGM through VC/OAVM. Other relevant details have been provided in the notice of AGM.

2. Dates of Book Closure

The dates of book closure shall be from Sunday, August 27, 2023 to Saturday, September 02, 2023 (both days inclusive).

3. **Date of Dividend Payment**

The Board has recommended a final dividend @ 100% i.e. Rs. 2 per equity share for the FY 2022-23. The dividend recommended by the Directors for the year ended March 31, 2023, if declared at the ensuing annual general meeting, will be paid by September 30, 2023, to those members, whose names appear in the register of members/depository records as on Saturday, August 26, 2023.

4. **Financial Year of the Company**

Financial year of the Company begins from 1st April every year and ends on 31st March of every subsequent year:

Tentative Financial reporting for the quarter ending	
June 30, 2023	On or before Aug 14, 2023
September 30, 2023	On or before Nov 14, 2023
December 31, 2023	On or before Feb 14, 2024
March 31, 2024	On or before May 30, 2024

5. **Registered Office & Corporate Office**

Registered Office
187, GIDC Industrial Estate,
Waghodia 391 760,
District : Vadodara, Gujarat, India.
Tel: +91 2668 262421-22,
Fax: +91 2668 262427

Corporate Office
Unitech Business Zone, 2nd Floor,
Tower C, Nirvana Country, South City- 2,
Sector-50, Gurugram, Haryana – 122011.
Tel: (0124) 4057891/4057892,
Fax: (0124) 4369506

Email: cs@munjalauto.com; Website: www.munjalauto.com

6. **Listing of Equity Shares on Stock Exchange**

Listing Fees

Listing fees for the financial year 2023-24 has been paid to the Stock Exchanges, wherein the equity shares of the Company are listed (i.e. BSE & NSE) within stipulated time.

Listing on Stock Exchanges

Equity shares of the Company are presently listed on following stock exchanges:

Name of Stock Exchange	Address
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
National Stock Exchange of India Limited (NSE)	'Exchange Plaza', Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

7. **Stock Code**

The Company's stock code on the above stock exchanges are:

BSE Limited (BSE)	520059
National Stock Exchange of India Limited (NSE)	MUNJALAU
The ISIN of the Company is INE 672B01032.	

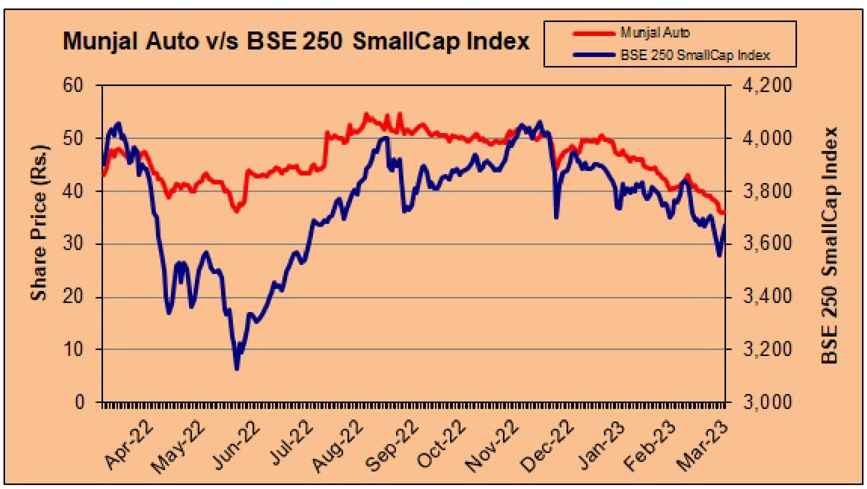
8. **Stock Performance**

Monthly high and low stock quotations and volumes during the financial year 2022-23 on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

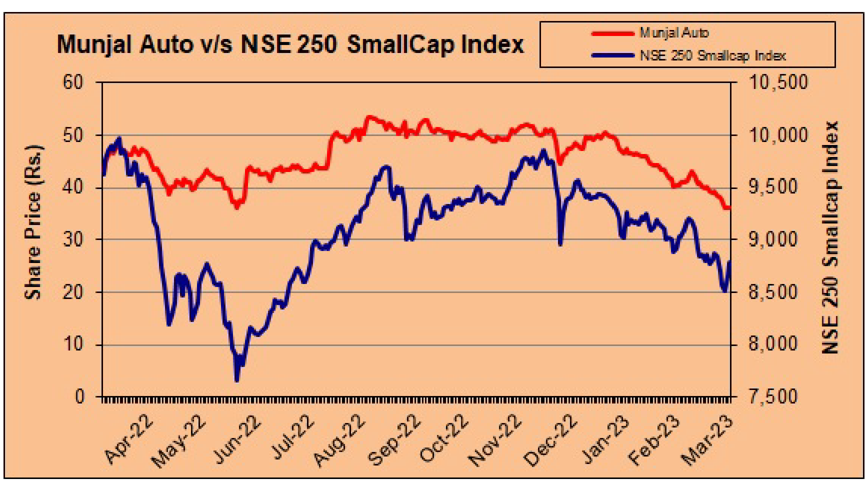
SHARE PRICE DATA (NSE & BSE)

	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
Month	**High (₹)**	**Low (₹)**	**Volume (Nos.)**	**High (₹)**	**Low (₹)**	**Volume (Nos.)**
April, 2022	49.00	40.70	3,50,917	49.15	40.75	21,58,153
May, 2022	45.70	38.45	1,46,520	45.75	38.25	9,78,709
June, 2022	45.00	36.00	2,92,762	45.45	36.00	24,91,181
July, 2022	45.35	42.05	1,20,170	45.90	41.30	12,66,041
August, 2022	53.70	43.55	6,75,588	53.75	43.50	98,27,670
September, 2022	57.00	49.50	5,12,583	57.30	49.60	51,81,148
October, 2022	54.05	48.35	1,27,258	54.20	48.30	13,60,554
November, 2022	55.50	48.65	2,21,938	52.30	48.60	21,71,329
December, 2022	53.80	42.05	1,62,072	53.00	43.65	23,01,613
January, 2023	51.70	46.05	2,26,826	51.90	46.00	18,95,580
February, 2023	48.65	40.10	1,91,109	48.90	40.05	10,27,760
March, 2023	44.15	35.55	2,02,827	44.30	35.60	13,65,053

COMPANY'S SHARE PRICE MOVEMENT V/S BSE 250 SMALLCAP INDEX



COMPANY'S SHARE PRICE MOVEMENT V/S NSE 250 SMALLCAP INDEX



9. **Registrar and Transfer Agent ('RTA')**

All works related to share registry, both in physical form and electronic form, are handled by the Company's RTA, MCS Share Transfer Agent Limited. The communication address of the RTA is given hereunder:

MCS Share Transfer Agent Limited
Address:-1st Floor, Neelam Apartments,
88- Sampatrao Colony, Above Chappanbhog Sweets,
Alkapuri, Vadodara - 390 007 (Gujarat)
Tel.: +91 265 2350490/ 2314757, Fax: +91 265 2341639
E-mail: mcsltdbaroda@gmail.com

10. **Share Transfer System**

All share transfer and other communications regarding share certificates, change of address, transmission, etc. should be addressed to the Company's RTA.

In terms of Regulation 40(1) of the Listing Regulations, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

The total number of shares transmitted during the year 2022-23 was 70,842 shares.

11. **Suspense Escrow Demat Account**

The Company has not transferred any equity shares to "Suspense Escrow Demat Account" during the FY 2022-23.

12. **Distribution of Shareholding as on March 31, 2023**

Distribution of Shareholding by number of shares held & Shareholding Pattern in percentage pursuant to Regulation 31(1)(b) of the Listing Regulations as on March 31, 2023 are given below:

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 500	31,624	80.34	49,12,507	4.91
501 – 1000	3,934	9.99	33,21,826	3.32
1001 – 2000	1,882	4.78	29,57,358	2.96
2001 – 3000	760	1.94	19,65,060	1.97
3001 – 4000	299	0.76	10,82,340	1.08
4001 – 5000	347	0.88	16,72,964	1.67
5001 – 10000	301	0.76	22,73,756	2.27
10001 – 50000	194	0.49	36,40,482	3.64
50001 – 100000	10	0.03	6,64,544	0.67
100001 & above	11	0.03	7,75,09,163	77.51
Total	**39,362**	**100**	**10,00,00,000**	**100**

13. Shareholding Pattern as on March 31, 2023

Category	As on March 31, 2023	
	No. of shares held	% age
A **Promoter's Holding**	7,48,06,450	74.81
Total Promoter's holding	**7,48,06,450**	**74.81**
B		
1. **Institutional Investors**		
* Banks / Financial Institutions	8,000	0.01
* Mutual Fund	20,000	0.02
Sub-Total	**28,000**	**0.03**
2.		
* Private Corporate Bodies	8,83,493	0.89
* Indian Public	2,15,71,859	21.57
* NRIs / OCBs	7,30,361	0.73
* Trust	3,152	0.00#
* H.U. F	10,12,364	1.01
* IEPF	9,64,321	0.96
Sub-Total	**2,51,65,550**	**25.16**
Total Non-Promoter holding	**2,51,93,550**	**25.19**
Grand Total	**10,00,00,000**	**100.00**

*Negligible

14. Category of Share Holding as on March 31, 2023

Sr. No.	Category	No. of Shareholders	% of Total Shareholders	Total Shares	% to Equity
1.	Physical	883	2.24	11,57,820	1.16
2.	NSDL	16,750	42.55	8,78,21,218	87.82
3.	CDSL	21,729	55.21	1,10,20,962	11.02
	TOTAL	**39,362**	**100**	**10,00,00,000**	**100**

15. Outstanding GDRs/ADRs/Warrant or any Convertible Instruments, Conversion date and likely impact on equity

Not applicable

16. Plant Locations

Regd. Office & Unit I
187, GIDC Industrial Estate,
Waghodia-391 760
Dist. Vadodara, Gujarat,
Tel: +91 2668 262421/22
Fax: +91 2668 262427

Unit II
Plot No.37,Sector 5
Phase II, Growth Centre
Bawal-123 501
Dist. Rewari, State : Haryana
Tel: (01284) 264435/36
Fax: (01284) 264434

Unit III
Plot No.11, Industrial Park -2
Village :Salempur, Mehdood
Haridwar-249 402
Dist. Haridwar, Uttarakhand
Tel:(01334)235530/32
Fax: +91 (1334) 235533

Unit IV
Plot No.32A,
Industrial Area,
Phase II, Dharuhera-122106
Dist. Haryana, State : Haryana
Tel:(01274)243010/11/12/13/14

17. Address for Correspondence

For queries relating to

Shares and Dividend
Mr. Rakesh Johari
Company Secretary
Munjal Auto Industries Limited,
187, GIDC Industrial Estate, Waghodia 391 760.
Dist. Vadodara (Gujarat)
Tel: +91 2668 262421-22 Fax: +91 2668 262427
E-mail: cs@munjalauto.com

Financial Statements
Mr. Brham Prakash Yadav
Chief Financial Officer
Munjal Auto Industries Limited
Unitech Business Zone, 2nd Floor, Tower C, Nirvana Country,
South City-2, Sector-50, Gurugram-122018
Tel: (0124)4057891/92 Fax: (0124) 4369506
E-mail: brhamprakash@munjalauto.com

18. Credit Rating

ICRA, the rating agency has reaffirmed AA- with stable outlook for the long-term ratings for bank facilities and A1+ the short-term rating for short term bank facilities and commercial paper of your Company vide letter dated October 28, 2022. The aforesaid rating is valid till June 30, 2023.

19. Particulars of loans/advances, etc. pursuant to Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Loans and advances in nature of loans to Subsidiary: (Net of Provisions)

(Rs. in Crore)

Name of the Company	Balance as on March 31, 2023	Maximum outstanding during the year
Indutch Composites Technology Private Limited #	Nil	5.00

#Mr. Sudhir Kumar Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal (Directors of the Company)are also Directors of Indutch Composites Technology Pvt. Ltd. but they do not have any other concerns or interests.

Details of Material Subsidiaries of the Listed Entity, including the date and place of Incorporation and the Name and Date of Appointment of Statutory Auditors of such Subsidiary

Name of Subsidiary	Date and Place of incorporation	Name of Statutory Auditors	Date of Appointment
Indutch Composites Technology Private Limited	May 22, 2010, Vadodara	VCA & Associates	September 28, 2010

20. Other Disclosures

a. Details of Annual General Meetings and Summary of Special Resolutions passed

Financial year (ended)	Date	Time	Venue	Summary of Special Resolution(s) passed for
March 31, 2022	September 16, 2022	11:00 a.m.	The meeting was convened through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”)	Special Resolution pertaining to: Revision in remuneration of Mr. Sudhir Kumar Munjal, CMD, Mrs. Anju Munjal and Mr. Anuj Munjal, WTD(s).
March 31, 2021	September 14, 2021	3:00 p.m.	The meeting was convened through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”)	No special resolution was passed at the meeting
March 31, 2020	September 12, 2020	12:00 Noon	The meeting was convened through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”)	No special resolution was passed at the meeting

b. **Resolution passed through circulation**

During the year ended March 31, 2023, no resolution was passed by circulation. Hence, disclosure under this section is not applicable.

c. **Details of non compliance etc.**

There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the stock exchanges or SEBI or any other authorities, on any matter relating to capital market during the last three years.

d. **Means of Communication**

The Company has been regularly uploading on online platform of Stock Exchanges within 30 minutes of closure of the Board Meeting, Annual Audited as well as quarterly un-audited results to both the Stock Exchanges, BSE & NSE, after they are approved by the Board of Directors. All information is submitted to NEAPS and BSE Listing Centre.

Quarterly, half-yearly and annual results are published in prominent daily newspapers such as the Business Standard & local newspaper i.e. Loksatta - Jansatta. The Company also informs Stock Exchanges in a prompt manner, all price sensitive information or such other matters, which in its opinion are material & relevant for the shareholders and subsequently issues a press release on the said matters.

The Company's website www.munjalauto.com contains information on the Company and its performance. Presentations to analysts, as and when made, are immediately posted on the website for the benefit of the shareholders and the public at large.

NSE Electronic Application Processing System ('NEAPS')

NEAPS is a web-based application designed by the National Stock Exchange of India Ltd. (NSE) for corporate filings. All periodical compliance related filings, like shareholding pattern, corporate governance report, media releases and corporate actions are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre ('Listing Centre')

The Listing Centre of BSE Ltd., is a web-based application designed for corporate filings. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.

e. **Compliance with Mandatory requirements**

No penalties have been imposed or strictures passed against the Company by the stock exchanges, the Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three years.

Securities of the Company have not been suspended for trading at any point of time during the year and the Company has duly complied with Corporate Governance requirements as specified under Regulation 17 to 27, Regulation 46 (2) clause(b) to (i) and para C, D and E of Schedule V of the Listing Regulations.

f. **Postal Ballot**

During the year ended March 31, 2023, no resolution was passed by postal ballot. Hence, disclosure under this section is not applicable.

ANNEXURE – I OF CORPORATE GOVERNANCE REPORT

COMPLIANCE CERTIFICATE

To,
The Board of Directors,
Munjal Auto Industries Limited
187, GIDC Industrial Estate, Waghodia
Vadodara, Gujarat- 391760

Sub: Compliance Certificate in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

A. This is to certify that we have reviewed the financial statements and cash flow statement for the financial year ended March 31, 2023 and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) 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 that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:

   (1) significant changes in internal control over financial reporting during the year, if any;

   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and

   (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Munjal Auto Industries Limited

Date : May 16, 2023
Place : Gurugram

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Brham Prakash Yadav
Chief Financial Officer

ANNEXURE - II OF CORPORATE GOVERNANCE REPORT
DECLARATION BY CHAIRMAN & MANAGING DIRECTOR

[Regulation 34(3), read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Sudhir Kumar Munjal, Chairman & Managing Director of Munjal Auto Industries Limited, hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2022-23.

For Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN: 00084080

Date : May16, 2023
Place : Gurugram

ANNEXURE - III OF CORPORATE GOVERNANCE REPORT
INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
MUNJAL AUTO INDUSTRIES LIMITED
187,GIDC Industrial Estate, Waghodia
Dist. Vadodara, Gujarat-391760

We have examined the compliance of conditions of Corporate Governance of **Munjal Auto Industries Limited** ("the Company") for the year ended March 31, 2023, as stipulated in Regulation 15 and other relevant regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

In our opinion and to the best of our information and according to our examination of the relevant records as aforesaid and the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 15 and other relevant regulations of the Listing Regulations above, during the year ended March 31, 2023 as applicable.

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.

For Devesh Pathak & Associates
Practising Company Secretaries
Devesh A. Pathak
Sole Proprietor
Membership No.: FCS 4559
CoP No. : 2306
UDIN:F004559E000385874

Place : Vadodara
Date : May 26, 2023

ANNEXURE – IV OF CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Munjal Auto Industries Limited
187, GIDC Industrial Estate,
Waghodia Dist.
Vadodara - 391760

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Munjal Auto Industries Limited** having CIN **L34100GJ1985PLC007958** and having registered office at 187 GIDC Estate Waghodia Distt Baroda, Gujarat 391760, (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015.

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

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Naresh Kumar Chawla	00007842	30/08/2001
2.	Mrs. Anju Sudhir Munjal	00007867	30/09/1999
3.	Mr. Vikram Chinubhai Shah	00007914	02/09/1996
4.	Mr. Jal Ratanshaw Patel	00065021	30/03/2009
5.	Mr. Sudhir Kumar Munjal	00084080	01/08/1991
6.	Mr. Mahendra Bhogilal Sanghvi	00084162	30/08/2001
7.	Mr. Ramkisan Amirchand Devidayal	00238853	26/07/2008
8.	Mr. Sudesh Kumar Duggal	00566943	25/10/2008
9.	Mr. Anuj Munjal	02714266	01/06/2010
10.	Ms. Avi Sabavala	08246256	01/04/2020

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

For Devesh Pathak & Associates
Practising Company Secretaries
Devesh A. Pathak
Sole Proprietor
Membership No.: FCS 4559
CoP No. : 2306
UDIN:F004559E000385601

Place : Vadodara
Date : May 26, 2023

INDEPENDENT AUDITORS' REPORT

To
THE MEMBERS OF
MUNJAL AUTO INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Munjal Auto Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31,2023,the Statement of Profit and Loss including other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified 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 state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and 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 Statementsin 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 Auditors' 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these 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.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
1.	**Recording of price adjustments and their impact on revenue recognition:** (Refer to note 37 to the Standalone Financial Statements) Revenue is measured by the Company at the transaction price i.e. amount of consideration received/ receivable from its customers. In determining the transaction price for the sale of products, the Company considers the effects of price adjustments: - to be passed on to the customers, or; - to be recovered from the customers, based on various parameters like negotiations, savings/escalations on/of cost of input materials etc. for the sales made by the Company. The Company computes the impact of such price adjustments to be recovered from/passed on to the customers based on agreed terms, negotiations undertaken, commercial considerations and other factors.	**<u>Principal Audit Procedures</u>** Our audit procedures included the following: • Assessed the Company's accounting policy for revenue recognition including the policy for recording price adjustments in terms of Ind AS 115; • Obtained understanding of the revenue process, and the assumptions used by the management in the process of calculation of price adjustments as per customer contracts, including design and implementation of controls, testing of management review controls and tested the operating effectiveness of these controls; • Evaluated management's methodology and assumptions used in the calculations of price adjustments as per customer contracts; • Tested completeness, arithmetical accuracy and validity of the data used in the computation of price adjustments as per customer contracts;

	The estimated assets and liabilities on this account at the year-end is shown as Contract Assets under note 54 and Contract Liabilities under note 54, respectively, to the Standalone Financial Statements and with its consequentially impacts the revenue appearing in note 54 to the Standalone Financial Statements. We have considered this as a key audit matter on account of the significant judgement and estimate involved in calculation of price adjustments to be recorded as at theyear end.	**Conclusion:** 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.
2.	**Recognition and Measurement of Deferred Taxes including Minimum Alternate Tax (MAT) credit:** (*Refer to note 4 (xiv), 13, 46 to the Standalone Financial Statements)* The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of tax base of assets and liabilities. This requires significant calculations on account of the tax regulations, most of which are complex. The effects and the measurement of deferred tax assets and liabilities require detailed knowledge of the applicable tax law. We have considered the recognition and measurement of deferred tax assets including MAT credit as Key Audit Matter as recognition of these assets involves judgement by management as to the likelihood of the realization of these deferred tax assets, which is based on a number of factors including whether there will be sufficient taxable profits in future periods to support recognition.	**Principal Audit Procedures** Our audit procedures included the following: - Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax asset by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts. - Inquiry and critical analysis of the management judgement on recognition of deferred tax asset. - Assessing the adequacy of the deferred tax disclosures to the Standalone Financial Statements. **Conclusion:** 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.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis,Corporate Governance Report and Shareholder's Information but does not include the Standalone Financial Statements and our auditors' report thereon.

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 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.

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

Responsibilities 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 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 Standalone 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 auditors' 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 auditors' 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 auditors' report unless law or regulation precludes public disclosure about the matters 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.
2. As required by Section 143(3) of the Act, we report that:
    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
    b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c. the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes 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 aforesaidStandalone Financial Statements comply with the Ind AS specified under Section 133 of the Act;
    e. on the basis of the written representations received from the directors as on March 31,2023, taken on record by the Board of

Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;

f. 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”;

g. with respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

h. the other matters to be included in the Auditors’ Report in accordance with Rule 11 of with respect to 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:

i. the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – refer note 47 to the Standalone Financial Statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses as at March 31, 2023;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) the management has represented that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) the management has represented, that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have 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 (a) and (b) above, contain any material misstatement.

v. As stated in the Note 61 to the standalone financial statements,

(a) The dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

(b) The Board of Directors of the Company has 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.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company from Financial Year beginning April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year 2022-23.

For K C Mehta & Co LLP
Chartered Accountants
Firm’s Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No.045027
UDIN: 23045027BGTEMT6064

Place : Vadodara
Date : May 23, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our Independent Auditors' Report to the members of **Munjal Auto Industries Limited**("the Company") on the Standalone Financial Statements for the year ended March 31, 2023, we report that:

i. a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment including Investment Property, Right of use assets and non-current assets held for sale.

(B) The Company has maintained proper records showing full particulars, including quantitative details of Intangible Assets.

b) The Company has a regular program of physical verification of property, plant and equipment, Investment Property, Right of use assets and non-current assets held for sale which, in our opinion is reasonable. The assets which were to be covered as per the said program have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed in such verification.

c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title/ lease deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

d) The Company has not revalued its PPE (including Right of Use Assets) or intangible assets or both during the year, and therefore, the reporting under clause 3(i)(d) of the Order is not applicable to the Company.

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 Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules thereunder, therefore disclosure in its Standalone Financial Statements is not required.

ii. a) The Inventories, except for goods-in-transit and inventories lying with third parties, have been physically verified by the management during the year and in our opinion, the frequency of verification is reasonable. In our opinion the coverage and the procedure of such verification by the management is appropriate.On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were less than 10% in aggregate for each class of inventories and have been properly dealt with in the books of account.

b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. We have been informed that the quarterly returns or statements filed by the Company from such banks or financial institutions are in accordance with the books of account of the Company.

iii. a) In our opinion and according to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to firms, Limited Liability Partnerships or any other parties during the year, except loan were advanced to subsidiary during the year, details regarding the same are mentioned below:

Particulars	Loans (in ₹ Lakhs)
Aggregate amount granted during the year:	
- Subsidiary	800.00
Balance outstanding as at balance sheet date in respect of above case:	
- Subsidiary	-

b) In our opinion and according to the information and explanations given to us, the terms and conditions on which the loan has been granted are not prejudicial to the Company's Interest.

c) The Company has granted Loan to the companies that are repayable on demand. The entire loan granted was demanded during the year and has been received.The payment of interest has been regular.

d) The loans granted by the company are repayable on demand, and therefore the question of overdue amount does not arise.

e) According to the information and explanations given to us, the loan which was granted during the year was due for payment in the current year, however, such loan was further extended for certain period in the year and has been repaid at the end of the year.

f) According to the information and explanations given to us, following case was found where the Company has granted loans which were repayable on demand:

Name of the parties	Aggregate amount of loans repayable on demand (₹ in Lakh)	Percentage of the loans to the total loans
Indutch Composites Technology Pvt. Ltd.	800.00	100%

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the loans granted, investments made, and guarantees and security provided by it.

v. 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 from the publicand consequently, the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and rules framed there under are not applicable to the Company.According to information and explanations provided to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

vi. In our opinion and according to the information and explanations given to us, in view of Rule 3 of the Companies (Cost Records and Audit) Amendments Rules 2014 the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company and therefore, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. a) According to the information and explanations given to us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee’s state insurance, income-tax, value added tax, goods and services tax, excise duty, cess and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of provident fund, employee’s state insurance, income tax, value added tax, goods and services tax, excise duty, cess and any other statutory dues were in arrears, as at March 31, 2023, for a period of more than six months from the date they become payable.

b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no disputed statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes except the following:

Name of the statute	Nature of disputed dues	Amount ₹ in Lakhs	Period to which the amount relates	Forum where pending
The Gujarat Sales Tax Act, 1969	Sales Tax	26.83	FY 2002-2003	Commissioner of Commercial Tax (Appeals)
The Central Excise Act, 1944	Duty of Excise	58.76	June, 2008 to March, 2009	Commissioner of Customs, Excise and Service Tax (Appeals)
The Income Tax Act, 1961	Income Tax	17.91	AY 2018-19	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	57.00	AY 2017-18	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	1.38	AY 2014-15	Commissioner of Income Tax (Appeals)

viii. According to the information and explanations given to us, there were no transactions recorded in the books of account relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or other lenders.

c) In our opinion and according to the information and explanation given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.

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

e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

f) According to the information and explanations given to us and the procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

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

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

xi. a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

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

c) As represented to us by the management, there are no whistleblower complaints received by the company during the year, no whistleblower complaints were received by the Company during the year.

xii. The Company is not a Nidhi company and therefore, the reporting under clause (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.

xiv. a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

b) The reports of internal auditors for the period under audit have been considered by us.

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 directors or persons connected with directors and therefore, reporting under clause 3(xv) of the Order is not applicable to the Company.

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a), 3(xvi)(b), 3(xvi)(c) & 3(xvi)(d) is not applicable.

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

xviii. There has been no resignation of the statutory auditors during the year and therefore, reporting under this clause of the Order is not applicable to the Company.

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 Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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. According to the information and explanations given to us,

a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer 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, reporting under Clause 3(xx)(a) of the Order is not applicable to the Company.

b) There are no unspent amounts towards Corporate Social Responsibility (CSR) pursuant to any ongoing project, and therefore, reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.

xxi. According to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order 2020 (CARO) reports of the companies included in the consolidated financial statements except the following:

Sr. No.	Name	CIN	Holding Company/ Subsidiary/Associate/ Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Indutch Composites Technology Private Limited	U29100GJ2010PTC059665	Subsidiary	(ii)(b) Discrepancy observed but considered immaterial

For K C Mehta & Co LLP
Chartered Accountants
Firm's Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027
UDIN: 23045027BGTEMT6064

Place : Vadodara
Date : May 23, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Munjal Auto Industries Limited** on the Standalone Financial Statements of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to Standalone Financial Statements of **Munjal Auto Industries Limited** ("the Company") as of March 31, 2023, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 theAct.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone 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, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone 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 auditors' judgement, including the assessment of the risks of material misstatement of the Standalone 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 with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to Standalone 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 Standalone 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone 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 Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become in adequate 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 with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants ofIndia.

For K C Mehta & Co LLP
Chartered Accountants
Firm's Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027
UDIN: 23045027BGTEMT6064

Place : Vadodara
Date : May 23, 2023

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(Amount ₹ in Lakhs)

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	6	**17,536.40**	18,760.08
(b) Capital work-in-progress	7	**817.20**	52.01
(c) Investment property	8	**2,454.60**	2,542.85
(d) Other intangible assets	9	**76.66**	116.38
(e) Right of use assets	10	**1,347.76**	1,107.56
(f) Financial assets			
(i) Investments	11	**3,001.93**	3,001.93
(ii) Deposits	12	**137.79**	218.61
(g) Deferred tax assets (net)	13	**-**	268.50
(h) Other non-current assets	14	**276.35**	55.73
Total Non-Current Assets		**25,648.69**	26,123.65
(2) Current Assets			
(a) Inventories	15	**4,366.84**	4,111.23
(b) Financial assets			
(i) Investments	16	**10,448.74**	11,762.35
(ii) Trade receivables	17	**34,794.99**	32,941.92
(iii) Cash and cash equivalents	18	**803.78**	236.22
(iv) Other Bank Balances	19	**73.66**	83.69
(v) Deposits	20	**-**	39.00
(vi) Other Financial assets	21	**26.75**	25.55
(c) Current tax assets (net)	22	**128.00**	285.39
(d) Other current assets	23	**374.78**	284.98
(e) Non-current assets held for sale	24	**1,164.27**	1,353.82
Total Current Assets		**52,181.81**	51,124.15
Total Assets		**77,830.50**	77,247.80
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	25	**2,000.00**	2,000.00
(b) Other equity	26	**37,255.82**	31,633.10
Total Equity		**39,255.82**	33,633.10
Liabilities			
(1) Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	27	**1,455.15**	3,095.94
(ii) Lease liabilities	28	**922.53**	841.12
(iii) Other financial liabilities	29	**83.33**	83.33
(b) Provisions	30	**535.52**	507.83
(c) Deffered Tax Liability	13	**720.67**	-
Total Non-Current Liabilities		**3,717.20**	4,528.22
(2) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	31	**1,636.79**	1,667.20
(ii) Lease liabilities	32	**271.42**	85.12
(iii) Trade payables	33		
(A) Total outstanding dues of micro and small enterprises		**3,442.05**	2,424.07
(B) Total outstanding dues of creditors other than micro and small enterprises		**19,746.96**	15,730.97
(iv) Other financial liabilities	34	**1,243.89**	1,254.38
(b) Current tax liabilities (net)	35	**-**	43.71
(c) Other current liabilities	36	**3,034.24**	4,877.46
(d) Provisions	37	**5,482.13**	13,003.57
Total Current Liabilities		**34,857.48**	39,086.48
Total Equity and Liabilities		**77,830.50**	77,247.80
Significant accounting policies and notes to standalone financial statements	1-63		

As per our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027

Place : Vadodara
Date : May 23, 2023

For and on behalf of the Board of Directors of
Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman, Audit Committee
DIN - 00007914

Rakesh Johari
Company Secretary

B P Yadav
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount ₹ in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	38	**1,58,145.56**	1,70,655.10
II	Other income	39	**1,358.80**	914.49
III	**Total income (I+II)**		**1,59,504.36**	1,71,569.59
IV	**EXPENSES**			
	Cost of raw materials consumed	40	**1,34,853.39**	1,50,047.60
	Changes in inventories of finished goods and work-in-progress	41	**(160.57)**	803.85
	Employee Benefits Expense	42	**6,896.56**	5,826.91
	Finance Costs	43	**440.30**	488.37
	Depreciation and amortization expense	44	**2,036.92**	2,098.97
	Other Expenses	45	**10,924.53**	9,299.68
	Total expenses (IV)		**1,54,991.13**	1,68,565.38
V	**Profit before Tax & Exceptional Items (III-IV)**		**4,513.23**	3,004.21
VI	**Exceptional Items**		**4,716.32**	-
VII	**Profit before Tax (V + VI)**		**9,229.55**	3,004.21
VIII	**Tax expenses**	46		
	(a) Current tax relating to:			
	- Current year		**2,570.32**	929.17
	- Earlier years		**87.82**	(13.96)
	(b) Deferred tax		**(1.44)**	8.46
IX	**Profit for the year (VII-VIII)**		**6,572.85**	2,080.54
X	**Other Comprehensive Income (OCI)**			
	Items that will not be reclassified to profit or loss			
	- Re-measurement of the defined benefit plans		**76.66**	25.66
	- Income tax relating to above item	46	**(26.79)**	(8.97)
	Net other comprehensive income not to be reclassified to profit or loss		**49.87**	16.69
XI	**Total comprehensive income for the year (IX+X)**		**6,622.72**	2,097.23
XII	**Earnings per equity share**			
	Basic and diluted (in ₹)	48	**6.57**	2.08
	Significant accounting policies and Notes to standalone financial statements	1-63		

As per our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027

Place : Vadodara
Date : May 23, 2023

For and on behalf of the Board of Directors of
Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman, Audit Committee
DIN - 00007914

Rakesh Johari
Company Secretary

B P Yadav
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2023

A. EQUITY SHARE CAPITAL

(Amount ₹ in Lakhs)

Particulars	
Balance as on March 31, 2021	2,000.00
Change in equity share capital during the year	-
Balance as on March 31, 2022	2,000.00
Change in equity share capital during the year	-
Balance as on March 31, 2023	**2,000.00**

B. OTHER EQUITY

(Amount ₹ in Lakhs)

Particulars	Reserves and Surplus			Other comprehensive income	Total
	Capital reserve	General reserve	Retained earnings	Re-measurement of defined benefit plans	
Balance as at March 31, 2021	2.09	1,848.73	27,698.98	(13.93)	29,535.87
Profit for the year	-	-	2,080.54	-	2,080.54
Re-measurement of defined benefit plans (net of tax)	-	-	-	16.70	16.70
Total comprehensive income for the year	**-**	**-**	**2,080.54**	**16.70**	**2,097.23**
Balance as at March 31, 2022	2.09	1,848.73	29,779.52	2.76	31,633.10
Profit for the year	-	-	**6,572.85**	**-**	**6,572.85**
Re-measurement of defined benefit plans (net of tax)	-	-	-	49.87	49.87
Total comprehensive income for the year	**-**	**-**	**6,572.85**	**49.87**	**6,622.72**
Payment of dividend	-	-	**(1,000.00)**	**-**	**(1,000.00)**
Balance as at March 31, 2023	**2.09**	**1,848.73**	**35,352.37**	**52.64**	**37,255.82**

As per our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027

Place : Vadodara
Date : May 23, 2023

For and on behalf of the Board of Directors of
Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman, Audit Committee
DIN - 00007914

Rakesh Johari
Company Secretary

B P Yadav
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(Amount ₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**9,229.55**	3,004.21
Adjustments for:		
Depreciation and amortisation expense	**2,036.92**	2,098.97
Finance Cost	**341.24**	397.27
(Profit)/Loss on sale/discard of Property, Plant and Equipment (Net)	**(4,702.27)**	(38.14)
Unwinding of discount	**3.83**	5.40
Interest on Lease Liabilities	**95.23**	85.71
Interest Income	**(34.72)**	(5.45)
Rental Income	**(557.02)**	(535.60)
Net Profit on sale of Current Investments	**(579.42)**	(195.55)
Net (gain) / loss on investments carried at fair value through Profit or Loss	**9.30**	(87.72)
Sundry balances written back (net)	**(87.36)**	1.78
Provision for Bad Debts & written offs (net off reversals)	**67.42**	-
Unrealised foreign exchange (gain)/loss (Net)	**(2.19)**	(1.29)
Re-measurement of defined benefit plans	**76.66**	25.66
Modification (Gain) / Loss on Lease Assets / Liabilities	**-**	(2.83)
Operating profit before working capital changes	**5,897.16**	4,752.42
Adjustment for (increase)/decrease in operating assets		
Inventories	**(255.61)**	1,488.44
Trade Receivables	**(1,917.93)**	975.66
Other Financial Assets	**49.46**	1.41
Other Assets	**(89.64)**	(16.73)
Adjustment for increase/(decrease) in operating liabilities		
Trade payables	**5,121.33**	(5,521.59)
Provisions	**(7,497.60)**	6,998.35
Other Liabilities	**(1,822.65)**	1,953.62
Cash flow from operations after changes in working capital	**(515.47)**	10,631.58
Net direct taxes (paid)/refunded	**(1,516.50)**	(628.30)
Net cash flow from/(used in) operating activities	**(2,031.97)**	10,003.29
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment property including capital advances & CWIP	**(1,288.40)**	(869.00)
Proceeds from sale of property, plant and equipment	**4,774.10**	782.37
Loan given to Subsidiary	**(800.00)**	-
Loan received back from Subsidiary	**800.00**	-
Purchase of Investments	**(2,20,083.16)**	(1,62,912.80)
Sale of Investments	**2,21,931.88**	1,54,066.35
Interest Income	**34.55**	5.45
Rent Income on Investment Property	**557.02**	535.60
Bank Balances not considered as Cash and Cash Equivalents	**10.02**	12.32
Net cash flow from/(used in) investing activities	**5,936.02**	(8,379.72)

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023 (Continued)

(Amount ₹ in Lakhs)

		For the year ended March 31, 2023	For the year ended March 31, 2022
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of borrowings	**(1,671.20)**	(2,107.17)
	Payment of dividend	**(1,000.00)**	-
	Payment of Lease Liabilities	**(305.51)**	(191.66)
	Finance cost	**(359.77)**	(608.12)
	Net cash flow from/(used) in financing activities	**(3,336.49)**	(2,906.95)
D.	**Net increase/ (decrease) in cash and cash equivalents (A+B+C)**	**567.57**	(1,283.38)
	Cash & cash equivalents at beginning of year (see note 1)	**236.22**	1,519.60
	Cash and cash equivalents at end of year (see note 1)	**803.78**	236.22
Notes:			
1	**Cash and cash equivalents comprise of:**		
	Cash on hands	**5.34**	7.96
	Balance with banks		
	In Cash Credit Accounts	**711.91**	204.79
	In Current Accounts	**51.53**	23.47
	Cheques in Transit	**35.00**	-
	Cash and cash equivalents as restated	**803.78**	236.22

2 Figures of the previous year have been regrouped / reclassified wherever necessary.

3. Reconciliation of liabilities from financial activities:

(Amount ₹ in Lakhs)

Particulars	Lease liabilities	Long-term borrowings	Short-term borrowings
Opening Balance (22-23)	**926.24**	**4,763.14**	**-**
Opening Balance (21-22)	1,027.37	6,870.31	-
Cash inflow / (outflow) (22-23)	**(305.51)**	**(1,671.20)**	**-**
Cash inflow / (outflow) (21-22)	(191.66)	(2,107.17)	-
Non Cash Changes (22-23)	**573.22**	**-**	**-**
Non Cash Changes (21-22)	90.53	-	-
Closing Balance (22-23)	**1,193.95**	**3,091.94**	**-**
Closing Balance (21-22)	926.24	4,763.14	-

As per our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027

Place : Vadodara
Date : May 23, 2023

For and on behalf of the Board of Directors of
Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman, Audit Committee
DIN - 00007914

Rakesh Johari
Company Secretary

B P Yadav
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Munjal Auto Industries Limited ('the Company') is a public limited company domiciled and incorporated in India having its registered office at 187, GIDC Estate, Waghodia, District: Vadodara- 391760. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is engaged in manufacturing and selling of Auto components. As at March 31, 2023, Thakur Devi Investments Private Limited, the holding Company owned 74.81% of the Company's equity share capital.

2 APPLICATION OF NEW INDIAN ACCOUNTING STANDARDS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:"

"Ind AS 1 – Presentation of Financial Statements :- The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact on its financial statements."

"Ind AS 12 – Income Taxes :- The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, on its financial statements."

"Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors :- The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact on its financial statements."

3 BASIS OF PREPARATION AND PRESENTATION

i. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

ii. Basis of preparation:

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The financial statements are presented in Indian Rupees which is Company's presentation and functional currency and all amounts are rounded off to the nearest lakhs (up to two decimals) except when otherwise indicated.

iii. Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4 SIGNIFICANT ACCOUNTING POLICIES

i. Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services or for administrative purposes are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes (net of credits taken) and other incidental expenses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as-other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act. Estimated useful lives of these assets are as under:

Description	Years
Building	30-60
Leasehold Improvements	over the lease period
Plant & machinery	15
Furniture and Fixtures	10
Vehicles	8
Office Equipment	5
Computers	3

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

ii. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over a period of 3 to 10 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the Statement of Profit and Loss when the asset is derecognised.

iii. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

iv. Non-current assets held for sale

The Company classifies Non-Current Assets as held for sale/disposal if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

v. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured inaccordance with Ind AS 16's requirements for cost model. The cost of Investment property includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the property is derecognised.

vi. Investment in subsidiary

The Company records the investment in subsidiary at cost less impairment loss, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On disposal of investment in subsidiary, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

vii. Inventories

Inventories other than scrap are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress (along with Stock in transit) include appropriate proportion of overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Scrap is valued at estimated net realisable value.

Inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower.

Provisions are made for obsolete and non-moving inventories.

viii. Revenue recognition

The Company earns revenue primarily from sale of products.

(a) Sale of products

Revenues are recognized when the Company satisfies the performance obligation by transferring a promised products to a customer. A product is transferred when the customer obtains control of that product, which is at the point of transfer of custody to customers where usually the title is passed, provided that the contract price is fixed or determinable and collectability of the receivable is reasonably assured.

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration and represents amounts receivable for products and services provided in the normal course of business, net off Goods and Services Tax (GST), etc. Any retrospective revision in prices is accounted for in the respective year to which such revision is communicated.

(b) Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established.

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(c) Other income

Other income is recognized on accrual basis except when realisation of such income is uncertain.

ix. Government grants

Government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Government grants related to revenue are recognized on a systematic basis in the statement of profit or loss over the periods necessary to match them with the related costs which they are intended to compensate.

x. Leases

As a lessee

The Company's lease assets primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases and corresponding Right-of-use Asset . For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Right-of-use Assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability.

Right-of-use Assets are depreciated on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

As a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight line basis over the lease term. The Company has leased out its Investment Property classifying such lease as an Operating Lease, because it does not transfer substantially all of the risks and rewards incidental to the ownership of such Investment Property. Note 4 (v) sets out the information about the said Investment Property.

xi. Foreign currency transactions

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items (which includes advance received/paid) that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

xii. Borrowing costs

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

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

xiii. Employee benefits

(a) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

(b) Post-employment benefits

(1) Defined contribution plan

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. The eligible employees of the Company are entitled to receive benefits in respect of provident fund, for which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

(2) Defined benefit plan

Defined retirement benefit plans comprising of gratuity are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted.

Remeasurement of defined retirement benefit plans comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognised in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to the Statement of Profit and Loss.

The retirement benefit obligation recognised in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

(c) Other long term employee benefits

The obligation for long term employee benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the company and is recognised in a similar manner as in the case of defined benefit plans vide (b)(2) supra.

Long term employee benefit costs comprising current service cost, interest cost implicit in long term employee benefit cost and gains or losses on curtailments and settlements, re-measurement including actuarial gains and losses are recognised in the Statement of Profit and Loss as employee benefit expenses.

xiv. Income taxes

Income tax expense represents the sum of the current tax and deferred tax.

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

(b) 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 profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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 deferred tax asset to be utilized.

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 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

(c) Current and deferred tax for the year

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

xv. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Product warranty expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically up to five years.

xvi. 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.

Financial assets and financial liabilities are initially measured at fair value except trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Statement of Profit and Loss are recognised immediately in the Statement of Profit and Loss.

xvii. Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(a) Financial assets at amortised cost

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

(b) Equity investments at fair value through other comprehensive income:

Financial assets are measured at fair value through other comprehensive income (FVTOCI) if these financial assets are held within a business 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. These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the Statement of Profit and Loss when the right to receive payment has been established.

When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

(c) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through Profit or Loss (FVTPL) unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through Profit or Loss are immediately recognised in the Statement of Profit and Loss.

(d) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(e) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

xviii. Financial liabilities and equity instruments

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(a) Financial liabilities

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs'.

(b) Equity instruments

An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(c) Derecognition of financial liabilities

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

xix. Research and development expenditure

Expenditure of capital nature are capitalised and expenses of revenue nature are charged to the Statement of Profit and Loss, as and when incurred.

xx. Statement of cash flows:

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

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company accounting policies, which are described in note no. 4, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgments in applying accounting policies

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statements:-

(a) Evaluation of indicators for impairment of property, plant and equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset or poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

(ii) Assumptions and key sources of estimation uncertainty

(a) Assets and obligations relating to employee benefits

The employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

(b) Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting period. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

(c) Estimation of provision for warranty

Management estimates the related provision for future warranty claims based on certain percentages of revenue. The provision is based on historical information on the nature, frequency and average cost of warranty claims. Management also estimates regarding possible future outflow on servicing the customers for any corrective action in respect of product failure which is generally expected to be settled within a period of 1 to 5 years.The assumptions made in relation to the current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives.

(d) Provision for price differences

The company recognises price difference payable to parties, where settlement is pending for final negotiation. It is provided on the basis of best estimate and management assessments, considering the past trades and various other factors. This provisions are reviewed on regular basis and adjusted with respective elements with statement of profit and loss from the adequacy and reasonability point of view.

(e) Provision for slow moving and obsolete items in Inventory valuation

Inventories are measured at the lower of cost and net realizable value. Write-down of inventories are calculated based on an analysis of foreseeable changes in demand, technology or market conditions to determine obsolete or excess inventories.

(f) Identification of leases, duration and value

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease and to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is rate of interest that the Company would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT

(Amount ₹ in Lakhs)

Particulars /Assets	Tangible assets								Total
	Freehold land	Building	Plant & equipment	Lease hold improve-ments	Furniture & fixtures	Vehicles	Office equipment	Computers	
Gross block									
At April 1, 2021	1,796.86	6,469.75	18,533.79	354.59	505.39	769.36	157.16	91.60	28,678.50
Additions	-	3.08	680.60	-	8.31	22.72	17.73	65.47	797.91
Deduction/adjustments	-	-	94.99	-	0.36	-	0.21	-	95.56
At March 31, 2022	1,796.86	6,472.83	19,119.40	354.59	513.35	792.08	174.68	157.07	29,380.86
Additions	-	27.17	325.19	-	0.11	145.85	1.99	10.55	510.86
Deduction/adjustments	-	-	104.89	-	-	48.67	-	3.64	157.20
At March 31, 2023	**1,796.86**	**6,500.00**	**19,339.70**	**354.59**	**513.46**	**889.26**	**176.67**	**163.98**	**29,734.52**
Accumulated depreciation									
At April 1, 2021	-	1,053.85	7,024.52	102.51	102.06	362.20	115.47	90.73	8,851.34
Charge for the year	-	219.46	1,381.96	38.46	29.62	101.93	18.28	20.70	1,810.41
Deduction/Adjustments	-	-	40.42	-	0.36	-	0.20	-	40.98
At March 31, 2022	-	1,273.32	8,366.06	140.97	131.32	464.13	133.55	111.43	10,620.78
Charge for the year	-	220.51	1,244.56	38.46	28.43	99.48	13.12	18.16	1,662.72
Deduction/adjustments	-	-	39.48	-	-	42.31	-	3.59	85.38
At March 31, 2023	**-**	**1,493.83**	**9,571.14**	**179.41**	**159.75**	**521.30**	**146.67**	**126.00**	**12,198.12**
Net block									
At March 31, 2022	1,796.86	5,199.52	10,753.34	213.63	382.02	327.95	41.13	45.64	18,760.08
At March 31, 2023	**1,796.86**	**5,006.17**	**9,768.56**	**175.17**	**353.71**	**367.96**	**30.00**	**37.98**	**17,536.40**

Notes:

(i) The Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

(ii) For details of property, plant and equipment pledged as security to lenders, refer Note No. 27

(iii) The aggregate depreciation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

(iv) Contractual obligations: Refer to note 47 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

(Amount ₹ in Lakhs)

7 CAPITAL WORK-IN-PROGRESS

Particulars	Total
At April 01, 2021	115.59
Additions	54.40
Transfer to proprety, plant and equipment	21.58
Transfer to Assets held for Sale	96.41
At March 31, 2022	**52.01**
Additions	**781.50**
Transfer to proprety, plant and equipment	**16.31**
At March 31, 2023	**817.20**

CWIP ageing schedules

As at March 31, 2023

CWIP	Amount in CWIP for a period of		Total
	Less than 1 year	1-2 years	
Projects in progress	781.50	35.70	**817.20**

CWIP ageing schedules

As at March 31, 2022

CWIP	Amount in CWIP for a period of		Total
	Less than 1 year	1-2 years	
Projects in progress	48.51	3.50	**52.01**

The Company has no such Projects whose completion is overdue or where costs have exceeded as compared to the original plan.

8 INVESTMENT PROPERTY

Particulars/Assets	Total
At April 1, 2021	2,632.07
Additions	-
Depreciation	89.22
At March 31, 2022	2,542.85
Additions	-
Deduction/Adjustments	-
Depreciation	88.25
At March 31, 2023	**2,454.60**

(i) Investment property includes Factory Building situated at Waghodia, Gujarat, which is owned to earn rentals and for capital appreciation. The said property is leased out to the Company's subsidiary for its operations.

(ii) The said investment property is pledged as security for a related borrowing. The fair value of the property measured by a registered valuer is ₹ 2,201.13 (P.Y. ₹ 2,274.51) Lakhs.

(iii) Rental income of ₹ 557.02 (P.Y. ₹ 535.60) Lakhs is shown within other income and finance expenses of ₹ 93.28 (P.Y. ₹ 116.54) Lakhs are reported within Finance Costs and and subletting charges of ₹ 12.05 (P.Y. ₹ 39.14) Lakhs are reported under Rates & Taxes.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

9 OTHER INTANGIBLE ASSETS

Particulars/Assets	Computer software	Total
Gross block		
At April 1, 2021	412.02	412.02
Additions	8.65	8.65
At March 31, 2022	420.67	420.67
Additions	-	-
At March 31, 2023	**420.67**	**420.67**
Accumulated amortisation		
At April 1, 2021	263.91	263.91
Charge for the year	40.38	40.38
At March 31, 2022	304.29	304.29
Charge for the year	39.72	39.72
At March 31, 2023	**344.01**	**344.01**
Net block		
At March 31, 2022	116.38	116.38
At March 31, 2023	**76.66**	**76.66**

(i) The Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

(ii) The aggregate amortisation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

10 RIGHT OF USE ASSETS

Particulars/Assets	Right of use assets			Total
	Land	Building	Plant & equipment	
At April 1, 2021	1,599.35	888.17	28.75	2,516.27
Add : Addition of new assets	-	-	12.55	12.55
Less : Modification / Re-measurement	-	-	4.90	4.90
Less : Non-Current Assets held for Sale	1,257.41	-	-	1,257.41
Less : Depreciation	21.22	125.39	12.35	158.96
As at March 31, 2022	320.72	762.78	24.06	1,107.56
Add : Addition of new assets	-	461.32	25.11	486.43
Less : Depreciation	5.96	227.75	12.52	246.23
As at March 31, 2023	**314.76**	**996.36**	**36.64**	**1,347.76**

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
11	**INVESTMENTS**		
	Investments in equity Instruments		
	Investments in subsidiary (at cost)		
	Indutch Composites Technology Private Limited	3,001.93	3,001.93
	(Unquoted, fully paid up 28,66,536 equity shares, face value ₹ 10 per share)		
	Total	**3,001.93**	**3,001.93**
	Aggregate carrying value of unquoted investments	3,001.93	3,001.93
	Aggregate amount of impairment in value of investments	-	-

(ii) Details of Subsidiary:

Name of subsidiary	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company As at March 31, 2023	As at March 31, 2022
Indutch Composites Technology Private Limited	Designing, developing, testing and production of different types of composites moulds and products for different industries	**Place of incorporation:** Vadodara, Gujarat **Principal place of business:** Vadodara and Chennai	68.00%	68.00%

(iii) Refer Note 4 (vi) for method followed for accounting of investments in subsidiaries.

	Particulars	As at March 31, 2023	As at March 31, 2022
12	**DEPOSITS**		
	Unsecured, considered good		
	Deposits	137.79	218.61
	Total	**137.79**	**218.61**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
13	**DEFERRED TAX ASSETS (NET)**		
	Deferred tax assets	1,498.04	2,514.08
	Deferred tax liabilities	(2,218.71)	(2,245.58)
	Total	**(720.67)**	**268.50**

(Amount ₹ in Lakhs)

Particulars	Opening balance	Recognized in statement of profit and loss	Recognized in other comprehensive income	MAT credit (setoff)	Adjust-ments	Closing balance
For the Financial Year 2022-23:						
Deferred tax asset on account of:						
Expenses claimed for tax purpose on payment basis	518.87	(21.93)	(26.79)	-	-	470.15
Carry Forward of Losses	16.91	(16.91)	-	-	-	-
Impairment of trade receivables	11.33	13.42	-	-	-	24.75
MAT credit entitlement	**1,966.97**	**-**	**-**	(963.83)	-	**1,003.14**
Total deferred tax assets (A)	**2,514.08**	**(25.42)**	**(26.79)**	**(963.83)**	**-**	**1,498.04**
Deferred tax liability on account of:						
Property, plant and equipment & intangible assets	2,235.51	6.22	-	-	-	2,241.73
Financial assets carried at fair value through profit or loss	30.65	(49.46)	-	-	-	(18.80)
Others	(20.58)	16.37	-	-	-	(4.22)
Total deferred tax liabilities (B)	**2,245.58**	**(26.87)**	**-**	**-**	**-**	**2,218.71**
Net deferred tax (A-B)	**268.50**	**1.44**	**(26.79)**	**(963.83)**	**-**	**(720.67)**
For the Financial Year 2021-22						
Deferred tax asset on account of:						
Expenses claimed for tax purpose on payment basis	458.15	(45.67)	(8.97)	-	115.35	518.87
Carry forward of business losses	-	16.91	-	-	-	16.91
Impairment of doubtful debts	11.33	-	-	-	-	11.33
MAT credit entitlement	2,340.30	-	-	(387.81)	14.48	1,966.97
Total deferred tax assets (A)	**2,809.78**	**(28.76)**	**(8.97)**	**(387.81)**	**129.83**	**2,514.08**
Deferred tax liability on account of:						
Property, plant and equipment & intangible assets	2,149.32	44.23	-	-	41.95	2,235.51
Financial assets carried at fair value through profit or loss	1.38	29.27	-	-	-	30.65
Others	(0.18)	8.45	-	-	(28.85)	(20.58)
Total deferred tax liabilities (B)	**2,150.52**	**81.95**	**-**	**-**	**13.10**	**2,245.58**
Net deferred tax (A-B)	**659.26**	**(110.71)**	**(8.97)**	**(387.81)**	**116.73**	**268.50**

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
14	**OTHER NON-CURRENT ASSETS**		
	Unsecured, considered good		
	Capital advances	5.31	34.49
	Less : Provision for impairment	-	29.00
	Net capital advances	5.31	5.49
	Advance income tax (net of provisions)	243.60	43.85
	VAT/CST paid under protest	27.45	6.39
	Total	**276.35**	**55.73**

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
15	**INVENTORIES**		
	Raw materials	2,015.88	1,906.60
	Work in Process	489.14	854.84
	Finished goods	1,166.24	785.85
	Finished goods- stock in transit	406.19	260.31
	Store and spares	289.39	303.63
	Total	**4,366.84**	**4,111.23**

(i) Inventory write downs/ provisions for slow-moving and obsolete items are accounted, considering the nature of inventory, ageing, liquidation plan and net realizable value. Provision for slow-moving and obsolete items of inventories amounted to ₹ 162.10 (March 31, 2022 : ₹ 216.60) Lakhs. The changes in provisions are recognized as an expense / income in the Statement of Profit and Loss. There is a reversal of provision of ₹ 21.06 Lakhs (P.Y. ₹ Nil).

(ii) For Inventories given as security to lenders, refer Note No. 31.

	Particulars	As at March 31, 2023 (Units in Nos.)	As at March 31, 2023 (Amount ₹ in Lakhs)	As at March 31, 2022 (Units in Nos.)	As at March 31, 2022 (Amount ₹ in Lakhs)
16	**INVESTMENTS**				
	Financial assets carried at fair value through profit or loss				
	Investment in mutual funds (unquoted)				
	HDFC Arbitrage Fund	-	-	61,40,188	1,526.02
	HDFC Short Term Debt Fund	23,10,358	619.69	-	-
	HDFC Focused 30 Fund	3,45,084	453.54	-	-
	HDFC Flexicap Fund	44,669	500.96	-	-
	HDFC TOP 100 Fund	17,011	125.35	-	-
	HDFC Ultra Short Term Fund	19,09,035	246.69	-	-
	Motilal Oswal Ultra Short Term Fund	5,55,927	80.42	-	-
	Motilal Oswal Midcap Fund	16,08,388	794.42	-	-
	Nippon India Large Cap Fund	10,48,947	566.35	-	-
	Nippon India Banking & Financial Services	89,373	341.65	-	-
	Nippon India Money Market Fund	2,293	80.54	-	-
	ICICI Prudential Ultra Short Term Fund	-	-	45,52,408	1,020.66
	ICICI Prudential Short Term Fund	12,28,161	620.58	-	-
	ICICI Prudential ALL Season Fund	14,73,398	454.80	-	-
	ICICI Prudential Flexicap Fund	60,28,167	671.54	-	-
	ICICI Prudential Small Cap Fund	15,09,100	794.24	-	-
	ICICI Prudential Money Market Fund	65,929	211.72	-	-
	ICICI Prudence Value Discovery Fund	22,175	60.70	-	-
	Bandhan Crisil Gilt Fund 2027	38,19,811	415.04	-	-
	Kotak Liquid Reg Fund	5,920	267.42	4,767	203.97
	Kotak Overnight Fund	14,707	175.20	934	10.56
	Kotak Money Market Fund	75,372	2,866.57	2,49,997	9,001.14
	Kotak Private Credit Fund	1,000	101.32	-	-
	Total		**10,448.74**		11,762.35
	Investments in mutual funds have been fair valued at closing net asset value (NAV).				
	The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.				
	Aggregate amount of quoted investments & market value		**10,448.74**		11,762.35
	Aggregate amount of impairment in value of investments		-		-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
17	**TRADE RECEIVABLES**		
	Unsecured, considered good	34,794.99	32,941.92
	Credit impaired	70.84	3.43
	Total (A)	**34,865.83**	**32,945.35**
	Less: Impairment for doubtful trade receivables (B)	70.84	3.43
	Total (A-B)	**34,794.99**	**32,941.92**

(i) The above figures includes receivable from subsidiary (Refer note 57)
(ii) Generally, the Company enters into long-term sales arrangement with its customers. The average credit period is around 45 days.
(iii) At March 31, 2023, the Company had single customer (March 31, 2022: single customer) having outstanding more than 5% of total trade receivables that accounted for approximately 95% (March 31, 2022: 94%) of total trade receivables outstanding.
(iv) The Company assesses impairment loss on dues from its customers based on facts and circumstances relevant to each transaction. Usually, Company collects all its receivables from its customers within due date.
(v) Ageing schedule for trade receivables (refer note 55)
(vi) **Movement of Impairment for doubtful trade receivables:**

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
	Balance at beginning of the year	3.43	3.43
	Addition in expected credit loss allowance on trade receivables	67.42	-
	Balance at end of the year	**70.85**	**3.43**
18	**CASH AND CASH EQUIVALENTS**		
	Balances with banks		
	In cash credit accounts	711.91	204.79
	In current accounts	51.53	23.47
	Cheques in Transit	35.00	-
	Cash on hand	5.34	7.96
	Total	**803.78**	**236.22**
19	**OTHER BANK BALANCES**		
	Balances with banks		
	Unclaimed dividend - earmarked	59.27	73.03
	Deposit with bank held as margin money against bank guarantee & LC	14.39	10.66
	Total	**73.66**	**83.69**
20	**DEPOSITS**		
	Deposits	-	39.00
	Total	**-**	**39.00**
21	**OTHER CURRENT FINANCIAL ASSETS**		
	Unsecured, considered good		
	Interest receivable	0.16	-
	Loans to employees	4.26	3.23
	Other receivables	22.33	22.33
	Total	**26.75**	**25.55**
22	**CURRENT TAX ASSETS (NET)**		
	Current tax assets		
	Advance tax (net of provisions)	128.00	285.39
	Total	**128.00**	**285.39**

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
23	**OTHER CURRENT ASSETS**		
	Unsecured, considered good		
	Balance with government authorities	-	20.39
	Deposit (refer below note)	15.45	15.45
	Prepaid expenses	164.82	179.81
	Advance to vendors	194.51	69.33
	Total	**374.78**	**284.98**

The Company had deposited ₹ 15.45 Lakhs under protest towards octroi duty in a separate bank account jointly held with the Sarpanch, Waghodia Gram Panchayat. The State Government of Gujarat has notified that industrial units in the notified area of Waghodia are not required to pay the octroi duty from July 19, 1997. The Company believes it has no liability for octroi duty even for the earlier period and hence no provision has been made. In the absence of clarity regarding rights of respective parties, interest income credited by the bank amounting to ₹ 27.26 Lakhs (As at March 31, 2022: ₹ 26.12 Lakhs) on the aforesaid amount till March 31, 2023 has not been recognized.

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
24	**NON-CURRENT ASSETS HELD FOR SALE**		
	Leasehold land for sale (refer note 10)	1,164.27	1,257.41
	Capital work-in-progress	-	96.41
	Total	**1,164.27**	**1,353.82**

The Company has entered into an agreement to transfer the Right of Use Asset pertaining to Land located at MIDC, Pune, Maharashtra. The transactions are set to be completed by end of FY 23-24. It has also received non-refundable advance for MIDC, Pune Land of ₹ 117.35 Lakhs for the same (refer note 36).

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
25	**EQUITY SHARE CAPITAL**		
	Authorised share capital		
	10,00,00,000 (as at March 31, 2022: 10,00,00,000) equity shares of ₹ 2 each	2,000.00	2,000.00
	Unclassified Shares	500.00	500.00
	Total authorised share capital	**2,500.00**	**2,500.00**
	Issued, subscribed & fully paid share capital		
	10,00,00,000 (as at March 31, 2022: 10,00,00,000) equity shares of ₹ 2 each	2,000.00	2,000.00
	Total	**2,000.00**	**2,000.00**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(i) A reconciliation of number of shares outstanding at the beginning and at the end of reporting period is as under:

(Amount ₹ in Lakhs)

Particulars	No. of shares	Share capital
As at April 1, 2021	10,00,00,000	2,000.00
Add: Increase/(decrease) during the year	-	-
As at March 31, 2022	10,00,00,000	2,000.00
As at April 1, 2022	**10,00,00,000**	**2,000.00**
Add: Increase/(decrease) during the year	**-**	**-**
As at March 31, 2023	**10,00,00,000**	**2,000.00**

(ii) Rights, preferences and restrictions attached to shares:

The Company has only one class of Equity Shares having a par value of ₹ 2 per share. For all matters submitted to vote in a shareholders meeting of the Company, every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

Particulars	No. of shares	Extent of holding
(iii) Details of shares held by holding Company are classified as under		
Thakur Devi Investments Private Limited		
As at March 31, 2023	**7,48,06,450**	**74.81%**
As at March 31, 2022	7,48,06,450	74.81%
(iv) Details of shareholders holding more than 5% shares in the Company are as under		
Thakur Devi Investments Private Limited		
As at March 31, 2023	**7,48,06,450**	**74.81%**
As at March 31, 2022	7,48,06,450	74.81%

(v) Details of shares held by promoters :

Promoters Name	No. of shares at the beginning of the Year	Change during the year	No. of shares at the end of the year	% of Total shares	% of change during the year
Thakur Devi Investments Private Limited					
As at March 31, 2023	7,48,06,450	-	7,48,06,450	74.81%	-
As at March 31, 2022	7,48,06,450	-	7,48,06,450	74.81%	-

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
26	**OTHER EQUITY**		
	Capital reserve	2.09	2.09
	General reserves	1,848.73	1,848.73
	Retained earnings	35,352.36	29,779.52
	Other comprehensive income	52.64	2.76
	Total	**37,255.82**	**31,633.10**

(i) Particulars relating to other equity

Other equity	As at March 31, 2023	As at March 31, 2022
Capital reserve		
Opening balance	2.09	2.09
Closing balance (A)	**2.09**	**2.09**
General reserves		
Opening balance	1,848.73	1,848.73
Closing balance (B)	**1,848.73**	**1,848.73**
Retained earnings		
Opening balance	29,779.51	27,698.98
Add: Net profit after tax transferred from statement of profit & loss	6,572.85	2,080.54
Less: Dividend paid (amount per share ₹ 1**.00 on 10,00,00,000 shares** (Previous Year ₹ 0.00 on 10,00,00,000 shares))	**(1,000.00)**	**-**
Closing balance (C)	**35,352.36**	**29,779.51**
Other comprehensive income		
Opening balance	2.77	(13.93)
Add: Re-measurement of defined benefit obligation (net of income tax)	49.87	16.69
Closing balance (D)	**52.64**	**2.76**
Total (A+B+C+D)	**37,255.82**	**31,633.10**

(ii) Capital Reserve represents the profit on re-issue of forfeited shares.

(iii) The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not reclassified subsequently to profit or loss.

(iv) The other comprehensive income is created by Re-measurement of defined benefit obligation and will not reclassified subsequently to profit or loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
27	**BORROWINGS - NON CURRENT**		
	Secured		
	Term loans		
	From banks	1,455.15	3,095.94
	Total	**1,455.15**	**3,095.94**

(i) Nature of security for long term secured borrowings including current maturities

Term loans	Nature of security	Current maturities of each loan (₹ in lakhs)	Each loan outstanding (₹ in lakhs)
From Bank			
State Bank of India			
Loan VIII	These loans are secured by way of mortgage / charge created Plant and Machinery acquired out of the sanctioned Term Loan for Waghodia, District- Vadodara, Gujarat.	**705.59** (740.00)	**705.59** (1,445.59)
Loan IX		**444.00** (440.00)	**971.83** (1,415.83)
HDFC Bank Limited	Theses loans are secured by way of charge created on fixed assets funded out of term loan pertaining to the Company's plant at Dharuhera, District - Rewari, Haryana.		
Loan IV		**150.00** (150.00)	**150.00** (300.00)
Loan V		**337.20** (337.10)	**1,264.52** (1,601.72)

(ii) The terms of repayment of the above loans are as follows:

Term Loans	Date of maturity	Rate of interest	No. of instalments due after the balance sheet date	Each instalment in ₹ in Lakhs
From Bank **State Bank of India**				
Loan VIII	March, 2024	MCLR + 0.10% (PY-MCLR+0.25%)	**4** (8)	**185.00** (185.00)
Loan IX	June, 2025	MCLR + 0.10% (PY-MCLR+0.25%)	**9** (13)	**111.00** (111.00)
HDFC Bank Limited				
Loan IV	Februrary, 2024	MCLR + 0.15%	**4** (8)	**37.50** (37.50)
Loan V	December, 2026	MCLR + 0.15%	**15** (19)	**50.00** (50.00)
			15 (19)	**34.30** (34.30)

Previous year figures are in bracket

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
28	**LEASE LIABILITIES**		
	Lease liabilities	922.53	841.12
	Total	**922.53**	**841.12**
	Movement of lease liabilities are as under:		
	Opening balance	926.24	1,027.37
	Addition during the year	477.99	12.55
	Finance cost	95.23	85.71
	Payment made during the year	305.51	191.66
	Modification / re-measurement	-	7.73
	Closing balance	1,193.95	926.24
	Current liabilities	271.42	85.12
	Non-current liabilities	**922.53**	**841.12**
29	**OTHER FINANCIAL LIABILITIES**		
	Security deposits (from subsidiary) (refer note 57)	83.33	83.33
	Total	**83.33**	**83.33**
30	**LONG-TERM PROVISIONS**		
	Provision for employee benefits (refer note 49)		
	Gratuity	100.28	115.41
	Leave encashment	395.60	347.79
	Provision for others		
	Warranties	39.64	44.63
	Total	**535.52**	**507.83**

(i) **Movement in warranties provision**

(Amount ₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	58.90	83.08
Additions during the year	11.14	2.74
Amount utilized during the year	(5.95)	(9.09)
Provision reversed during the year	(14.01)	(23.23)
Unwinding of discount on provisions	3.83	5.40
Closing balance	53.91	58.90
Long-term provisions	39.64	44.63
Short-term provisions	14.27	14.27

The provision for warranty claims represents the present value as best estimate of the future economic benefits that will be required under the Company's obligations for warranties. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
31	**BORROWINGS - CURRENT**		
	Current maturities of long term debt		
	Secured	1,636.79	1,667.20
	Loans repayable on demand from banks		
	Secured (refer note below)	-	-
	Total	**1,636.79**	**1,667.20**
	(i) These loans are secured by a first charge on inventories, receivables and all other current assets of the Company.		
32	**LEASE LIABILITIES - CURRENT**		
	Lease liabilities (refer note 28)	271.42	85.12
	Total	**271.42**	**85.12**
33	**TRADE PAYABLES**		
	(A) Total outstanding dues of micro and small enterprises	3,442.05	2,424.07
	(B) Total outstanding dues of creditors other than micro and small enterprises	19,746.96	15,730.97
	Total	**23,189.01**	**18,155.04**
	(i) Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. The average credit period is 30 - 60 days.		
	(ii) Ageing schedule for trade payables (refer note 55)		
	This information as required to be disclosed under Micro Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. Information in terms of section 22 of Micro, Small and Medium Enterprises Development Act, 2006 are given below;		
	Trade payables -Total outstanding dues of micro & small enterprises*		
	(a) Principal & interest amount remaining unpaid but not due as at year end		
	- Principal	3,442.05	2,424.07
	- Interest	26.66	6.77
	(b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
	(c) 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 Micro, Small and Medium Enterprises Development Act, 2006	-	-
	(d) Interest accrued and remaining unpaid as at year end	26.66	6.77
	(e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	145.34	138.57

*Based on the confirmation from vendors.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
34	**OTHER CURRENT FINANCIAL LIABILITIES**		
	Interest accrued and due on borrowings	11.03	29.56
	Unclaimed dividends *	59.27	73.03
	Security deposits	41.69	37.89
	Expenses payable	443.66	472.51
	Payable to employees	610.84	551.45
	Payable for capital goods	77.40	89.94
	Total	**1,243.89**	**1,254.38**
	* No amount is due for deposit in investor education and protection fund.		
35	**CURRENT TAX LIABILITIES (NET)**		
	Current tax liabilities		
	Provision of tax (net of advance tax)	-	43.71
	Total	**-**	**43.71**
36	**OTHER CURRENT LIABILITIES**		
	Liability for statutory payments	2,799.89	4,657.15
	Advance from customers	117.00	102.96
	Advance received for assets held for sale	117.35	117.35
	Total	**3,034.24**	**4,877.46**
37	**PROVISIONS**		
	Provision for employee benefits (refer note 49)		
	Gratuity	119.13	119.64
	Leave encashment	491.15	491.16
	Provision for others		
	Warranties (Refer note no. 30 for details)	14.27	14.27
	Provision for price differences (contract liabilities)	4,857.58	12,378.50
	Total	**5,482.13**	**13,003.57**
	Movement in provision for price differences:		
	Opening balance	12,378.50	5,345.28
	Additions during the year	22,845.31	55,749.80
	Amount utilized / Written back during the year	30,366.23	48,716.58
	Closing balance	**4,857.58**	**12,378.50**
	Long-term provisions	-	-
	Short-term provisions	4,857.58	12,378.50
	Break-up of provision for price differences		
	Payable to / (receivable) from - customers	5,369.59	17,065.27
	(Receivable) from / payable to - vendors	(512.01)	(4,686.77)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
38	**REVENUE FROM OPERATIONS**		
	Sale of products		
	Components of automobile	1,56,522.69	1,68,846.35
	Other operating revenue		
	Sale of scrap	1,621.95	1,808.26
	Export incentives	0.92	0.49
	Total	**1,58,145.56**	**1,70,655.10**
39	**OTHER INCOME**		
	Interest income on financial assets carried at amortised cost		
	Deposit with bank and others	34.72	5.45
	Cash Discount	-	1.40
	Net profit on sale / redemption of current investments	579.42	195.55
	Net gain on investments carried at fair value through profit or loss	-	87.72
	Exchange fluctuation (net)	8.22	3.54
	Unwinding of Interest	1.72	-
	Other non-operating income		
	Rental income	557.02	535.60
	Insurance claim received	57.83	42.85
	Profit on Sale of PPE / ROU Assets (Net)	-	38.14
	Sundry balances written back (net)	85.34	-
	Provision written back	29.00	-
	Miscellaneous Income	5.54	4.24
	Total	**1,358.80**	**914.49**
40	**COST OF MATERIALS CONSUMED**		
	Cost of materials consumed	1,34,853.39	1,50,047.60
	Total	**1,34,853.39**	**1,50,047.60**
41	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN-PROGRESS**		
	Opening stock		
	Finished goods	785.85	1,354.49
	Work-in-progress	854.84	1,165.89
	Finished goods- stock in transit	260.31	184.47
	Total (A)	**1,901.00**	2,704.85
	Closing stock		
	Finished goods	1,166.24	785.85
	Work-in-progress	489.14	854.84
	Finished goods- stock in transit	406.19	260.31
	Total (B)	**2,061.57**	**1,901.00**
	Total (A-B)	**(160.57)**	**803.85**
42	**EMPLOYEE BENEFITS EXPENSES**		
	Salaries and wages	6,109.28	5,117.55
	Contribution to provident and other funds	567.66	507.26
	Staff welfare expenses	219.62	202.10
	Total	**6,896.56**	**5,826.91**

(Amount ₹ in Lakhs)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
43	**FINANCE COSTS**		
	Interest on		
	Borrowings from banks	308.73	381.23
	Others	26.69	15.91
	Lease Liabilities	95.23	85.71
	Other costs	5.82	0.12
	Unwinding of discount on provisions	3.83	5.40
	Total	**440.30**	**488.37**
44	**DEPRECIATION AND AMORTIZATION EXPENSES**		
	Depreciation on property, plant and equipment	1,662.72	1,810.42
	Depreciation on Investment Property	88.25	89.22
	Depreciation on ROU Assets	246.23	158.96
	Amortization of intangible assets	39.72	40.38
	Total	**2,036.92**	**2,098.97**
45	**OTHER EXPENSES**		
	Stores and tools consumed	3,817.33	3,030.80
	Power and fuel	1,859.56	1,561.72
	Freight Charges	679.82	591.34
	Repairs and maintenance		
	Repairs to buildings	7.53	23.39
	Repairs to machinery	355.81	261.73
	Repairs and maintenance - others	89.43	121.26
	Research and development expenses	133.66	265.82
	Rent	6.50	78.00
	Wages to Contractors	1,888.96	1,664.87
	Professional Charges	141.70	161.71
	Insurance Premium	203.24	177.10
	Audit Fees	18.25	15.50
	Loss on property, plant and equipment sold/discarded (Net)	14.05	-
	Rates and Taxes excluding taxes on income	62.58	59.38
	Charity & Donation / CSR Expenses	70.70	68.00
	Warranty Expenses	18.14	(17.28)
	Provision for doubtful debts	67.42	-
	Capital Advance written off	29.00	-
	Net loss on investments carried at fair value through Profit or Loss	9.30	-
	Miscellaneous Expenses	1,451.57	1,236.34
	Total	**10,924.53**	**9,299.68**
	(i) Payment to auditors has been classified below (excluding taxes)		
	As auditors	18.25	15.50
	For Taxation Matters	2.75	2.50
	For Certification	0.50	0.25
	For Other Services	3.40	4.97
	For Out of pocket expenses	0.13	-
	Total	**25.03**	**23.22**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(ii) Expenditure towards Corporate Social Responsibility (CSR) activities:		
1. Gross amount required to be spent by the Company during the year	47.74	56.46
2. Amount spent in cash during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	62.00	62.00
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	-	-
5. Reason for shortfall	NA	NA
6. Nature of CSR activities	Special education & health improvement	Special education & health improvement
7. Details of related party transactions	NA	NA
8. Provision during the year on account of contractual liability	NA	NA
(iii) Research and development expenses :		
Expenses charged to revenue account		
Raw material consumption	118.05	226.39
Employee benefits	15.40	39.21
Travelling & other expenses	0.22	0.22
Total	**133.66**	**265.82**
Capital expenditure		
Equipments	**0.10**	-
Total	**0.10**	**-**

46 TAX EXPENSES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax in relation to		
Current years	2,570.32	929.17
Earlier years	87.82	(13.96)
Deferred tax		
In respect of current year	25.34	17.43
Total income tax expense recognised in the current year	**2,683.48**	**932.64**
(i) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	9,229.55	3,029.87
Income tax expense calculated at 34.944% (2021-22: 34.944%)	3,225.18	1,058.76
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income		
Expenses not allowed in Income Tax	34.51	29.32
Effect of income exempt/ taxed on lower rate	(726.03)	34.17
Tax adjustment of earlier years	87.82	(13.96)
Others	61.99	(175.65)
	2,683.48	**932.64**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

47 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(A) Contingent liabilities not provided for in respect of

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(Amount ₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the company not acknowledged as debt under the labour laws	103.62	129.60
Income tax	95.04	93.66
Excise duty	58.76	58.76
Sales tax	52.12	50.79

(i) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters above pending resolution of the arbitration/appellate proceedings.

(iii) Income tax

The Company is involved in tax disputes amounting to ₹ 95.04 (as at March 31, 2022 ₹ 93.66) Lakhs relating to Income Tax. This mainly relate to the disallowance under section 14A and Domestic Transfer Pricing of the Income Tax Act, 1961 and interest thereon which is pending at Appellate level.

(iv) Excise duty

The Excise Authorities had denied a CENVAT credit amounting to **₹ 29.38 Lakhs** and imposed a penalty of **₹ 29.38 Lakhs** for a period between June, 2008 to March, 2009 (₹ 29.38 Lakhs and ₹ 29.38 Lakhs CENVAT credit and penalty respectively at March 31, 2022) in respect of CENVAT credit availed on supplementary invoices raised by the Customer on account of material supplied by them. The Company is contesting the show cause notice.

(v) Sales tax

The total sales tax demands (including interest and penalty), that are being contested by the Company amount to **₹ 52.12** (as at March 31, 2022 ₹ 50.79) Lakhs. The details of the demands are as follows:

The Sales Tax authorities have denied input tax credit and levied interest and penalty thereon due to varied reasons aggregating to **₹ 33.21** (as at March 31, 2022 ₹ 31.89) Lakhs. The reasons for disallowing credit was mainly due to not allowing set off of taxes on LPG Gas and other materials used in manufacturing and also not allowing full deduction of taxes paid. Further, there is levy of purchase tax on purchase of LPG Gas. The matter is contested in appeal.

The Sales Tax authorities have demanded tax aggregating to **₹ 18.90** (as at March 31, 2022 ₹ 18.90) Lakhs on account of tax being levied on inter-state stock transfers. The matter is contested in appeal.

(vi) Provident fund

There are numerous interpretative issues relating to the SC Judgement on Provident Fund dated February 28, 2019. The Company has evaluated the impact of said judgement and Company has made necessary provision in financials.

(B) Commitments

(Amount ₹ in Lakhs)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	5.54	28.21
(b)	Commitment for investment in mutual funds	1,900.00	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
48	**EARNINGS PER SHARE**		
	Profit after tax for the year attributable to equity shareholders (₹ in Lakhs)	6,572.85	2,080.54
	Weighted average number of equity shares (in Nos.)	10,00,00,000	10,00,00,000
	Basic and diluted earnings per equity share (in ₹)	6.57	2.08
	Face value per equity share (in ₹)	2.00	2.00

49 EMPLOYEE BENEFITS

(a) Defined contribution plans

Contributions to defined contribution plan are recognized as expenses when contributions become due.

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognized in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period. The major defined contribution plans operated by the Company are as below:

(i) Provident fund and pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Company, post contribution of amount specified under the law to Employee Provident Fund Organization on account of employee pension scheme.

(ii) Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Company contributes up to 10% of the eligible employees' salary to the trust every year. Such contributions are recognized as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The total expenses recognized in the Statement of Profit and Loss during the year are as under:

(Amount ₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's contribution to provident and other funds	358.69	318.01
Employer's contribution to superannuation fund	47.90	29.55
Total	**406.59**	**347.56**

(b) Defined benefit plan

(i) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognized Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2023 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. Each year, the Company reviews the level of funding in gratuity fund. The Company decides its contribution based on the results of its annual review.

This plan typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

(I) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.

(II) Interest rate risk

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

(III) Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(IV) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Amounts recognized in the Financial Statements in respect of defined benefit plan are as follows:

(Amount ₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service cost		
Current service cost	119.64	119.07
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest expense/ (income)	11.74	8.47
Components of defined benefit costs recognised in Employee benefit expenses	**131.38**	**127.54**
Re-measurement on the net defined benefit liability:		
Actuarial (gains)/losses arising from changes in financial assumptions	(60.97)	(42.13)
Actuarial (gains)/losses arising from experience adjustments	(9.98)	27.16
Return on plan assets excluding amount included in net interest cost	(5.71)	(10.69)
Components of re-measurement	**(76.66)**	**(25.66)**
Total	**54.72**	**101.88**
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:		
Present value of funded defined benefit obligation	1,568.71	1,485.53
Fair value of plan assets	1,349.30	1,250.48
Net liability arising from defined benefit obligation	**219.41**	**235.05**
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined obligation	1,485.53	1,367.39
Current service cost	119.64	119.07
Interest cost	83.11	70.92
Re-measurement (gains)/losses :		
Actuarial (gains)/ losses arising from changes in financial assumptions	(60.97)	(42.13)
Actuarial (gains)/ losses arising from experience adjustments	(9.98)	27.16
Benefits paid	(48.63)	(56.88)
Closing defined benefit obligation	1,568.71	1,485.53

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Movements in the fair value of plan assets are as follows:		
Opening value of plan assets	1,250.48	1,172.34
Interest income	71.37	62.45
Return on plan assets excluding amounts included in interest income	5.71	10.69
Contributions by employer	70.36	61.88
Benefits paid	(48.63)	(56.88)
Closing value of plan assets	**1,349.30**	**1,250.48**
Classification of non-current and current liability:		
Current liability	119.13	119.64
Non-current liability	100.28	115.41
Total	**219.41**	**235.05**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Mortality	Indian assured lives mortality (2012-14) table	
Withdrawal rates	10.00% p.a. at younger ages reducing to 1.00% p.a. at older ages	10.00% p.a. at younger ages reducing to 1.00% p.a. at older ages
Discount rate (%)	7.35%	6.70%
Salary escalation rate (%)	6.50%	6.50%
Rate of return on plan assets (%)	7.35%	6.70%

(Amount ₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
The fair value of the plan assets at the end of the reporting period for each category are as follows:		
100% managed by insurer (Life Insurance Corporation of India)	1,349.30	1,250.48

Fair value of Investment in Group of Insurance Company is taken as book value on reporting date.

The actual return on plan assets of gratuity during the year is **₹ 77.08** (during previous year ended March 31, 2022: ₹ 73.14) Lakhs.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Amount ₹ in Lakhs)

Significant actuarial assumptions	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate		
- Impact due to increase of 50 basis points	1,525.30	1,441.72
- Impact due to decrease of 50 basis points	1,615.13	1,532.51
Salary increase		
- Impact due to increase of 50 basis points	1,612.37	1,529.87
- Impact due to decrease of 50 basis points	1,527.00	1,443.59
Withdrawal rate		
- Impact due to increase of 10 percent	1,571.10	1,486.32
- Impact due to decrease of 10 percent	1,566.22	1,484.71

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

The Company expects to make a contribution of ₹ 119.13 (as at March 31, 2022: ₹ 119.64) Lakhs to the defined benefit plans during the next financial year.

(c) Other long term employee benefit plans

Leave encashment

Amount of ₹ 108.63 (March 31, 2022 ₹ 18.41) Lakhs is recognized as expenses and included in note no. 42 “Employee benefit expense”.

50 IMPAIRMENT OF ASSETS

In accordance with the Indian Accounting Standard (Ind AS-36) on “Impairment of Assets” the Company has, during the year, carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at March 31, 2023.

51 SEGMENT REPORTING

The Company’s operations falls under single segment namely “Manufacturing of Auto Components”, taking into account the risks and returns, the organization structure and the internal reporting systems. Segment revenue from “Manufacturing of Auto Components” represents revenue generated from external customers which is attributable to the Company’s country of domicile i.e. India and external customers outside India as under:

(Amount ₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from:		
Outside India	69.32	77.79
In India	1,58,076.24	1,70,577.31

All assets are located in the Company’s country of domicile i.e. India.
The Company’s significant revenues (more than 90%) are derived from single entity. The total revenue from such entities amounted to **₹ 1,51,112.47** (for the year ended March 31, 2022: ₹ 1,65,104.96) Lakhs

52 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

53 FINANCIAL INSTRUMENT DISCLOSURE

(a) Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company, safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings.

The Company monitors capital using a ratio of net debt to equity. For this purpose, net debt is defined as liabilities, comprising interest-bearing loans less cash and cash equivalents, other bank balances (including earmarked balances) and current investments. Equity comprises all components of equity.

The table below summarizes the capital, net debt and net debt to equity ratio of the Company.

(Amount ₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity share capital	2,000.00	2,000.00
Other equity	37,255.82	31,633.10
Total equity (A)	**39,255.82**	**33,633.10**
Non-current borrowings	1,455.15	3,095.94
Current maturities of long term borrowings	1,636.79	1,667.20
Gross debt (B)	**3,091.94**	**4,763.14**
Gross debt as above	3,091.94	4,763.14
Less: Current investments	10,448.74	11,762.35
Less: Cash and cash equivalents	803.78	236.22
Less: Other balances with bank (including earmarked balances)	73.66	83.69
Net debt (C)	**(8,234.25)**	**(7,319.12)**
Net debt to equity	**(0.21)**	**(0.22)**

(b) Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4(xvi),(xvii) and (xviii).

(i) Financial assets and liabilities

The following tables presents each category of financial assets and liabilities as at March 31, 2023 and March 31, 2022.

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
I.	**Financial assets**		
	Measured at fair value through profit or loss (FVTPL)		
	Investments in mutual funds	10,448.74	11,762.35
	Measured at amortised cost		
	Trade and other receivables	34,794.99	32,941.92
	Cash and cash equivalents	803.78	236.22
	Other bank balances	73.66	83.69
	Deposits	137.79	257.61
	Other financial assets	26.75	25.55
	Measured at cost : Investments in subsidiary	3,001.93	3,001.93
	Total	**49,287.64**	**48,309.27**
II.	**Financial Liabilities**		
	Measured at amortised cost		
	Long term borrowings	1,455.15	3,095.94
	Short term borrowings	1,636.79	1,667.20
	Trade payables	23,189.02	18,155.04
	Lease Liabilities	1,193.95	926.24
	Other financial liabilities	1,327.22	1,337.72
	Total	**28,802.13**	**25,182.14**

(ii) Fair value measurement

This note provides information about how the Company determines fair values of various financial assets and liabilities.

Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

Following table gives information about how the fair values of the Company's financial assets are determined:

(Amount ₹ in Lakhs)

Financial assets	Fair value as at		Fair value
	March 31, 2023	March 31, 2022	hierarchy
Investment in mutual funds	**10,448.74**	11,762.35	Level 1

Valuation technique and key input: NAV declared by respective asset management companies.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except fair value of investments in mutual funds approximate their fair values.

There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2023 and March 31, 2022.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(iii) Financial risk management objectives

The Company's principal financial liabilities comprises of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include mutual funds, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

(a) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices- will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

(I) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amount ₹ in Lakhs)

Foreign currency exposure	As At March 31, 2023	As At March 31, 2022
Assets	87.35	74.29
Liabilities	12.40	9.25

The Company has not entered in to any forward contracts to hedge its foreign exposures and therefore there are no outstanding forward contract at the year end (as at March 31, 2022: Nil)

Foreign currency sensitivity:

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD/EURO-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(Amount ₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
USD sensitivity at year end		
Assets		
Weakening of INR by 5%	4.37	3.71
Strengthening of INR by 5%	(4.37)	(3.71)
Liabilites		
Weakening of INR by 5%	(0.62)	(0.46)
Strengthening of INR by 5%	0.62	4.46

(II) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from the long term borrowings with fixed rates. The Company's fixed rates borrowings are carried at amortized cost.

The Company invests the surplus fund generated from operations in mutual funds. Considering these mutual funds are short term in nature, there is no significant interest rate risk.

The Company has laid policies and guidelines including tenure of investment made to minimize impact of interest rate risk.

(III) Price risk

The Company has deployed its surplus funds into units of mutual fund. The Company is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in liquidity and credit quality of underlying securities.

NAV price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to NAV price risks at the end of the reporting period. If NAV prices had been 1% higher/lower:

Profit for the year ended March 31, 2023 would increase/decrease by ₹ 104.47 Lakhs (for the year ended March 31, 2022: increase/decrease by ₹ 117.22 Lakhs).

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in mutual funds, trade receivables and loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed as under:

(Amount ₹ in Lakhs)

Particulars	As At March 31, 2023	As At March 31, 2022
Within the credit period	34,617.57	31,053.20
Upto 6 months past due	228.37	1,794.68
More than 6 months past due	19.88	97.47
Total	**34,865.83**	**32,945.34**

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

(c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

Particulars	1 month -1 year	1 year – 3 years	More than 3 years
As at March 31, 2023			
Long term borrowings	1,636.79	1,202.24	252.90
Trade payables	23,189.02	-	-
Lease liabilities	271.42	522.52	400.01
Other financial liabilities	1,243.89	-	83.33
Total	**26,341.12**	**1,724.76**	**736.24**
As at March 31, 2022			
Long term borrowings	1,667.20	2,422.00	673.94
Trade payables	18,155.04	-	-
Lease liabilities	113.74	377.28	391.52
Other financial liabilities	1,254.38	-	83.33
Total	**21,190.37**	**2,799.27**	**1,148.79**

The following table details the Company's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Amount ₹ in Lakhs)

Particulars	1 month -1 year	1 year – 3 years	More than 3 years
As at March 31, 2023			
Trade and other receivables	34,794.99	-	-
Investments in mutual funds	10,448.74	-	-
Deposits	**-**	**-**	**137.79**
Other financial assets	26.75	-	-
Total	**45,270.48**	**-**	**137.79**
As at March 31, 2022			
Trade and other receivables	32,941.92	-	-
Investments in mutual funds	11,762.35	-	-
Loans	39.00	-	218.61
Other financial assets	25.55	-	-
Total	**44,768.82**	**-**	**218.61**

The Company has access to committed credit facilities as described below, of which ₹ 7,772.36 (as at March 31, 2022 ₹ 9,253.93) Lakhs were unused at the end of the reporting year. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(Amount ₹ in Lakhs)

Unsecured bank overdraft facility, reviewed annually and payable at call	As at March 31, 2023	As at March 31, 2022
Amount used	3,271.64	4,823.07
Amount unused	7,772.36	9,253.93

54 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD -115 ARE GIVEN BELOW

(i) The Company derives revenues from sale of goods, scrap and services from its contracts with customers. The revenues have been disclosed in Note No.38 "Revenue from Operations".

The revenues are further disaggregated into revenues from domestic as well as export market. Refer note 51 "Segment reporting" for details.

(ii) The revenues are further disaggregated into revenues from domestic as well as export market. Refer Note No. 51 "Segment Reporting" for details.

(iii) The Company does not have any contract asset. The opening and closing balances of trade receivables and Contract liability are as under:

(Amount ₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	**34,794.99**	32,941.92
Contract liability		
- Advances from customers	**117.00**	102.96

(iv) There is no transaction price which is yet to be recognized on account of remaining outstanding performance obligation.

55 AGEING :

A Trade receivables ageing schedules

(Amount ₹ in Lakhs)

FY 2022-23

Sr. No.	Particulars	Unbilled receivables	Not due	Outstanding for following periods from due date of payment					Total
				Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
1	Debts due by directors or other officers of the company, by firms or private companies respectively in which any director is a partner or a director or a member	-	-	-	-	-	-	-	-
	(i) Considered good – unsecured	-	-	-	-	-	-	-	-
	(a) Undisputed trade receivables	-	55.31	147.17	-	-	-	-	**202.48**
	Total of (1)	**-**	**55.31**	**147.17**	**-**	**-**	**-**	**-**	**202.48**
2	Trade receivables other than (1) above								
	(i) Considered good – unsecured								
	(a) Undisputed trade receivables	-	34,562.27	30.24	-	-	-	-	**34,592.51**
	(b) Disputed trade receivables	-	-	-	-	-	-	-	-
	Less: Allowance for bad and doubtful debts/ allowance for expected credit loss	-	-	-	-	-	-	-	-
	(ii) Trade receivables – credit impaired	-	-	-	-	-	-	-	-
	(a) Undisputed trade receivables	-	-	50.96	-	-	3.03	16.85	**70.84**
	(b) Disputed trade receivables	-	-	-	-	-	-	-	-
	Less: Allowance for bad and doubtful debts/ allowance for expected credit loss	-	-	50.96	-	-	3.03	16.85	**70.84**
	Total of (2)	**-**	**34,562.27**	**30.24**	**-**	**-**	**-**	**-**	**34,592.51**
	Grand total (1+2)	**-**	**34,617.57**	**177.41**	**-**	**-**	**-**	**-**	**34,794.99**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Trade receivables ageing schedules **(Amount ₹ in Lakhs)**

FY 2021-22

Sr. No.	Particulars	Unbilled receivables	Not due	Outstanding for following periods from due date of payment					Total
				Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
1	Debts due by directors or other officers of the company, by firms or private companies respectively in which any director is a partner or a director or a member	-	-	-	-	-	-	-	**-**
	(i) Considered good – unsecured	-	-	-	-	-	-	-	**-**
	(a) Undisputed trade receivables	-	48.67	-	-	-	-	-	**48.67**
	Total of (1)	**-**	**48.67**	**-**	**-**	**-**	**-**	**-**	**48.67**
2	Trade receivables other than (1) above								
	(i) Considered good – unsecured								
	(a) Undisputed trade receivables	-	31,004.52	1,794.68	72.88	-	17.81	3.35	**32,893.25**
	(b) Disputed trade receivables	-	-	-	-	-	-	-	**-**
	Less: Allowance for bad and doubtful debts/ allowance for expected credit loss	-	-	-	-	-	-	-	**-**
	(ii) Trade receivables – credit impaired	-	-	-	-	-	-	-	**-**
	(a) Undisputed trade receivables	-	-	-	-	-	-	3.43	3.43
	(b) Disputed trade receivables	-	-	-	-	-	-	-	**-**
	Less: Allowance for bad and doubtful debts/ allowance for expected credit loss	-	-	-	-	-	-	3.43	**3.43**
	Total of (2)	**-**	**31,004.52**	**1,794.68**	**72.88**	**-**	**17.81**	**3.35**	**32,893.25**
	Grand total (1+2)	**-**	**31,053.20**	**1,794.68**	**72.88**	**-**	**17.81**	**3.35**	**32,941.92**

B Trade payables ageing schedules **(Amount ₹ in Lakhs)**

Sr. No.	Particulars	Unbilled payables	Not due	Outstanding for following periods from due date of payment					Total
				Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
FY 2022-23									
1	(i) Dues to Micro, Small and Medium Enterprises (MSME)	-	-	-	-	-	-	-	**-**
	- Disputed dues	-	-	-	-	-	-	-	**-**
	- Undisputed dues	-	3,394.43	40.80	-	-	-	6.82	**3,442.05**
	Total of (1)	**-**	**3,394.43**	**40.80**	**-**	**-**	**-**	**6.82**	**3,442.05**
2	(i) Dues to others								
	- Disputed dues								
	- Undisputed dues	-	17,135.87	2,445.61	62.67	23.39	18.07	61.35	**19,746.96**
	Total of (2)	**-**	**17,135.87**	**2,445.61**	**62.67**	**23.39**	**18.07**	**61.35**	**19,746.96**
	Grand total (1+2)	**-**	**20,530.31**	**2,486.41**	**62.67**	**23.39**	**18.07**	**68.18**	23,189.02
FY 2021-22									
1	(i) Dues to Micro, Small and Medium Enterprises (MSME)	-	-	-	-	-	-	-	**-**
	- Disputed dues	-	-	-	-	-	-	-	**-**
	- Undisputed dues	-	(25.16)	0.05	0.15	-	-	24.96	**-**
	Total of (1)	**-**	**(25.16)**	**0.05**	**0.15**	**-**	**-**	**24.96**	**-**
2	(i) Dues to others								
	- Disputed dues								
	- Undisputed dues	-	16,563.89	1,465.73	15.18	3.33	21.83	85.07	**18,155.03**
	Total of (2)	**-**	**16,563.89**	**1,465.73**	**15.18**	**3.33**	**21.83**	**85.07**	**18,155.03**
	Grand total (1+2)	**-**	**16,538.73**	**1,465.79**	**15.33**	**3.33**	**21.83**	**110.03**	**18,155.03**

56 RATIOS :

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% change	Reason for variance
Current ratio	Current assets	Current liabilities	1.50	1.31	14.45%	Control on working capital
Debt- equity ratio	Total debt	Shareholder's equity	0.08	0.14	-44.38%	Repayment of debt
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & lease payments + Principal repayments	4.15	1.94	113.78%	Due to increase in exceptional profit
Return on equity ratio	Net profits after taxes – Preference dividend	Average shareholder's equity	18.04%	6.39%	182.46%	Due to increase in exceptional profit
Inventory turnover ratio	Cost of goods sold	Average inventory	31.77	31.07	2.27%	
Trade receivable turnover ratio	Net credit sales = Gross credit sales - Sales return	Average trade receivable+ Provision for rate adjustment relating to customer	6.98	6.43	8.60%	
Trade payable turnover ratio	Net credit purchases = Gross credit purchases - Purchase return	Average trade payables	7.04	7.66	-8.00%	
Net capital turnover ratio	Net sales = Total sales - Sales return	Working capital = Current assets – Current liabilities	9.13	14.18	-35.61%	Reduction in sales turnover & increase in working capital
Net profit ratio	Net profit	Net sales = Total sales - Sales return	4.16%	1.22%	240.91%	Due to increase in exceptional profit
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible net worth + Total debt + Deferred tax liability	11.70%	9.16%	27.70%	Due to increase in exceptional profit
Return on investment	Interest (finance income)	Average investment	5.22%	3.94%	32.57%	Due to increase in rate of interest by bank

57 RELATED PARTY DISCLOSURES

(a) **Name of related parties and description of their relationships are as under:**

(A) Holding Company:

Thakurdevi Investments Private Limited

(B) Key Managerial Personnel:

Mr. Sudhir Kumar Munjal	Chairman and Managing Director
Mrs. Anju Munjal	Whole-time Director
Mr. Anuj Munjal	Whole-time Director
Mr. B. P. Yadav	Chief Financial Officer
Mr. Rakesh Johari	Company Secretary
Mr. Vikram Shah	Independent Director
Mr. Naresh Kumar Chawla	Independent Director
Mr. Mahendra Sanghvi	Independent Director
Mr. Ramkisan Devidayal	Independent Director
Mr. Sudesh Kumar Duggal	Independent Director
Mr. Jal Ratanshaw Patel	Independent Director
Ms. Avi Sabavala	Independent Director

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(C) Enterprise in which Directors and their relatives are directors/ partners / members / trustees:

Sara Training and Education LLP	Sara Investment Services Private Limited
Thakurdevi Investments Private Limited	Fetlock Traders Private Limited
Sara Investments	Inder Mohini Bhasin Charitable Foundation
Sudhir Kumar & Sons HUF	Munjal Auto Industries Limited Employees Gratuity Trust Account
Accelerated Learning Edutech Private Limited	Munjal Auto Industries Limited Employees Superannuation Trust Account

(D) Subsidiary Company:

Indutch Composites Technology Private Limited

(b) The following transactions were carried out with the related parties in ordinary course of business during the year:

(Amount ₹ in Lakhs)

Nature of Transaction	Holding Company	Subsidiary Company	Key Managerial personnel	Enterprise in which directors and their relatives are directors	Total
Remuneration paid	-	-	1,568.49	-	1,568.49
	-	-	(1,000.34)	-	(1,000.34)
Mr. Sudhir Kumar Munjal	-	-	544.34	-	544.34
	-	-	(340.21)	-	(340.21)
Mrs. Anju Munjal	-	-	476.30	-	476.30
	-	-	(297.69)	-	(297.69)
Mr. Anuj Munjal	-	-	476.30	-	476.30
	-	-	(297.69)	-	(297.69)
Mr. B. P. Yadav	-	-	42.12	-	42.12
	-	-	(38.47)	-	(38.47)
Mr. Rakesh Johari	-	-	29.44	-	29.44
	-	-	(26.29)	-	(26.29)
Sitting fees paid	-	-	32.12	-	32.12
	-	-	(20.24)	-	(20.24)
Mr. Vikram Shah	-	-	5.22	-	5.22
	-	-	(3.24)	-	(3.24)
Mr. Naresh Kumar Chawla	-	-	6.30	-	6.30
	-	-	(4.00)	-	(4.00)
Mr. Mahendra Sanghvi	-	-	3.20	-	3.20
	-	-	(2.20)	-	(2.20)
Mr. Ramkisan Devidayal	-	-	4.50	-	4.50
	-	-	(2.80)	-	(2.80)
Mr. Sudesh Kumar Duggal	-	-	5.40	-	5.40
	-	-	(3.40)	-	(3.40)
Mr. Jal Ratanshaw Patel	-	-	4.50	-	4.50
	-	-	(2.80)	-	(2.80)
Ms. Avi Sabavala	-	-	3.00	-	3.00
	-	-	(1.80)	-	(1.80)
Dividend Paid	748.06	-	-	-	748.06
	-	-	-	-	-
Thakurdevi Investments Private Limited	748.06	-	-	-	748.06
	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

Nature of Transaction	Holding Company	Subsidiary Company	Key Managerial personnel	Enterprise in which directors and their relatives are partners/members/ trustee	Total
Rent Paid	-	-	**210.65**	-	**210.65**
	-	-	(209.05)	-	(209.05)
Sara Investments	-	-	**210.65**	-	**210.65**
	-	-	(209.05)	-	(209.05)
Unsecured Loan Given	-	**800.00**	-	-	**800.00**
	-	-	-	-	-
Indutch Composites Technology Private Limited	-	**800.00**	-	-	**800.00**
	-	-	-	-	-
Interest received	-	**27.85**	-	-	**27.85**
	-	-	-	-	-
Indutch Composites Technology Private Limited	-	**27.85**	-	-	**27.85**
	-	-	-	-	-
Rent received (incl. GST)	-	**657.29**	-	-	**657.29**
	-	(632.01)	-	-	(632.01)
Indutch Composites Technology	-	**657.29**	-	-	**657.29**
Private Limited	-	(632.01)	-	-	(632.01)
Unsecured Loan Received back	-	**800.00**	-	-	**800.00**
	-	-	-	-	-
Indutch Composites Technology Private Limited	-	**800.00**	-	-	**800.00**
	-	-	-	-	-
Balance as at the year end :	-	-	**52.78**	-	**52.78**
Remuneration payable	-	-	(49.37)	-	(49.37)
Mr. Sudhir Kumar Munjal	-	-	**20.10**	-	**20.10**
	-	-	(14.50)	-	(14.50)
Mrs. Anju Munjal	-	-	**11.31**	-	**11.31**
	-	-	(15.88)	-	(15.88)
Mr. Anuj Munjal	-	-	**17.70**	-	**17.70**
	-	-	(15.74)	-	(15.74)
Mr. B. P. Yadav	-	-	**2.38**	-	**2.38**
	-	-	(1.85)	-	(1.85)
Mr. Rakesh Johari	-	-	**1.28**	-	**1.28**
	-	-	(1.40)	-	(1.40)
Deposit received refundable	-	**83.33**	-	-	**83.33**
	-	(83.33)	-	-	(83.33)
Indutch Composites Technology Private Limited	-	**83.33**	-	-	**83.33**
	-	(83.33)	-	-	(83.33)
Rent receivable	-	**202.48**	-	-	**202.48**
	-	(48.67)	-	-	(48.67)
Indutch Composites Technology Pvt. Ltd.	-	**202.48**	-	-	**202.48**
	-	(48.67)	-	-	(48.67)

Amounts in brackets indicate previous year figures.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(c) **Category-wise break up of compensation to key management personnel during the year is as follows:**

(Amount ₹ in Lakhs)

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Short-term employee benefits	1,384.03	882.96
Post-employment benefits (excluding leave encashment)	184.46	117.38

(d) **Terms and conditions of transactions with related parties:**

(i) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

(ii) There is no allowance account for impaired receivables in relation to any outstanding balances and no expense has been recognised in respect of impaired receivables due from related party.

(iii) All Outstanding balances are unsecured and are repayable/receivable in cash.

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

59 The Company does not have any Benami property and no proceedings have been initiated or pending against the Company for holding any Benami property.

60 (A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

61 The Board of Directors have considered and recommended a dividend @ 100% i.e. ₹ 2 per equity share on face value of ₹ 2 per equity share for the financial year 2022-23 subject to approval of members of the Company.

62 Figures for the previous year have been regrouped, wherever necessary, to conform to the figures of the current period's classification.

63 The standalone financial statement of the Company are approved by the Board of Directors in the meeting held on May 23, 2023.

As per our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027

Place : Vadodara
Date : May 23, 2023

For and on behalf of the Board of Directors of
Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman, Audit Committee
DIN - 00007914

Rakesh Johari
Company Secretary

B P Yadav
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

INDEPENDENT AUDITOR'S REPORT

To
THE MEMBERS OF
MUNJAL AUTO INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Munjal Auto Industries Limited** ("the Holding Company" or "the Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise of the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary as referred to in the "Other Matter", 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 the Indian Accounting Standards specified 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 Group as at March 31,2023, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and their 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 ICAI's Code of Ethics.

We believe that the audit evidence we have obtained,and the audit evidence obtained by the other auditor in terms of their report referred to at the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 these consolidated financial statements of the current year. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
1.	<u>**Recording of price adjustments and their impact on revenue recognition:**</u> (Refer to note 36 to the Consolidated Financial Statements) Revenue is measured by the Group at the transaction price i.e. amount of consideration received/ receivable from its customers. In determining the transaction price for the sale of products, the Group considers the effects of price adjustments: - to be passed on to the customers, or; - to be recovered from the customers, based on various parameters like negotiations, savings/escalations on/of cost of input materials etc. for the sales made by the Group. The Group, computes the impact of such price adjustments to be recovered from/passed on to the customers based on agreed terms, negotiations undertaken, commercial considerations and other factors.	<u>**Principal Audit Procedures**</u> Our audit procedures included the following: • Assessed the Group's accounting policy for revenue recognition including the policy for recording price adjustments in terms of Ind AS 115; • Obtained understanding of the revenue process, and the assumptions used by the management in the process of calculation of price adjustments as per customer contracts, including design and implementation of controls, testing of management review controls and tested the operating effectiveness of these controls; • Evaluated management's methodology and assumptions used in the calculations of price adjustments as per customer contracts;

	The estimated assets and liabilities on this account at the year-end is shown as Contract Assets under note 53 and Contract Liabilities under note 53, respectively, to the Consolidated Financial Statements and with its consequentially impacts the revenue appearing in note 53 to the Consolidated Financial Statements. We have considered this as a key audit matter on account of the significant judgement and estimate involved in calculation of price adjustments to be recorded as at the year end.	• Tested completeness, arithmetical accuracy and validity of the data used in the computation of price adjustments as per customer contracts; ***<u>Conclusion:</u>*** 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 Consolidated Financial Statements.
2.	**<u>Recognition and Measurement of Deferred Taxes including Minimum Alternate Tax (MAT) credit:</u>** *(Refer to note 4 (xvi), 11 and 45 to the consolidated financial statements)* The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of tax base of assets and liabilities. This requires significant calculations on account of the tax regulations, most of which are complex. The effects and the measurement of deferred tax assets and liabilities require detailed knowledge of the applicable tax law. We have considered the recognition and measurement of deferred tax assets including MAT credit as Key Audit Matter as recognition of these assets involves judgement by management as to the likelihood of the realization of these deferred tax assets, which is based on a number of factors including whether there will be sufficient taxable profits in future periods to support recognition.	**<u>Principal Audit Procedures</u>** Our audit procedures included the following: - Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax asset by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts. - Inquiry and critical analysis of the management judgement on recognition of deferred tax asset. - Assessing the adequacy of the deferred tax disclosures to the consolidated financial statements. ***<u>Conclusion:</u>*** 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 consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis,Corporate Governance Report and Shareholder's Information but does not include the consolidated financial statements and our Auditors' report thereon.

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.

If, based on the work we have performed, and report of the other auditors as furnished to us (refer "Other Matter" section below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidatedfinancial 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 Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidatedfinancial 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 Holding Company, as aforesaid.

In preparing the consolidatedfinancial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Groupor to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditors' 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 auditors' 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 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 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 Group incorporated in India have adequate internal financial controls with reference to consolidated 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 theability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidatedfinancial 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidatedfinancial statements, including the disclosures, and whether the consolidatedfinancial 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 Group to express an opinion on the consolidatedfinancial statements. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remains 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 Holding company 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 auditors' 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 Matter

We did not audit the financial statements of the subsidiary, whose financial statements for the year ended reflectthe values below, as considered in the consolidated financial statements.

Particulars	Amount ₹ in Lakh
Total Assets	55,256.86
Total Revenues	40,283.23
Profit after Tax	(1,531.31)
Total Comprehensive Income	(1,500.98)
Net Cash Outflow	94.02

These financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditor on separate financial statements and on the other financial information of subsidiary as noted in “Other Matter” paragraph above, we report, to the extent applicable, 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 consolidatedfinancial statements;

   b. 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 auditor;

   c. the Consolidated Balance Sheet, 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 dealt with by this Report are in agreement with the relevant books of accountand records maintained for the purpose of preparation of the consolidatedfinancial statements;

   d. in our opinion, the aforesaidconsolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended;

   e. on the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.;

   f. with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”;

   g. with respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements, the remuneration paid by the Holding Company and subsidiary company incorporated in India to whom section 197 is applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act: and

   h. with respect to the other matters to be included in the Auditors’ 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:

      i. the Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 46 to the consolidated financial statements;

      ii. the Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2023;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

iv. (a) the respective Managements of the Company and its subsidiary whose financial statements have been audited under the Act, have represented that, to the best of their knowledge and belief, 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 or subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaryshall, directly or indirectly lend or invest in other persons or entities identified inany manner whatsoever by or on behalf of the Company or subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiary whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or subsidiary 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

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiary whose financial statements have been audited under the Act, 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 (a) and (b) above, contain any material misstatement.

v. As stated in the Note 61 to the consolidated financial statements,

(a) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

(b) The Board of Directors of the Holding Company has 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.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company and its subsidiary company incorporated in India from Financial Year beginning April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year 2022-23.

2. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) 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 report issued by its subsidiary's auditor included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO report except the following:

Sr. No.	Name	CIN	Holding Company/ Subsidiary/Associate/ Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Indutch Composites Technology Private Limited	U29100GJ2010PTC059665	Subsidiary	(ii)(b) Discrepancy observed but considered immaterial

For K C Mehta & Co LLP
Chartered Accountants
Firm's Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027
UDIN: 23045027BGTEMU6993

Place : Vadodara
Date : May 23, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Munjal Auto Industries Limited** on the consolidated financial statements of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to consolidated financial statements of Munjal Auto Industries Limited ("the Holding Company") and its subsidiary company as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 consolidated 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, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtainedand the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter 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 consolidatedfinancial statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidatedfinancial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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 Holding Company and its subsidiary, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our 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 Holding Company, in so far as it relates to subsidiary company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary.

Our opinion is not modified in respect of this matter.

For K C Mehta & Co LLP
Chartered Accountants
Firm's Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027
UDIN: 23045027BGTEMU6993

Place : Vadodara
Date : May 23, 2023

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(Amount ₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	6	**24,087.54**	24,024.41
(b) Capital work-in-progress	7	**817.21**	421.34
(c) Goodwill on consolidation		**46.05**	46.05
(d) Other Intangible Assets	8	**86.48**	152.86
(e) Right of Use Assets	9	**17,362.18**	2,069.31
(f) Financial Assets			
(i) Deposits	10	**1,563.90**	1,559.03
(g) Deferred Tax Assets (Net)	11	**919.17**	347.81
(h) Other non-current assets	12	**1,655.36**	1,214.68
Total Non-Current Assets		**46,537.89**	29,835.49
(2) Current Assets			
(a) Inventories	13	**20,823.96**	11,163.97
(b) Financial assets			
(i) Investments	14	**10,448.74**	11,765.02
(ii) Trade receivables	15	**43,732.13**	38,715.35
(iii) Cash and cash equivalents	16	**814.12**	252.86
(iv) Other Bank Balances	17	**481.54**	440.39
(v) Deposits	18	**140.17**	332.87
(vi) Other Financial assets	19	**141.45**	64.20
(c) Current tax assets (net)	20	**618.95**	600.73
(d) Other current assets	21	**2,661.30**	1,581.50
(e) Non-Current Assets held for Sale	22	**1,164.27**	1,353.82
Total Current Assets		**81,026.63**	66,270.71
Total Assets		**1,27,564.52**	96,106.20
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	23	**2,000.00**	2,000.00
(b) Other equity	24	**36,433.42**	31,749.41
Equity attributable to owners of the Company		**38,433.42**	33,749.41
(c) Non controlling interest	25	**1,003.99**	1,445.74
Total Equity		**39,437.41**	35,195.15
Liabilities			
(1) Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	26	**3,188.53**	5,294.54
(ii) Lease Liabilities	27	**15,972.97**	1,532.48
(iii) Other Financial Liabilities	28	**2,812.50**	1,775.80
(b) Provisions	29	**1,259.83**	1,044.75
(c) Deffered tax liability (net)	11	**720.67**	-
Total Non-Current Liabilities		**23,954.50**	9,647.57
(2) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	30	**6,589.17**	3,980.41
(ii) Lease Liabilities	31	**2,411.03**	779.56
(iii) Trade payables	32		
(A) Due to micro enterprises and small enterprises		**3,982.45**	2,943.25
(B) Due to other than micro enterprises and small enterprises		**27,213.00**	22,240.50
(iv) Other financial liabilities	33	**3,098.76**	2,124.54
(b) Other current liabilities	34	**15,252.29**	5,768.17
(c) Current Tax Liabilities (Net)	35	**-**	419.34
(d) Provisions	36	**5,625.91**	13,007.72
Total Current Liabilities		**64,172.61**	51,263.49
Total Equity and Liabilities		**1,27,564.52**	96,106.20
Significant accounting policies and notes to consolidated financial statements	1-63		

As per our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027

Place : Vadodara
Date : May 23, 2023

For and on behalf of the Board of Directors of
Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman, Audit Committee
DIN - 00007914

Rakesh Johari
Company Secretary

B P Yadav
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount ₹ in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	37	**1,98,428.79**	1,91,567.74
II	Other income	38	**1,274.33**	545.47
III	**Total income (I+II)**		**1,99,703.12**	**1,92,113.21**
IV	**EXPENSES**			
	Cost of raw materials consumed	39	**1,57,431.01**	1,57,750.16
	Changes in inventories of finished goods and work-in-progress	40	**(6,799.78)**	(554.78)
	Employee Benefits Expense	41	**16,867.34**	10,876.26
	Finance Costs	42	**2,706.08**	1,176.36
	Depreciation and amortization expense	43	**5,301.90**	3,574.15
	Other Expenses	44	**21,936.12**	15,224.23
	Total expenses (IV)		**1,97,442.67**	1,88,046.38
V	**Profit before Tax & Exceptional Items (III-IV)**		**2,260.45**	4,066.83
VI	**Exceptional Items**		**4,764.68**	
VII	**Profit before Tax (V + VI)**		**7,025.13**	4,066.82
VIII	**Tax expenses**	45		
	(a) Current tax relating to:			
	- current year		**2,570.32**	1,304.79
	- earlier years		**149.27**	(15.00)
	(b) Deferred tax		**(856.51)**	(184.16)
IX	**Profit for the year (VII-VIII)**		**5,162.05**	2,961.20
X	**Other Comprehensive Income (OCI)**			
	Items that will not be reclassified to profit or loss			
	(i) Re-measurement of the defined benefit plans		**122.19**	26.11
	- tax impact		**(41.99)**	(9.09)
			80.20	17.02
XI	**Total comprehensive income for the year (VII+VIII)**		**5,242.25**	2,978.21
	Profit for the year attributable to:			
	- Owners of the Company		**5,613.51**	2,679.39
	- Non-controlling interests		**(451.45)**	281.81
			5,162.04	2,961.20
	Other comprehensive income for the year :			
	- Owners of the Company		**70.49**	16.91
	- Non-controlling interests		**9.71**	0.11
			80.20	17.02
	Total comprehensive income for the year :			
	- Owners of the Company		**5,684.00**	2,696.29
	- Non-controlling interests		**(441.75)**	281.92
			5,242.25	2,978.21
XII	**Earnings per equity share**			
	Basic and diluted (in ₹)	47	**5.61**	2.68
	Significant accounting policies and notes to consolidated financial statements	1-63		

As per our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027

Place : Vadodara
Date : May 23, 2023

For and on behalf of the Board of Directors of
Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman, Audit Committee
DIN - 00007914

Rakesh Johari
Company Secretary

B P Yadav
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. EQUITY SHARE CAPITAL

(Amount ₹ in Lakhs)

Particulars	
Balance as on March 31, 2021	2,000.00
Changes in equity share capital during the year	-
Balance as on March 31, 2022	**2,000.00**
Changes in equity share capital during the year	-
Balance as on March 31, 2023	**2,000.00**

B. OTHER EQUITY

(Amount ₹ in Lakhs)

Particulars	Reserves and surplus			Other comprehensive income	Attributable to owners of the Company	Non-controlling interest	Total
	Capital reserve	General reserve	Retained earnings	Re-measurement of defined benefit plans			
Balance as at 31st March, 2021	**2.09**	**1,848.73**	**27,154.36**	**47.94**	**29,053.12**	**1,163.82**	**30,216.94**
Profit for the year	-	-	2,679.38	-	2,679.38	281.81	2,961.19
Re-measurement of defined benefit plans (net of tax)	-	-	-	16.91	16.91	0.11	17.02
Total comprehensive income for the year	**-**	**-**	**2,679.38**	**16.91**	**2,696.29**	**281.92**	**2,978.21**
Balance as at March 31, 2022	**2.09**	**1,848.73**	**29,833.74**	**64.85**	**31,749.41**	**1,445.74**	**33,195.15**
Profit for the year	-	-	5,613.51	-	5,613.51	(451.45)	5,162.06
Re-measurement of defined benefit plans (net of tax)	-	-	-	70.49	70.49	9.71	80.20
Total comprehensive income for the year	**-**	**-**	**5,613.51**	**70.49**	**5,684.00**	**(441.75)**	**5,242.26**
Transactions with owners of the Parent							
Payment of dividend	-	-	1,000.00	-	1,000.00	-	1,000.00
Total Distributions	**-**	**-**	**1,000.00**	**-**	**1,000.00**	**-**	**1,000.00**
Balance as at March 31, 2023	**2.09**	**1,848.73**	**34,447.25**	**135.35**	**36,433.42**	**1,003.99**	**37,437.41**

As per our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027

Place : Vadodara
Date : May 23, 2023

For and on behalf of the Board of Directors of
Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman, Audit Committee
DIN - 00007914

Rakesh Johari
Company Secretary

B P Yadav
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(Amount ₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**7,025.14**	4,066.82
Adjustments for:		
Depreciation and amortisation expense	**5,301.89**	3,574.15
Interest to Banks	**936.46**	915.99
(Profit) / Loss on Property, Plant and Equipment sold/discarded (net)	**(4,702.27)**	(38.14)
Unwinding of discount	**24.65**	25.16
Interest on Lease Liabilities	**1,740.45**	253.89
Re-measurement of Defined benefit plans	**50.01**	26.11
Interest Income	**(59.27)**	(33.58)
Net Profit on sale of Current Investments	**(579.42)**	(195.55)
Net gain on investments carried at fair value through Profit or Loss	**9.30**	(87.80)
Sundry balances written back (net)	**(84.69)**	1.78
Provision for Bad Debts & written offs (net off reversals)	**67.42**	-
Unrealised foreign exchange loss/(gain)	**(2.19)**	(1.29)
Modification (Gain) / Loss on Lease Assets / Liabilities	**-**	(2.83)
Operating profit before working capital changes	**9,727.47**	8,504.71
Adjustment for (increase)/decrease in operating assets		
Inventories	**(9,659.99)**	(2,858.07)
Trade Receivables	**(5,028.78)**	(373.09)
Other Financial Assets	**26.55**	(859.74)
Other Assets	**(1,607.04)**	(1,005.58)
Adjustment for increase/(decrease) in operating liabilities		
Trade payables	**6,122.55**	(1,015.14)
Provisions	**(6,717.05)**	8,611.27
Other Liabilities	**12,324.89**	3,385.46
Cash flow from operations after changes in working capital	**5,188.59**	14,389.82
Net direct taxes (paid)/refunded	**(1,851.16)**	(698.16)
Net cash generated from operating activities	**3,337.43**	**13,691.67**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including capital advances & CWIP	**(2,938.42)**	(1,723.32)
Proceeds from Sale of Property, Plant and Equipment	**4,774.10**	782.37
Purchase of Investments	**(2,20,083.16)**	(1,62,912.80)
Sale of Investments	**2,21,931.88**	1,54,066.35
Interest Income	**69.85**	19.85
Bank Balances not considered as Cash and Cash Equivalents	**(41.15)**	(158.93)
Net cash generated (used in) investing activities	**3,713.10**	**(9,926.48)**

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023 (Continued)

(Amount ₹ in Lakhs)

		For the year ended March 31, 2023	For the year ended March 31, 2022
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings	**190.78**	-
	Repayment of Borrowings	**(2,136.44)**	(2,489.59)
	Payment of dividend	**(1,000.00)**	-
	Payment of Lease Liabilities	**(3,372.79)**	(1,566.05)
	Net Increase/(Decrease) in Working Capital Borrowings	**2,429.39**	636.64
	Interest Expenses	**(2,600.21)**	(1,615.68)
	Net cash flow from/(used in) financing activities	**(6,489.27)**	**(5,034.68)**
D.	**Net increase/ (decrease) in cash and cash equivalents (A+B+C)**	**561.26**	(1,269.49)
	Cash & cash equivalents at beginning of year (see note)	**252.86**	1,522.36
	Cash and cash equivalents at end of year (see note)	**814.12**	252.86

Notes:

1	**Cash and cash equivalents comprise of:**		
	Cash on hands	**6.59**	8.85
	Balance with banks		
	In current accounts	**60.61**	39.23
	In cash credit accounts	**711.92**	204.79
	Cheques in Transit	**35.00**	-
	Cash and cash equivalents as restated	**814.12**	252.86

2 Figures of the previous year have been regrouped / reclassified wherever necessary.

3. **Reconciliation of liabilities from financial activities:**

(Amount ₹ in Lakhs)

Particulars	Lease liabilities	Long-term borrowings	Short-term borrowings
Opening balance (22-23)	**2,312.04**	**7,447.23**	**1,846.73**
Opening balance (21-22)	3,518.12	9,936.82	1,210.09
Cash inflow / (outflow) (22-23)	**(3,307.50)**	**(1,945.65)**	**2,429.39**
Cash inflow / (outflow) (21-22)	(1,196.09)	(2,489.59)	636.64
Non cash changes (22-23)	**19,379.46**	**-**	**-**
Non cash changes (21-22)	(9.99)	-	-
Closing balance (22-23)	**18,384.00**	**5,501.58**	**4,276.13**
Closing balance (21-22)	2,312.04	7,447.23	1,846.73

As per our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027

Place : Vadodara
Date : May 23, 2023

For and on behalf of the Board of Directors of
Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman, Audit Committee
DIN - 00007914

Rakesh Johari
Company Secretary

B P Yadav
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Munjal Auto Industries Limited ('the Holding Company') is a public limited company domiciled and incorporated in India having its registered office at 187, GIDC Estate, Waghodia, District: Vadodara- 391760. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). As at March 31, 2023, Thakur Devi Investments Private Limited, the holding company owned 74.81% of the Company's equity share capital.

The Consolidated financial statements relates to the Company and its Subsidiary namely Indutch Composites Technology Private Limited (ICTPL) (collectively referred as "the Group"). The Group is mainly engaged in manufacturing and selling of Auto components and designing, developing, testing and production of different types of composites moulds and products for different industries.

2 APPLICATION OF NEW INDIAN ACCOUNTING STANDARDS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these consolidated financial statements.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:"

"Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have any significant impact on its financial statements."

"Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, on its financial statements."

"Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact on its financial statements."

3 BASIS OF PREPARATION AND PRESENTATION

i. Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

ii. Basis of preparation

These consoidated financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The consolidated financial statements are presented in Indian Rupees which is Company's presentation and functional currency and all amounts are rounded off to the nearest lakhs (up to two decimals) except when otherwise indicated.

iii. Operating cycle

Based on the nature of products/ activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4 SIGNIFICANT ACCOUNTING POLICIES

i. Principles of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and its subsidiary (collectively referred as "the Group").

Subsidiary is entity controlled by the Company. The Company controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is consolidated from the date of their acquisition (except for Business Combinations under Common Control), being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases.

The Consolidated financial statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's Standalone Financial Statements except otherwise stated. Whenever necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's Significant Accounting Policies.

The Consolidated Financial Statements have been prepared by combining the financial statements of the company and its subsidiary on a line-by-line basis by adding together the book values of like items of assets, liabilities, equity, income, expenses and cash flow after eliminating in full intra-group assets, liabilities, equity, income, expenses and cash flow relating to intra-group transactions and unrealized profits. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiary that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the consolidated statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or the cost on initial recognition as investment in an associate or a joint venture, when applicable.

ii. Business combination

Acquisitions of businesses (except for Business Combinations under Common Control) are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in consolidated statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively;
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained by the Group during the 'measurement period' about facts and circumstances that existed at the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in the consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the consolidated statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period recognising additional assets or liabilities (if any) to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

iii. Non controlling interest

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders.

Non-controlling interests are initially measured at the proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

iv. Goodwill on consolidation

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the cash generating unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the Profit and Loss.

v. Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as-other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

In case of Holding Company, depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act. In case of a Subsidiary Company, depreciation is charged on a pro-rata basis at the written down value method over estimated economic useful lives of its property, plant and equipment. Estimated useful lives of these assets of group are as under:

Description	Years
Building	30-60
Leasehold improvements	over the lease period
Plant & machinery	15
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Computers	3

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

vi. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. In case of Holding Company, amortisation is recognised on a straight-line basis over a period of 3 to 10 years. However, in case of the Subsidiary Company, amortisation is recognised on written down value basis over the estimated lives of intangible assets. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

vii. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

viii. Non-current assets held for sale

The Group classifies Non-Current Assets as held for sale/disposal if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

ix. Inventories

Inventories other than scrap are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress (along with Stock in transit) include appropriate proportion of overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Scrap is valued at estimated net realisable value.

In case of Holding Company, inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower. However, in case of Subsidiary Company, inventory of stores and spare parts is valued at FIFO basis at cost or net realisable value, whichever is lower.

Provisions are made for obsolete and non-moving inventories.

x. Revenue recognition

The Group earns revenue primarily from sale of goods.

(a) Sale of goods

Revenues are recognized when the Group satisfies the performance obligation by transferring a promised goods to a customer. A good is transferred when the customer obtains control of that product, which is at the point of transfer of custody to customers where usually the title is passed, provided that the contract price is fixed or determinable and collectability of the receivable is reasonably assured.

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration and represents amounts receivable for goods and services provided in the normal course of business, net off Goods and Services Tax (GST), etc. Any retrospective revision in prices is accounted for in the respective year to which such revision belongs.

(b) Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established.

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(c) Other income

Other income is recognized on accrual basis except when realisation of such income is uncertain.

xi. Government grants

Government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to revenue are recognized on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

xii. Leases

As a lessee

The Group's lease assets primarily consist of leases for land. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases and corresponding Right-of-use Asset . For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Right-of-use Assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability.

Right-of-use Assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

As a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. The Group has leased out its Investment Property classifying such lease as an Operating Lease, because it does not transfer substantially all of the risks and rewards incidental to the ownership of such Investment Property. Note 4 (iv) sets out the information about the said Investment Property.

xiii. Foreign currency transactions

The functional currency of the Group is Indian Rupees which represents the currency of the primary economic environment in which it operates.

In preparing the financial statements of the Group, transactions in currencies other than the group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items (which includes advance received/paid) that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

xiv. Borrowing costs

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

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

xv. Employee benefits

(a) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

(b) Post-employment Benefits

(1) Defined contribution plan

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. The eligible employees of the Group are entitled to receive benefits in respect of provident fund, for which both the employees and the Group make monthly contributions at a specified percentage of the covered employees' salary.

(2) Defined benefit plan

Defined retirement benefit plans comprising of gratuity are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised in the Consolidated Statement of Profit and Loss except those included in cost of assets as permitted.

Remeasurement of defined retirement benefit plans comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognised in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to the Consolidated Statement of Profit and Loss.

The retirement benefit obligation recognised in the Financial Statements represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

(c) Other long term employee benefits

The obligation for long term employee benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the group and is recognised in a similar manner as in the case of defined benefit plans vide (b)(2) supra.

Long term employee benefit costs comprising current service cost, interest cost implicit in long term employee benefit cost and gains or losses on curtailments and settlements, re-measurement including actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss as employee benefit expenses.

xvi. Income taxes

Income tax expense represents the sum of the current tax and deferred tax.

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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 deferred tax asset to be utilized.

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 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 Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

(c) Current and deferred tax for the year

Current and deferred tax expenses are recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

xvii. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Consolidated Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Consolidated Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Product warranty expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically up to five years.

xviii. **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 Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value except trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Profit and Loss.

xix. **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(a) Financial assets at amortised cost

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

(b) Equity investments at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income (FVTOCI) if these financial assets are held within a business 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. These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the Consolidated Statement of Profit and Loss when the right to receive payment has been established.

When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

(c) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through Profit or Loss (FVTPL) unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through Profit or Loss are immediately recognised in the Consolidated Statement of Profit and Loss.

(d) Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(e) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Consolidated Statement of Profit and Loss.

xx. Financial liabilities and equity instruments

Debt and equity instruments issued by Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(a) Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs'.

(b) Equity instruments

An equity instrument is any contract that evidences residual interests in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

(c) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

xxi. Research and development expenditure

Expenditure of capital nature are capitalised and expenses of revenue nature are charged to the Consolidated Statement of Profit and Loss, as and when incurred.

xxii. Statement of cash flows

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

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group accounting policies, which are described as above, the management of the group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgments in applying accounting policies

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:-

(a) Evaluation of indicators for impairment of property, plant and equipment:

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

(ii) Assumptions and key sources of estimation uncertainty

(a) Assets and obligations relating to employee benefits

The employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

(b) Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

(c) Estimation of provision for warranty

Management estimates the related provision for future warranty claims based on certain percentages of revenue. The provision is based on historical information on the nature, frequency and average cost of warranty claims. Management, also estimates regarding possible future outflow on servicing the customers for any corrective action in respect of product failure which is generally expected to be settled within a period of 1 to 5 years.

The assumptions made in relation to the current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives.

(d) Provision for price differences

The group recognises price difference payable to parties, where settlement is pending for final negotiation. It is provided on the basis of best estimate and management assessments, considering the past trades and various other factors. This provisions are reviewed on regular basis and adjusted with respective elements with statement of profit and loss from the adequacy and reasonability point of view.

(e) Provision for slow moving and obsolete items in inventory valuation:

Inventories are measured at the lower of cost and net realizable value. Write-down of inventories are calculated based on an analysis of foreseeable changes in demand, technology or market conditions to determine obsolete or excess inventories.

(f) Identification of leases, duration and value

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease and to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT

(Amount ₹ in Lakhs)

Particulars /Assets	Tangible assets								Total
	Freehold land	Building	Plant & equipment	Lease hold improve-ments	Furniture & fixtures	Vehicles	Office equipment	Computers	
Gross block									
At April 1, 2021	1,796.86	9,454.26	22,210.52	354.59	653.70	841.83	247.46	184.90	35,744.11
Additions	-	28.70	891.88	-	25.32	72.36	29.58	89.78	1,137.60
Deduction/Adjustments	-	-	94.99	-	0.36	-	0.21	-	95.56
At March 31, 2022	**1,796.86**	**9,482.96**	**23,007.40**	**354.59**	**678.66**	**914.19**	**276.82**	**274.68**	**36,786.15**
Additions	-	27.87	2,093.81	-	214.35	145.85	112.92	75.79	2,670.60
Deduction/Adjustments	-	-	104.89	-	-	48.67	-	3.64	157.20
At March 31, 2023	**1,796.86**	**9,510.83**	**24,996.32**	**354.59**	**893.01**	**1,011.37**	**389.75**	**346.83**	**39,299.55**
Accumulated depreciation									
At April 1, 2021	-	1,234.15	8,058.03	102.51	148.69	421.31	179.91	165.49	10,310.10
Charge for the year	-	297.89	1,930.66	38.46	59.59	116.39	10.00	39.64	2,492.62
Deduction/Adjustments	-	-	40.42	-	0.36	-	0.20	-	40.98
At March 31, 2022	**-**	**1,532.04**	**9,948.28**	**140.97**	**207.92**	**537.70**	**189.71**	**205.12**	**12,761.74**
Charge for the year	-	319.08	1,869.38	38.46	89.02	114.05	42.24	63.42	2,535.65
Deduction/Adjustments	-	-	39.48	-	-	42.31	-	3.59	85.39
At March 31, 2023	**-**	**1,851.12**	**11,778.18**	**179.42**	**296.94**	**609.44**	**231.96**	**264.95**	**15,212.01**
Net block									
At March 31, 2022	1,796.86	7,950.92	13,059.13	213.62	470.74	376.48	87.11	69.55	24,024.41
At March 31, 2023	**1,796.86**	**7,659.71**	**13,218.15**	**175.16**	**596.07**	**401.93**	**157.79**	**81.87**	**24,087.54**

Notes:

(i) The Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

(ii) For details of property, plant and equipment given as security to lenders, refer Note No. 26.

(iii) The aggregate depreciation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

(iv) Contractual obligations: Refer to note 46 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

7 CAPITAL WORK-IN-PROGRESS

(Amount ₹ in Lakhs)

Particulars /Assets	Total
At April 01, 2021	115.69
Additions	423.74
Transfer to proprety, plant and equipment	21.58
Transfer to Assets held for Sale	96.41
At March 31, 2022	**421.34**
Additions	**781.50**
Transfer to proprety, plant and equipment	**385.63**
At March 31, 2023	**817.21**

CWIP ageing schedules

As at March 31, 2023

CWIP	Amount in CWIP for a period of		Total
	Less than 1 year	1-2 years	
Projects in progress	781.50	35.71	**817.21**

CWIP ageing schedules

As at March 31, 2022

CWIP	Amount in CWIP for a period of		Total
	Less than 1 year	1-2 years	
Projects in progress	417.84	3.50	**421.34**

The Group has no such Projects whose completion is overdue or where costs have exceeded as compared to the original plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

Particulars /Assets	Computer Software	Total
8 OTHER INTANGIBLE ASSETS		
Gross block		
At March 31, 2021	532.51	532.51
Additions	14.15	14.15
At March 31, 2022	**546.66**	**546.66**
Additions	**20.09**	**20.09**
At March 31, 2023	**566.75**	**566.75**
Accumulated amortisation		
At 1st April 2021	317.46	317.46
Charge for the year	76.34	76.34
At March 31, 2022	**393.80**	**393.80**
Charge for the year	86.47	86.47
At March 31, 2023	**480.27**	**480.27**
Net block		
At March 31, 2022	152.86	152.86
At March 31, 2023	**86.48**	**86.48**

(i) The Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

(ii) The aggregate amortisation charge for the year has been included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss.

9 RIGHT OF USE ASSETS

(Amount ₹ in Lakhs)

Particulars /Assets	Right of use assets			Total
	Land	Building	Plant & equipment	
As at April 1, 2021	1,599.35	2,964.85	28.75	4,592.95
Add : Addition of new assets	-	140.77	12.55	153.33
Less : Modification / Re-measurement	-	409.48	4.90	414.38
Less : Non-Current Assets held for Sale	1,257.41	-	-	1,257.41
Less : Depreciation	21.22	971.61	12.35	1,005.18
As at March 31, 2022	**320.72**	**1,724.53**	**24.06**	**2,069.31**
Add : Addition of new assets	**-**	**14,516.57**	**3,456.08**	**17,972.65**
Less : Depreciation	**5.96**	**2,032.28**	**641.53**	**2,679.78**
As at March 31, 2023	**314.76**	**14,208.81**	**2,838.61**	**17,362.18**

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
10	**DEPOSITS**		
	Unsecured, considered good		
	Deposits	1,563.90	1,559.03
	Total	**1,563.90**	**1,559.03**

1) Deposits are largely in relation to public utilities and rental agreements.
2) However, the Group has not taken exhaustive search for information to assess significant increase in the credit risk since initial recognition.

11	**DEFERRED TAX ASSETS (NET)**		
	Deferred tax assets	1,452.33	2,483.57
	Deferred tax liabilities	1,253.83	2,135.77
	Total	**198.50**	**347.81**

(Amount ₹ in Lakhs)

Particulars	Opening balance	Recognized in statement of profit and loss	Recognized in other comprehensive income	MAT credit (setoff)	Adjust-ments	Closing balance
As at March 31, 2023:						
Deferred tax asset on account of:						
Expenses claimed for tax purpose on payment basis	488.36	(21.93)	(41.99)	-	-	**424.45**
Carry Forward of Losses	16.91	(16.91)	-	-	-	-
Impairment of Trade Receivables	11.33	13.42	-	-	-	**24.75**
MAT Credit entitlement	1,966.97	-	-	(963.83)	-	**1,003.14**
Total deferred tax assets (A)	**2,483.57**	**(25.42)**	**(41.99)**	**(963.83)**	**-**	**1,452.33**
Deferred tax liability on account of:						
Property, plant and equipment & intangible assets	2,125.70	(848.85)	-	-	-	**1,276.85**
Financial assets carried at fair value through profit or loss	30.65	(49.46)	-	-	-	**(18.80)**
Others	(20.58)	16.37	-	-	-	**(4.22)**
Total deferred tax liabilities (B)	**2,135.77**	**(881.93)**	**-**	**-**	**-**	**1,253.83**
Net deferred tax (A-B)*	**347.81**	**856.51**	**(41.99)**	**(963.83)**	**-**	**198.50**
* Includes deferred tax assets of ₹ 919.17 Lakhs of Subsidiary Company shown separately as non-current assets in Balance Sheet.						
As at March 31, 2022						
Deferred tax asset on account of:						
Expenses claimed for tax purpose on payment basis	543.12	(45.78)	(8.97)	-	-	**488.36**
Carry Forward of Losses	-	16.91	-	-	-	**16.91**
Impairment of Trade Receivables	11.33	-	-	-	-	**11.33**
MAT Credit entitlement	2,238.05	116.73	-	(387.81)	-	**1,966.97**
Total deferred tax assets (A)	**2,792.49**	**87.86**	**(8.97)**	**(387.81)**	**-**	**2,483.57**
Deferred tax liability on account of:						
Property, plant and equipment & intangible assets	2,274.08	(148.39)	-	-	-	**2,125.70**
Financial assets carried at fair value through profit or loss	1.38	29.27	-	-	-	**30.65**
Others	(29.03)	8.45	-	-	-	**(20.58)**
Total deferred tax liabilities (B)	**2,246.43**	**(110.67)**	**-**	**-**	**-**	**2,135.77**
Net deferred tax (A-B)	**546.06**	**198.52**	**(8.97)**	**(387.81)**	**-**	**347.81**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
12	**OTHER NON-CURRENT ASSETS**		
	Unsecured, considered good		
	Capital advances	5.31	34.82
	Advance income tax (net of provisions)	393.40	296.06
	VAT/CST paid under protest	27.45	6.39
	Retention with customer	1,229.20	877.41
	Total	**1,655.36**	**1,214.68**
13	**INVENTORIES**		
	Raw materials	8,080.99	5,351.72
	Work in Process	2,814.71	2,686.65
	Finished Goods	9,087.51	2,561.67
	Finished Goods- Stock in Transit	406.19	260.31
	Store and spares	434.56	303.62
	Total	**20,823.96**	**11,163.97**

(i) Inventory write downs/ provisions for slow-moving and obsolete items are accounted, considering the nature of inventory, ageing, liquidation plan and net realizable value. Provision for slow-moving and obsolete items of inventories amounted to ₹ 162.10 (March 31, 2022: ₹ 216.60) Lakhs. The changes in provisions are recognized as an expense / income in the Statement of Profit and Loss. There is a reversal of provision of ₹ 21.06 Lakhs.

(ii) For Inventories given as security to lenders, refer Note No. 30.

	Particulars	As at March 31, 2023 (Units in Nos.)	As at March 31, 2023 (Amount ₹ in Lakhs)	As at March 31, 2022 (Units in Nos.)	As at March 31, 2022 (Amount ₹ in Lakhs)
14	**INVESTMENTS**				
	Financial assets carried at fair value through profit or loss:				
	Investment in mutual funds (unquoted):				
	ICICI Prudential Ultra Short Term Fund	-	-	45,52,408	1,526.02
	ICICI Prudential Short Term Fund	12,28,161	620.58	-	-
	ICICI Prudential ALL Season Fund	14,73,398	454.80	-	-
	ICICI Prudential Flexicap Fund	60,28,167	671.54	-	-
	ICICI Prudential Small Cap Fund	15,09,100	794.24	-	-
	ICICI Prudential Money Market Fund	65,929	211.72	-	-
	ICICI Prudence Value Discovery Fund	22,175	60.70	-	-
	IDFC Crisil Gilt Fund 2027	38,19,811	415.04	-	-
	HDFC Arbitrage Fund	-	-	61,40,188	1,020.66
	HDFC Short Term Debt Fund	23,10,358	619.69	-	-
	HDFC Focused 30 Fund	3,45,084	453.54	-	-
	HDFC Flexicap Fund	44,669	500.96	-	-
	HDFC TOP 100 Fund	17,011	125.35	-	-
	HDFC Ultra Short Term Fund	19,09,035	246.69	-	-
	Motilal Oswal Ultra Short Term Fund	5,55,927	80.42	-	-
	Motilal Oswal Midcap Fund	16,08,388	794.42	-	-
	Nippon India Large Cap Fund	10,48,947	566.35	-	-
	Nippon India Banking & Financial Services	89,373	341.65	-	-
	Nippon India Money Market Fund	2,293	80.54	-	-
	DSP Blackrock Microcap Fund	-	-	89	2.67
	Kotak Money Market Fund	75,372	2,866.57	2,49,997	9,001.14
	Kotak Overnight Fund	14,707	175.20	934	10.56
	Kotak Liquid Reg Fund	5,920	267.42	4,767	203.97
	Kotak Private Credit Fund	-	101.32	-	-
	Total		**10,448.74**		**11,765.02**
	Investments in mutual funds have been fair valued at closing net asset value (NAV).				
	The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.				
	Aggregate amount of quoted investments & market value		**10,448.74**		11,765.02
	Aggregate amount of impairment in value of investments		-		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
15	**TRADE RECEIVABLES**		
	Unsecured, considered good	43,732.13	38,715.35
	Credit impaired	70.84	3.43
	Total (A)	**43,802.98**	**38,718.78**
	Less: Impairment for doubtful trade receivables (B)	70.84	3.43
	Total (A-B)	**43,732.13**	**38,715.35**

(i) Generally, the Group enters into long-term sales arrangement with its customers. The average credit period is 45-60 days.

(ii) At 31 March 2023, the group had two customers (March 31, 2022: One customer) having outstanding more than 5% of total trade receivables that accounted for approximately 80% (March 31, 2022: 80%) of total trade receivables outstanding.

(iii) The Group assesses impairment loss on dues from its customers based on facts and circumstances relevant to each transaction. Usually, Company collects all its receivables from its customers within due date.

(iv) No trade receivables are due from directors or other officers of the Group or any of them either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

(v) During the year ₹ Nil (PY ₹ 67.64) Lakhs receivables have been derecognised since there is no reasonable expectation of measurability in terms of its probability of the amount and timing or receivability.

(vi) Ageing Schedule for Trade Receivables (Refer note 55)

(vii) Movement of Impairment for doubtful trade receivables:

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
	Balance at beginning of the year	3.43	3.43
	Addition in expected credit loss allowance on trade receivables	67.42	-
	Balance at end of the year	**70.84**	**3.43**
16	**CASH AND CASH EQUIVALENTS**		
	Balances with banks		
	In Cash credit accounts	711.92	204.79
	In current accounts	60.61	39.23
	In Transit Cheques	35.00	-
	Cash on hand	6.59	8.85
	Total	**814.12**	**252.86**
17	**OTHER BANK BALANCES**		
	Balances with banks		
	Unclaimed dividend accounts (earmarked)	59.27	73.03
	Deposit with bank held as margin money against bank guarantee & LC	422.27	367.36
	Total	**481.54**	**440.39**
18	**DEPOSITS**		
	Unsecured, considered good		
	Deposits	140.17	332.87
	Total	**140.17**	**332.87**

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
19	**OTHER CURRENT FINANCIAL ASSETS**		
	Unsecured, considered good		
	Loans to employees	10.37	16.78
	Other advances	4.26	26.48
	Interest receivable	126.82	20.94
	Total	**141.45**	**64.20**
20	**CURRENT TAX ASSETS (NET)**		
	Current tax assets		
	Advance tax (net of provisions)	618.95	600.73
	Total	**618.95**	**600.73**
21	**OTHER CURRENT ASSETS**		
	Unsecured, considered good		
	Balance with government authorities	1,491.38	603.95
	Deposit (Refer note below)	15.45	15.45
	Prepaid Expenses	366.61	338.68
	Advance to Vendors	787.86	381.04
	Development Cost	-	242.38
	Total	**2,661.30**	**1,581.50**

The Company had deposited ₹ 15.45 Lakhs under protest towards octroi duty in a separate bank account jointly held with the Sarpanch, Waghodia Gram Panchayat. The State Government of Gujarat has notified that industrial units in the notified area of Waghodia are not required to pay the octroi duty from July 19, 1997. The Company believes it has no liability for octroi duty even for the earlier period and hence no provision has been made. In the absence of clarity regarding rights of respective parties, interest income credited by the bank amounting to ₹ 27.26 Lakhs (As at March 31, 2022: ₹ 26.12 Lakhs) on the aforesaid amount till March 31, 2023 has not been recognized.

	Particulars	As at March 31, 2023	As at March 31, 2022
22	**NON-CURRENT ASSETS HELD FOR SALE**		
	Leasehold land for sale	1,164.27	1,257.41
	Capital work-in-progress	-	96.41
	Total	**1,164.27**	**1,353.82**

The Holding Company has entered into an agreement to transfer the Right of Use Asset pertaining to Land located at MIDC, Pune, Maharashtra. The transactions are set to be completed by end of FY 23-24. It has also received non-refundable advance for MIDC, Pune Land of ₹ 117.35 Lakhs for the same (refer note 34).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
23	**EQUITY SHARE CAPITAL**		
	Authorised share capital		
	10,00,00,000 (as at March 31, 2022: 10,00,00,000) equity shares of ₹ 2 each	2,000.00	2,000.00
	Unclassified shares	500.00	500.00
	Total authorised share capital	**2,500.00**	**2,500.00**
	Issued, subscribed & fully paid share capital		
	10,00,00,000 (as at March 31, 2022: 10,00,00,000) equity shares of ₹ 2 each	2,000.00	2,000.00
	Total	**2,000.00**	**2,000.00**

(i) A reconciliation of number of shares outstanding at the beginning and at the end of reporting period is as under:

(Amount ₹ in Lakhs)

Particulars	No. of shares	Share capital
As at April 01, 2021	**10,00,00,000**	**2,000.00**
Add: Increase/(decrease) during the year	-	-
As at March 31, 2022	10,00,00,000	2,000.00
Add: Increase/(decrease) during the year	-	-
As at March 31, 2023	**10,00,00,000**	**2,000.00**

(ii) Rights, preferences and restrictions attached to shares

The Holding Company has only one class of Equity Shares having a par value of ₹ 2 per share. For all matters submitted to vote in a shareholders meeting of the Holding Company, every holder of an equity share as reflected in the records of the Holding Company on the date of the shareholders meeting shall have one vote in respect of each share held. Any dividend declared by the Holding Company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Holding Company all preferential amounts if any shall be discharged by the Holding Company. The remaining assets of the Holding Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

	Particulars	No. of shares	Extent of holding
(iii)	**Details of shares held by holding company of the parent are classified as under:**		
	Thakur Devi Investments Private Limited		
	As at March 31, 2023	**7,48,06,450**	**74.81%**
	As at March 31, 2022	7,48,06,450	74.81%
(iv)	**Details of shareholders holding more than 5% shares in the Holding Company are as under:-**		
	Thakur Devi Investments Private Limited		
	As at March 31, 2023	**7,48,06,450**	**74.81%**
	As at March 31, 2022	7,48,06,450	74.81%

(v) **Details of shares held by promoters :**

Promoters Name	No. of shares at the beginning of the Year	Change during the year	No. of shares at the end of the year	% of Total shares	% of change during the year
Thakur Devi Investments Private Limited					
As at March 31, 2023	7,48,06,450	-	7,48,06,450	74.81%	-
As at March 31, 2022	7,48,06,450	-	7,48,06,450	74.81%	-

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
24	**OTHER EQUITY**		
	Capital reserve	2.09	2.09
	General reserves	1,848.73	1,848.73
	Retained earnings	34,447.25	29,833.74
	Other comprehensive income	135.35	64.85
	Total	**36,433.42**	**31,749.41**

(i) **Particulars relating to other equity**

Other equity	As at March 31, 2023	As at March 31, 2022
Capital reserve		
Opening balance	2.09	2.09
Less: Increase/(Decrease) during the year	-	-
Closing balance (A)	**2.09**	**2.09**
General reserves		
Opening balance	1,848.73	1,848.73
Less: Increase/(Decrease) during the year	-	-
Closing balance (B)	**1,848.73**	**1,848.73**
Retained earnings		
Opening balance	29,833.74	27,154.36
Add: Net profit after tax transferred from statement of profit & loss	5,613.51	2,679.38
Less: Dividend paid (amount per share ₹ **1.00** on **10,00,00,000** shares (Previous Year ₹ 0.00 on 10,00,00,000 shares))	(1,000.00)	-
Closing balance (C)	**34,447.25**	**29,833.74**
Other comprehensive income		
Opening balance	64.85	47.94
Add: Re-measurement of defined benefit obligation (net of income tax)	70.49	16.91
Closing balance (D)	**135.35**	**64.85**
Total (A+B+C+D)	**36,433.41**	**31,749.41**

(ii) Capital Reserve represents the profit on re-issue of forfeited shares.

(iii) The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not reclassified subsequently to profit or loss.

(iv) The other comprehensive income is created by Re-measurement of defined benefit obligation and will not reclassified subsequently to profit or loss.

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
25	**NON-CONTROLLING INTERESTS (NCI)**		
	Balance at beginning of year	1,445.74	1,163.82
	Share in profit / (loss) for the year	(451.45)	281.81
	Share in OCI	9.71	0.11
	Total	**1,003.99**	**1,445.73**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Details of non-wholly owned subsidiary of the Group that have material non-controlling interest as at 31st March, 2023 and for the year ended then:

(Amount ₹ in Lakhs)

Name of subsidiary	Place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests	Profit allocated to non-controlling interests	Accumulated non-controlling interests
Indutch Composites Technology Private Limited				
As at March 31, 2023	India	32%	(441.75)	1,003.99
As at March 31, 2022	India	32%	281.92	1,445.74

Particulars	As at March 31, 2023	As at March 31, 2022
26 BORROWINGS		
Secured		
Term loans		
From banks	3,184.23	5,246.64
From NBFC	4.30	47.90
Total	**3,188.53**	**5,294.54**

(i) **Nature of security for long term secured borrowings including current maturities:**

Term loans	Nature of security	Current maturities of each loan (₹ in Lakhs)	Amount of each loan outstanding (₹ in Lakhs)
From Banks:			
State Bank of India			
Loan VIII	These loans are secured by way of mortgage / charge created on plant and machinery acquired out of the sanctioned term loan for Waghodia, District- Vadodara, Gujarat.	**705.59** (740.00)	**705.59** (1,445.59)
Loan IX		**444.00** (440.00)	**971.83** (1,415.83)
Loan - 2	In case of subsidiary company, these loans are secured by hypothecation of plant and machinery, immovable properties (having first charge), personal guarantee of directors and pledge of equity shares of two WTD including their personal house properties too .	**500.00** (400.00)	**2,124.83** (2,524.84)
Loan - 3		**120.00** -	**205.10** -
COVID19 (CECL) loan		- (8.33)	- (8.33)
HDFC Bank Limited			
Loan IV	These loans are secured by way of charge created on fixed assets funded out of term loan pertaining to the Company's plant at Dharuhera, District - Rewari, Haryana.	**150.00** (150.00)	**150.00** (300.00)
Loan V		**337.20** (337.10)	**1,264.52** (1,601.72)
Auto loan	This loan is secured by way of charge created on fixed assets -car .	**6.71** (8.43)	**25.87** (32.10)
Profectus capital -NBFC			
Loan 1	This loan is secured by way of charge created on fixed assets - machine (ROVER PLAST A FT 1531-HALOL)	**49.54** (51.91)	**53.84** (99.81)

(ii) **The terms of repayment of the above loans are as follows:**

Term Loans	Date of maturity	Rate of interest	No. of instalments due after the balance sheet date	Amount of each instalment in ₹ in Lakhs
From Banks				
State Bank of India				
Loan VIII	March, 2024	MCLR + 0.10% (PY-MCLR+0.25%)	**4** (8)	**185.00** (185.00)
Loan IX	June, 2025	MCLR + 0.10% (PY-MCLR+0.15%)	**9** (13)	**111.00** (111.00)
Loan 2	March, 2027	MCLR + 1%	**16** (20)	**125.00** (125.00)
Loan 3	June, 2024	MCLR + 1%	**5** (-)	**40.00** (-)
HDFC Bank Limited				
Loan IV	February, 2024	MCLR + 0.15%	**4** (8)	**37.50** (37.50)
Loan V	December, 2026	MCLR + 0.15%	**15** (19)	**50.00** (50.00)
			15 (19)	**34.30** (34.30)
Auto loan	September, 2026	MCLR + 2.00%	**42** (54)	**0.70** (0.70)
Profectus capital -NBFC				
Loan 1	April, 2024	7.50%	**13** (25)	**4.33** (4.33)

Previous year figures are in bracket

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
27	**LEASE LIABILITIES**		
	Unsecured		
	Lease liabilities	15,972.97	1,532.48
	Total	**15,972.97**	**1,532.48**
	Movement of lease liabilities are as under:		
	Opening balance	2,312.04	3,518.12
	Addition during the year	17,964.21	153.33
	Finance cost	1,415.25	253.89
	Payment made during the year	3,307.50	1,196.09
	Modificatio/re-measurement	-	417.21
	Closing balance	**18,384.00**	**2,312.04**
	Current liabilities	2,411.03	779.56
	Non-current liabilities	15,972.97	1,532.48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
28	**OTHER FINANCIAL LIABILITIES**		
	Security deposits	2,812.50	1,775.80
	Total	**2,812.50**	**1,775.80**
29	**LONG-TERM PROVISIONS**		
	Provision for employee benefits (for details refer note 48)		
	Gratuity	427.36	314.70
	Leave encashment	524.71	478.47
	Provision for others		
	Warranties	307.76	251.58
	Total	**1,259.83**	**1,044.75**
	(i) Movement in warranties provision:		
	Opening balance	**270.00**	**260.03**
	Additions during the year	47.32	47.13
	Amount utilised during the year	(5.95)	(9.09)
	Provision reversed during the year	(14.01)	(53.23)
	Unwinding of discount on provisions	24.65	25.16
	Closing balance	**322.02**	**270.01**
	Long-term Provisions	307.76	251.58
	Short-term Provisions	14.27	18.43

The provision for warranty claims represents the present value as best estimate of the future economic benefits that will be required under the Holding Company's obligations for warranties. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
30	**BORROWINGS**		
	Current maturity of long term debt		
	Secured	2,313.05	2,133.68
	Loans repayable on demand from banks		
	Secured	4,276.13	1,846.73
	Total	**6,589.17**	**3,980.41**
	These loans are secured by a first charge on inventories, receivables and all other current assets of respective company.		
31	**LEASE LIABILITIES - CURRENTS**		
	Lease liabilities (refer note 27)	2,411.03	779.56
	Total	**2,411.03**	**779.56**

(Amount ₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
32	**TRADE PAYABLES**		
	(A) Total outstanding dues of micro enterprises and small enterprises	3,982.45	2,943.25
	(B) Total outstanding dues of creditors other than micro and small enterprises	27,213.00	22,240.50
	Total	**31,195.45**	**25,183.75**
	(i) Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. The average credit period is 30 - 60 days.		
	(ii) Ageing schedule for trade payables (refer note 55)		
33	**OTHER FINANCIAL LIABILITIES**		
	Interest accrued and due on borrowings	11.03	48.56
	Unclaimed dividends	59.27	73.03
	Security deposits	42.35	37.89
	Expenses payable	1,399.02	700.43
	Payable to employees	1,509.69	1,174.70
	Payable for capital goods	77.40	89.93
	Total	**3,098.76**	**2,124.54**
34	**OTHER CURRENT LIABILITIES**		
	Liability for statutory payments	3,027.90	4,959.48
	Advance from customers	12,107.04	691.33
	Advance received for non-current assets held for sale	117.35	117.35
	Total	**15,252.29**	**5,768.17**
35	**CURRENT TAX LIABILITIES**		
	Current tax liabilities (net of advance rax)	-	419.34
	Total	**-**	**419.34**
36	**PROVISIONS**		
	Provision for employee benefits (for details refer note 48)		
	Gratuity	119.13	119.64
	Leave encashment	634.93	491.15
	Provision for others		
	Warranties (refer note 29 for details)	14.27	18.43
	Provision for price differences	4,857.58	12,378.50
	Total	**5,625.91**	**13,007.72**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
37	**REVENUE FROM OPERATIONS**		
	Sale of products		
	Components of automobile	1,56,522.69	1,68,846.35
	Composites and product moulds /services	40,283.23	20,912.63
	Other operating revenue		
	Sale of scrap	1,621.95	1,808.27
	Export incentives	0.92	0.49
	Total	**1,98,428.79**	**1,91,567.74**
38	**OTHER INCOME**		
	Interest income on financial assets carried at amortised cost		
	Deposit with bank and others	31.42	33.58
	Net profit on sale of current investments	579.42	195.55
	Net gain on investments carried at fair value through profit or loss	-	87.72
	Exchange fluctuation (net)	8.22	3.54
	Unwinding of Interest	1.72	-
	Other non-operating income		
	Sundry balances written back (net)	85.34	-
	Provision written back	29.00	-
	Insurance claim received	57.83	42.85
	Profit on sale of PPE/ROU assets (net)	-	38.14
	Miscellaneous income	481.39	144.09
	Total	**1,274.33**	**545.47**
39	**COST OF MATERIALS CONSUMED**		
	Cost of materials consumed	1,57,431.01	1,57,750.16
	Total	**1,57,431.01**	**1,57,750.16**
40	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**		
	Opening stock		
	Finished goods	2,561.67	2,811.39
	Work-in-progress	2,686.65	1,713.84
	Finished goods-stock in transit	260.31	184.47
	Total (A)	**5,508.63**	**4,709.70**
	Closing stock		
	Finished goods	9,087.51	2,561.67
	Work-in-progress	2,814.71	2,442.50
	Finished goods-stock in transit	406.19	260.31
	Total (B)	**12,308.41**	**5,264.48**
	Total(A-B)	**(6,799.78)**	**(554.78)**

(Amount ₹ in Lakhs)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
41	**EMPLOYEE BENEFITS EXPENSES**		
	Salaries and wages	15,362.21	9,766.75
	Contribution to provident and other funds	1,172.90	808.49
	Staff welfare expenses	332.22	301.02
	Total	**16,867.34**	**10,876.26**
42	**FINANCE COSTS**		
	Interest on		
	- Borrowings from banks	724.98	784.17
	- Others	52.03	17.00
	- Lease liabilities	1,415.25	253.89
	Other costs	489.16	96.14
	Unwinding of discount on provisions	24.65	25.16
	Total	**2,706.08**	**1,176.36**
43	**DEPRECIATION AND AMORTIZATION EXPENSES**		
	Depreciation on property, plant and equipment	2,535.65	2,492.63
	Depreciation on ROU assets	2,679.78	1,005.18
	Amortisation of intangible assets	86.47	76.34
	Total	**5,301.90**	**3,574.15**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
44	**OTHER EXPENSES**		
	Store and tools consumed	3,817.33	3,030.80
	Power and fuel	4,579.32	2,965.42
	Freight charges	1,116.04	841.16
	Repairs and maintenance:		
	Repairs to buildings	15.01	48.85
	Repairs to machinery	381.93	282.33
	Repairs and maintenance - others	183.55	172.35
	Research and development expenses	133.66	265.82
	Rent	154.27	111.21
	Wages to contractors	5,166.31	3,444.10
	Professional charges	305.24	264.16
	Insurance premium	330.35	243.55
	Audit fees	25.90	22.10
	Loss on property, plant and equipment sold/discarded (Net)	14.05	-
	Rates and taxes excluding taxes on income	343.32	128.62
	Charity & donation/CSR expenses	70.70	68.00
	Warranty expenses	54.32	27.11
	Exchange fluctuation (net)	48.79	25.39
	Provision for doubtful debts	67.42	-
	Capital Advances written off	29.00	-
	Net loss on investments carried at fair value through Profit or Loss	9.30	-
	Miscellaneous expenses	5,090.30	3,283.26
	Total	**21,936.12**	**15,224.23**
(i)	**Research and development expenses :**		
	Expenses charged to revenue account		
	Raw material consumption	118.05	226.39
	Employee benefits	-	-
	Travelling & other expenses	15.40	39.21
	Total	**133.44**	**265.60**
	Capital expenditure		
	Equipments	0.10	-
	Total	**0.10**	**-**

(Amount ₹ in Lakhs)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
45	**TAX EXPENSES**		
	Current tax in relation to		
	Current years	2,570.32	1,304.79
	Earlier years	149.27	(15.00)
	Deferred tax		
	In respect of current year	(814.53)	(175.07)
	Total income tax expense recognised in the current year	**1,905.06**	**1,114.72**
	(i) The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Profit before tax	6,856.27	4,003.16
	Income tax expense calculated at 34.944%	2,432.88	1,329.53
	Tax effects of amounts which are not deductible/(taxable) in calculating taxable income		
	Expenses not allowed in income tax	34.51	(235.01)
	Exempted income / effect of tax on lower rate	(726.03)	34.17
	Tax adjustment of earlier years	149.27	-
	Others	14.43	(13.96)
	Income tax expense recognised in consolidated statement of profit and loss	**1,905.06**	**1,114.73**

46 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(A) Contingent liabilities not provided for in respect of

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the company not acknowledged as debt under the labour laws	103.62	129.60
Income tax	247.29	334.31
Excise duty	58.76	58.76
Custom duty	-	2,208.82
Sales tax	52.12	50.79

(i) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters above pending resolution of the arbitration/appellate proceedings.

(iii) Income tax

The Holding Company is involved in tax disputes amounting to **₹ 95.04** (as at March 31, 2022 ₹ 93.66) lakhs relating to Income Tax. This mainly relate to the disallowance under section 14A and Domestic Transfer Pricing of the Income Tax Act, 1961 and interest thereon which is pending at Appellate level.

In case of Subsidiary, it is involved in tax disputes amounting to **₹ 152.25** (as at March 31, 2022 ₹ 240.65) lakhs relating to Income Tax. This mainly relate to the TDS penalties & assessment which are pending at Appellate level.

(iv) Excise duty

The Excise Authorities had denied a CENVAT credit amounting to ₹ 29.38 lakhs and imposed a penalty of ₹ 29.38 lakhs for a period between June, 2008 to March, 2009 (₹ 29.38 lakhs and ₹ 29.38 lakhs CENVAT credit and penalty respectively at March 31, 2022) in respect of CENVAT credit availed on supplementary invoices raised by the Customer on account of material supplied by them. The Company is contesting the show cause notice.

(v) Custom duty

In case of Subsidiary, it is involved in tax disputes amounting to **₹ Nil** (as at March 31, 2022 ₹ 559.63) lakhs relating to Duty Free Import Machinery (EPCG) (last date of fulfilment of obligation is 31.03.2025).

(vi) Sales tax

The total sales tax demands (including interest and penalty), that are being contested by the Holding Company amount to **₹ 52.12** (as at March 31, 2022 ₹ 50.79) Lakhs. The details of the demands are as follows:

In case of Holding Company, the Sales Tax authorities have denied input tax credit and levied interest and penalty thereon due to varied reasons aggregating to **₹ 33.21 lakhs** (as at March 31, 2022 ₹ 33.21 lakhs). The reasons for disallowing credit was mainly due to not allowing set off of taxes on LPG Gas and other materials used in manufacturing and also not allowing full deduction of taxes paid. Further, there is levy of purchase tax on purchase of LPG Gas. The matter is contested in appeal.

In case of Holding Company, the Sales Tax authorities have demanded tax aggregating to **₹ 18.90** (as at March 31, 2022 ₹ 18.90) lakhs on account of tax being levied on inter-state stock transfers. The matter is contested in appeal.

(vii) Provident fund

There are numerous interpretative issues relating to the SC Judgement on Provident Fund dated February 28, 2019. The Holding Company has evaluated the impact of said judgement and has made necessary provision in financials.

(Amount ₹ in Lakhs)

(B) Commitments	As at March 31, 2023	As at March 31, 2022
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) including investment property	5.54	1,528.21
(b) Commitment for investment in mutual funds	1,900.00	-

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
47	**EARNINGS PER SHARE**		
	Profit after tax for the year attributable to equity shareholders (₹ in Lakhs)	5,613.51	2,679.38
	Weighted average number of equity shares (in Nos.)	10,00,00,000	10,00,00,000
	Basic and Diluted earnings per equity share (in ₹)	5.61	2.68
	Face Value per equity share (in ₹)	2.00	2.00

48 EMPLOYEE BENEFITS

(a) Defined contribution plans

Contributions to defined contribution plan are recognised as expenses when contributions become due.

The Group Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Group Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Holding Company are as below:

(i) Provident fund and pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 eligible employees of the Group Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Holding Company, post contribution of amount specified under the law to Employee Provident Fund Organisation on account of employee pension scheme.

(ii) Superannuation fund

The Holding Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Holding Company contributes up to 10% of the eligible employees' salary to the trust every year. Such contributions are recognised as an expense as and when incurred. The Holding Company does not have any further obligation beyond this contribution.

The total expenses recognised in the Consolidated Statement of Profit and Loss during the year are as under:

(Amount ₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's contribution to provident and other funds	963.93	619.24
Employer's contribution to superannuation fund	47.90	29.55
Total	**1,011.83**	**648.79**

(b) Defined benefit plan

(i) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2023 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

related current service cost and past service cost, were measured using the projected unit credit method. Each year, the Group reviews the level of funding in gratuity fund. The Group decides its contribution based on the results of its annual review.

This plan typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

(I) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.

(II) Interest rate risk

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

(III) Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(IV) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Amounts recognized in the Financial Statements in respect of defined benefit plan are as follows:

(Amount ₹ in Lakhs)

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Service cost		
Current service cost	158.58	202.99
Net interest expense/ (income)	14.75	16.90
Components of defined benefit costs recognised in Employee benefit expenses	**173.32**	**219.89**
Re-measurement on the net defined benefit liability:		
Actuarial (gains)/losses arising from changes in financial assumptions	(30.46)	(49.48)
Actuarial (gains)/losses arising from experience adjustments	(76.04)	17.46
Return on plan assets excluding amount included in net interest cost	(9.98)	(10.69)
Components of re-measurement	**(116.48)**	**(42.71)**
Total	**56.85**	**177.18**
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:		
Present value of funded defined benefit obligation	1,895.79	1,485.53
Fair value of plan assets	1,349.30	1,250.48
Net liability arising from defined benefit obligation	**546.49**	**235.05**
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined obligation	1,684.82	1,491.37
Current service cost	278.22	202.99
Interest cost	97.86	79.35
Re-measurement (gains)/losses :		
Actuarial (gains)/ losses arising from changes in financial assumptions	(91.43)	(49.48)
Actuarial (gains)/ losses arising from experience adjustments	(25.05)	17.46
Benefits paid	(48.63)	(56.88)
Closing defined benefit obligation	**1,895.79**	**1,684.82**

(Amount ₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Movements in the fair value of plan assets are as follows:		
Opening value of plan assets	1,250.48	1,172.34
Interest income	71.37	62.45
Return on plan assets excluding amounts included in interest income	5.71	10.69
Contributions by employer	70.36	61.88
Benefits paid	(48.63)	(56.88)
Closing value of plan assets	**1,349.30**	**1,250.48**
Classification of non-current and current liability:		
Non-current liability	427.36	314.70
Current liability	119.13	119.64
Total	**546.49**	**434.34**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Mortality	Indian assured lives mortality (2012-14) table	
Withdrawal rates	10% p.a. at younger ages reducing to 1% p.a. at older ages	
Discount rate (%)	7.35%	6.70%
Salary escalation rate (%)	6.50%	6.50%
Rate of return on plan assets (%)	7.35%	6.70%
The fair value of the plan assets at the end of the reporting period for each category are as follows:		
100% managed by insurer (Life Insurance Corporation of India)	1,349.30	1,250.48

Fair value of Investment in Group of Insurance Company is taken as book value on reporting date.

The actual return on plan assets of gratuity during the year is ₹ 77.08 (during previous year ended March 31, 2022: ₹ 73.14) Lakhs.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

Significant actuarial assumptions	As at March 31, 2023	As at March 31, 2022
Discount rate		
- Impact due to increase of 50 basis points	1,525.30	1,441.72
- Impact due to decrease of 50 basis points	1,615.13	1,532.51
Salary increase		
- Impact due to increase of 50 basis points	1,612.37	1,529.87
- Impact due to decrease of 50 basis points	1,527.00	1,443.59
Withdrawal rate		
- Impact due to increase of 10 percent	1,571.10	1,486.32
- Impact due to decrease of 10 percent	1,566.22	1,484.71
In case of Subsidiary Company,		
Discount rate		
- Impact due to increase by 1 percent	284.50	177.72
- Impact due to decrease by 1 percent	380.29	225.64
Salary increase		
- Impact due to increase by 1 percent	379.96	225.86
- Impact due to decrease by 1 percent	284.00	177.19
Withdrawal rate		
- Impact due to increase of 1 percent	329.13	201.75
- Impact due to decrease of 1 percent	324.65	196.62

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The Holding Company expects to make a contribution of **₹ 119.13** (as at March 31, 2022: ₹ 119.64) lakhs to the defined benefit plans during the next financial year.

(c) Other long term employee benefit plans

Leave encashment

Amount of ₹ 178.33 (March 31, 2022 ₹ 81.00) lakhs is recognised as expenses and included in note no. 41 “Employee benefit expense”.

49 IMPAIRMENT OF ASSETS

In accordance with the Indian Accounting Standard (Ind AS-36) on “Impairment of Assets” the Group has, during the year, carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at March 31, 2023.

50 SEGMENT REPORTING

(i) The Group has identified and reported segments taking into account the different risks and returns, the organization structure and the internal reporting systems. These have been organised into the following business segments:

(a) Auto components and (b) Composite products & moulds

(ii) **Segment revenue, results, assets and liabilities**

The following is an analysis of the Group's revenue, results, assets and liabilities from continuing operations by reportable segment for the year ended March 31, 2023:

(Amount ₹ in Lakhs)

Sr. No.	Particulars	Auto components	Composite products & moulds	Unallocable	Total
I	**Segment revenue**	1,58,145.56	40,283.23	-	1,98,428.79
	Less: Inter segment revenue	-	-	-	-
	Revenue from operations	**1,58,145.56**	**40,283.23**	**-**	**1,98,428.79**
II	**Segment results profits (+)/losses (-)**				
	before tax and interest from each segment	9,669.85	61.36	-	9,731.21
	Total	**9,669.85**	**61.36**	**-**	**9,731.21**
	Finance cost	440.30	2,265.78	-	2,706.08
	Interest income	-	-	-	-
	Profit before tax	**9,229.55**	**(2,204.42)**	**-**	**7,025.13**
	Income taxes	2,656.70	(793.63)	-	1,863.07
	Profit for the year	**6,572.85**	**(1,410.79)**	**-**	**5,162.06**
III	**Segment assets**	77,628.03	55,256.86	-	1,32,884.89
	Total	**77,628.03**	**55,256.86**	**-**	**1,32,884.89**
IV	**Segment liabilities**	77,830.51	55,054.38	-	1,32,884.89
	Total	**77,830.51**	**55,054.38**	**-**	**1,32,884.89**
V	**Other information**				
	Depreciation	2,036.92	3,264.98	-	5,301.90

Segment revenue generated from external customers which is attributable to the Company's country of domicile i.e. India and external customers outside India as under:

(Amount ₹ in Lakhs)

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Revenue from:		
Outside India	**3,295.73**	2,634.45
In India	**1,95,133.06**	1,88,933.29

51 The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

52 FINANCIAL INSTRUMENT DISCLOSURE

(a) Capital management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Group, safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Group determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings.

The Group monitors capital using a ratio of net debt to equity. For this purpose, net debt is defined as liabilities, comprising interest-bearing loans less cash and cash equivalents, other bank balances (including earmarked balances) and current investments. Equity comprises all components of equity.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

(Amount ₹ in Lakhs)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Equity share capital	2,000.00	2,000.00
Other equity	36,433.42	31,749.41
Total equity (A)	**38,433.42**	**33,749.41**
Non-current borrowings	3,188.53	5,294.54
Short term borrowings	4,276.13	1,846.73
Current maturities of long term borrowings	2,313.05	2,133.68
Gross debt (B)	**9,777.71**	**9,274.96**
Gross debt as above	9,777.71	9,274.96
Less: Current investments	10,448.74	11,765.02
Less: Cash and cash equivalents	814.12	252.86
Less: Other balances with bank (including earmarked balances)	481.54	440.39
Net debt (C)	**(1,966.69)**	**(3,183.31)**
Net debt to equity	**(0.05)**	**(0.09)**

(b) Disclosures

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 (xviii), (xix) and (xx).

(i) Financial assets and liabilities

The following tables presents each category of financial assets and liabilities as at 31st March, 2023.

(Amount ₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
I. Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Investments in mutual funds	10,448.74	11,765.02
Measured at amortised cost		
Trade and other receivables	43,732.13	38,715.35
Cash and cash equivalents	814.12	252.86
Other bank balances	481.54	440.39
Loans	140.17	332.87
Deposit	1,563.90	1,559.03
Other financial assets	141.45	64.20
Total	**57,322.05**	**53,129.73**
II. Financial liabilities		
Measured at amortised cost		
Long term borrowings	3,188.53	5,294.54
Short term borrowings	6,589.17	3,980.41
Trade payables	31,195.45	25,183.76
Lease liabilities	18,384.00	2,312.05
Other financial liabilities	5,911.26	3,900.34
Total	**65,268.42**	**40,671.10**

(ii) Fair value measurement

This note provides information about how the Company determines fair values of various financial assets and liabilities.

Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis:

Following table gives information about how the fair values of the Company's financial assets are determined:

(Amount ₹ in Lakhs)

Financial assets	Fair value as at March 31, 2023	Fair value as at March 31, 2022	Fair value hierarchy
Investment in mutual funds	10,448.74	11,765.02	Level 1

Valuation technique and key input: NAV declared by respective Asset Management Companies.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except fair value of investments in mutual funds approximate their fair values.

There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2023 and March 31, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Financial risk management objectives

The Group's principal financial liabilities comprises of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include mutual funds, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that changes in market prices- such as foreign exchange rates, interest rates and equity prices- will affect the Group's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

(I) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amount ₹ in Lakhs)

Foreign currency exposure	As at March 31, 2023	As at March 31, 2022
Assets	87.35	74.29
Liabilities	12.40	9.25

The Group has not entered in to any forward contracts to hedge its foreign exposures and therefore there are no outstanding forward contract at the year end.

Foreign currency sensitivity:

The Group is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(Amount ₹ in Lakhs)

USD sensitivity at year end	For the year ended March 31, 2023	For the year ended March 31, 2022
Assets		
Weakening of INR by 5%	4.37	3.71
Strengthening of INR by 5%	(4.37)	(3.71)
Liabilites		
Weakening of INR by 5%	(0.62)	(0.46)
Strengthening of INR by 5%	0.62	0.46

EURO sensitivity at year end	As at March 31, 2023	As at March 31, 2022
Assets:		
Weakening of INR by 5% *	-	-
Strengthening of INR by 5% *	-	-
Liabilities:		
Weakening of INR by 5%	-	-
Strengthening of INR by 5%	-	-

* indicate amount less than ₹ 1 thousand

(II) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from the long term borrowings with fixed rates. The Group's fixed rates borrowings are carried at amortised cost.

The Group invests the surplus fund generated from operations in mutual funds. Considering these mutual funds are short term in nature, there is no significant interest rate risk.

The Group has laid policies and guidelines including tenure of investment made to minimise impact of interest rate risk.

(III) Price risk

The Holding Company has deployed its surplus funds into units of mutual fund. The Holding Company is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in liquidity and credit quality of underlying securities.

NAV price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to NAV price risks at the end of the reporting period. If NAV prices had been 1% higher/lower:

In case of Holding Company, Profit for the year ended March 31, 2023 would increase/decrease by ₹ 104.47 Lakhs (for the year ended March 31, 2022: increase/decrease by ₹ 117.65 Lakhs).

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Group. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in mutual funds, trade receivables and loans and advances. None of the financial instruments of the Group result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed as under:

(Amount ₹ in Lakhs)

Particulars	As At March 31, 2023	As At March 31, 2022
Within the credit period	41,882.77	35,881.56
Upto 6 months past due	1,491.65	2,271.73
More than 6 months past due	428.56	565.48
Total	**43,802.98**	**38,718.78**

The Group has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information's.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(c) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(Amount ₹ in Lakhs)

Particulars	1 month - 1 year	1 year - 3 years	More than 3 years
As at March 31, 2023			
Long term borrowings	**1,636.79**	**2,810.80**	**377.73**
	(1,667.20)	(4,462.68)	(831.86)
Short term borrowings	**4,952.38**	**-**	**-**
	(2,332.21)	-	-
Trade payables	**30,715.69**	**471.54**	**8.21**
	(25,197.81)	(15.66)	(18.95)
Lease Liabilities	**2,411.03**	**3,851.30**	**12,121.67**
	(779.56)	(947.21)	(585.28)
Other financial liabilities	**3,098.76**	**522.52**	**2,812.50**
	(2,124.54)	-	(1,775.80)
Total	**42,814.66**	**7,656.16**	**15,320.12**
	(32,101.32)	(5,425.55)	(3,211.89)

Previous year figures are in bracket

The following table details the Group's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Amount ₹ in Lakhs)

Particulars	1 month - 1 year	1 year - 3 years	More than 3 years
As at March 31, 2023			
Trade and other receivables	**43,517.96**	**214.18**	-
	(38,618.98)	(96.37)	-
Investments in mutual funds	**10,448.74**	-	-
	(11,765.02)		-
Loans	**140.17**	**-**	**-**
	(332.87)	-	-
Other financial assets	**141.45**	**-**	**1,563.90**
	(64.20)	-	(1,559.03)
Total	**54,248.32**	**214.18**	**1,563.90**
	(50,781.08)	(96.37)	(1,559.03)

Previous year figures are in bracket

The Group has access to committed credit facilities as described below at the end of the reporting year. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(Amount ₹ in Lakhs)

Credit facilities	As at March 31, 2023	As at March 31, 2022
Amount used	**4,276.13**	6,669.80
Amount unused	**3,995.51**	9,907.20

53 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD -115 ARE GIVEN BELOW

(i) The Group derives revenues from sale of goods, scrap and services from its contracts with customers. The revenues have been disclosed in Note 37 "Revenue from Operations".

(ii) For Geographical revenue refer note 50.

(iii) The Group does not have any contract asset. The opening and closing balances of trade receivables and Contract liability are as under:

(Amount ₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	**43,732.13**	38,715.35
Contract liability		
- Advances from customers	**14,919.54**	2,467.13

(iv) There is no transaction price which is yet to be recognized on account of remaining outstanding performance obligation.

54 RELATED PARTY DISCLOSURES:

Name of related parties and description of their relationships are as under:

(A) Holding Company:

Thakur Devi Investments Private Limited

(B) Key Managerial Personnel:

Mr. Sudhir Kumar Munjal	Chairman and Managing Director
Mrs. Anju Munjal	Whole-time Director
Mr. Anuj Munjal	Whole-time Director
Mr. B. P. Yadav	Chief Financial Officer
Mr. Rakesh Johari	Company Secretary
Mr. Vikram Shah	Independent Director
Mr. Naresh Kumar Chawla	Independent Director
Mr. Mahendra Sanghvi	Independent Director
Mr. Ramkisan Devidayal	Independent Director
Mr. Sudesh Kumar Duggal	Independent Director
Mr. Jal Ratanshaw Patel	Independent Director
Ms. Avi Sabavala	Independent Director

(C) Enterprise in which directors and their relatives are directors/ partners / members / trustees :

Sara Training and Education LLP	Sara Investment Services Private Limited
Thakurdevi Investments Private Limited	Fetlock Traders Private Limited
Sara Investments	Inder Mohini Bhasin Charitable Foundation
Sudhir Kumar & Sons HUF	Munjal Auto Industries Limited Employees Gratuity Trust Account
Accelerated Learning Edutech Private Limited	Munjal Auto Industries Limited Employees Superannuation Trust Account

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following transactions were carried out with the related parties in ordinary course of business during the year:

(Amount ₹ in Lakhs)

Nature of transaction	Holding Company		Enterprise in which directors and their relatives are partners / members / trustees	Key managerial personnel	Total
Remuneration paid	-		-	**1,568.49**	**1,568.49**
	-		-	(1,000.34)	(1,000.34)
Mr. Sudhir Kumar Munjal	-		-	**544.34**	**544.34**
	-		-	(340.21)	(340.21)
Mrs. Anju Munjal	-		-	**476.30**	**476.30**
	-		-	(297.69)	(297.69)
Mr. Anuj Munjal	-		-	**476.30**	**476.30**
	-		-	(297.69)	(297.69)
Mr. B. P. Yadav	-		-	**42.12**	**42.12**
	-		-	(38.47)	(38.47)
Mr. Rakesh Johari	-		-	**29.44**	**29.44**
	-		-	(26.29)	(26.29)
Sitting fees paid	-		-	**32.12**	**32.12**
	-		-	(20.24)	(20.24)
Mr. Vikram Shah	-		-	**5.22**	**5.22**
	-		-	(3.24)	(3.24)
Mr. Naresh Kumar Chawla	-		-	**6.30**	**6.30**
	-		-	(4.00)	(4.00)
Mr. Mahendra Sanghvi	-		-	**3.20**	**3.20**
	-		-	(2.20)	(2.20)
Mr. Ramkisan Devidayal	-		-	**4.50**	**4.50**
	-		-	(2.80)	(2.80)
Mr. Sudesh Kumar Duggal	-		-	**5.40**	**5.40**
	-		-	(3.40)	(3.40)
Mr. Jal Ratanshaw Patel	-		-	**4.50**	**4.50**
	-		-	(2.80)	(2.80)
Ms. Avi Sabavala	-		-	**3.00**	**3.00**
	-		-	(1.80)	(1.80)
Dividend Paid	**748.06**	-	-	-	**748.06**
	-	-	-	-	-
Thakurdevi Investments Private Limited	**748.06**	-	-	-	**748.06**
	-	-	-	-	-
Rent Paid	-	-	**210.65**	-	**210.65**
	-	-	(209.05)	-	(209.05)
Sara Investments	-	-	**210.65**	-	**210.65**
	-	-	(209.05)	-	(209.05)

Balance as at **(Amount ₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Remuneration payable	**52.78**	**49.37**
Mr. Sudhir Kumar Munjal	**20.10**	14.50
Mrs. Anju Munjal	**11.31**	15.88
Mr. Anuj Munjal	**17.70**	15.74
Mr. B. P. Yadav	**2.38**	1.85
Mr. Rakesh Johari	**1.28**	1.40

Category-wise break up of compensation to key management personnel during the year is as follows:

(Amount ₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	**1,384.03**	882.96
Post-employment benefits (excluding leave encashment)	**184.46**	117.38

(D) Terms and conditions of transactions with related parties:

(i) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

(ii) There is no allowance account for impaired receivables in relation to any outstanding balances and no expense has been recognised in respect of impaired receivables due from related party.

(iii) All Outstanding balances are unsecured and are repayable/receivable in cash.

55 Ageing :

A Trade receivables ageing schedules

(Amount ₹ in Lakhs)

FY 2022-23

Sr. No.	Particulars	Unbilled payables	Not due	Outstanding for following periods from due date of payment					Total
				Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
1	Debts due by directors or other officers of the company, by firms or private companies respectively in which any director is a partner or a director or a member	-	-	-	-	-	-	-	-
	(i) Considered good – unsecured								
	(a) Undisputed trade receivables	-	-	-	-	-	-	-	-
	Total of (1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2	Trade receivables other than (1) above								
	(i) Considered good – unsecured								
	(a) Undisputed trade receivables	-	41,882.77	1,440.69	194.50	122.06	92.11	-	**43,732.13**
	(b) Disputed trade receivables								
	Less: Allowance for bad and doubtful debts/ allowance for expected credit loss	-	-	-	-	-	-	-	-
	(ii) Trade receivables – credit impaired	-	-	-	-	-	-	-	-
	(a) Undisputed trade receivables	-	-	50.96	-	-	3.03	16.85	**70.84**
	(b) Disputed trade receivables	-	-	-	-	-	-	-	-
	Less: Allowance for bad and doubtful debts/ allowance for expected credit loss	-	-	50.96	-	-	3.03	16.85	**70.84**
	Total of (2)	**-**	**41,882.77**	**1,440.69**	**194.50**	**122.06**	**92.11**	**-**	**43,732.13**
	Grand total (1+2)	**-**	**41,882.77**	**1,440.69**	**194.50**	**122.06**	**92.11**	**-**	**43,732.13**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Trade receivables ageing schedules (Amount ₹ in Lakhs)

FY 2021-22

Sr. No.	Particulars	Unbilled receivables	Not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Debts due by directors or other officers of the company, by firms or private companies respectively in which any director is a partner or a director or a member	-	-	-	-	-	-	-	-
	(i) Considered good – unsecured								
	(a) Undisputed trade receivables	-	-	-	-	-	-	-	-
	Total of (1)	-	-	-	-	-	-	-	-
2	Trade receivables other than (1) above								
	(i) Considered good – unsecured								
	(a) Undisputed trade receivables	-	35,881.56	2,271.73	444.53	96.07	17.81	3.65	**38,715.35**
	(b) Disputed trade receivables								
	Less: Allowance for bad and doubtful debts/ allowance for expected credit loss	-	-	-	-	-	-	-	-
	(ii) Trade receivables – credit impaired	-	-	-	-	-	-	-	-
	(a) Undisputed trade receivables	-	-	-	-	-	-	3.43	**3.43**
	(b) Disputed trade receivables	-	-	-	-	-	-	-	-
	Less: Allowance for bad and doubtful debts/ allowance for expected credit loss	-	-	-	-	-	-	3.43	**3.43**
	Total of (2)	-	**35,881.56**	**2,271.73**	**444.53**	**96.07**	**17.81**	**3.65**	**38,715.35**
	Grand total (1+2)	-	**35,881.56**	**2,271.73**	**444.53**	**96.07**	**17.81**	**3.65**	**38,715.35**

B Trade Payables Ageing Schedules

(Amount ₹ in Lakhs)

Sr. No.	Particulars	Unbilled payables	Not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
FY 2022-23									
1	(i) Dues to Micro, Small and Medium Enterprises (MSME)	-	-	-	-	-	-	-	-
	- Disputed dues	-	-	-	-	-	-	-	-
	- Undisputed dues	-	3,439.05	536.58	-	-	-	6.82	3,982.45
	Total of (1)		**3,439.05**	**536.58**	-	-	-	**6.82**	**3,982.45**
2	(i) Dues to others								
	- Disputed dues	-	-	-	-	-	-	-	-
	- Undisputed dues	-	21,561.05	3,596.66	1,472.71	491.81	21.19	69.56	27,213.00
	Total of (2)	-	**21,561.05**	**3,596.66**	**1,472.71**	**491.81**	**21.19**	**69.56**	**27,213.00**
	Grand total (1+2)	-	**25,000.10**	**4,133.24**	**1,472.71**	**491.81**	**21.19**	**76.39**	**31,195.45**
FY 2021-22									
1	(i) Dues to Micro, Small and Medium Enterprises (MSME)	-	-	-	-	-	-	-	-
	- Disputed dues	-	-	-	-	-	-	-	-
	- Undisputed dues	-	2,618.44	299.71	0.14682	-	-	24.96	**3,469.58**
	Total of (1)		**2,618.44**	**299.71**	**0.15**	-	-	**24.96**	**2,943.25**
2	(i) Dues to others								
	- Disputed dues	-	-	-	-	-	-	-	-
	- Undisputed dues	-	19,309.95	2,570.49	215.21	11.52	29.30	104.02	22,723.71
	Total of (2)	-	**19,309.95**	**2,570.49**	**215.21**	**11.52**	**29.30**	**104.02**	**22,240.50**
	Grand total (1+2)	-	**21,928.39**	**2,870.20**	**215.36**	**11.52**	**29.30**	**128.98**	**25,183.76**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

56 RELATIONSHIP WITH STRUCK OFF COMPANIES

Details on relationships with struck off companies - holding company

(Amount ₹ in Lakhs)

Name of the struck off company	Nature of transactions with struck off company	March 31, 2023		March 31, 2022	
		Balance outstanding	Relationship with the struck off company, if any	Balance outstanding	Relationship with the struck off company, if any
Aeiforos Technologies Pvt Ltd	Payables	8.60	NA	8.60	NA
Corporate Designz Private Limited	Receivables	0.03	NA	0.03	NA
Kay Jay Leasing Ltd	Shares held by struck off company	0.01	NA	0.01	NA
K S M Investments Pvt Ltd		0.13	NA	0.13	NA
Vaishak Shares Limited		0.00 *	NA	0.00 *	NA
J V A Enterprises Private Ltd.		0.08	NA	0.08	NA
Idafa Investments Private Ltd		0.00 *	NA	0.00 *	NA
Dreams Broking Pvt Ltd		0.00 *	NA	0.00 *	NA
Arihant Cap.Mkts Ltd		0.00 *	NA	0.00 *	NA

* Amount is below rounding off norms adopted by the Group

57 Additional information to the consolidated financial Statements as per the general Instructions of schedule III to the Companies Act, 2013 is as under:

Name of the entity	Net assets (Total assets- total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated profit or loss	₹ in lakhs	As % of consolidated other comprehensive income	₹ in lakhs	As % of consolidated total comprehensive income	₹ in lakhs
Parent Company								
Munjal Auto Industries Limited	99.54%	39,255.81	127.33%	6,572.85	62.18%	49.87	126.33%	6,622.72
Subsidiaries								
Indian								
Indutch Composites Technology Private Limited	7.23%	2,851.68	-29.66%	(1,531.31)	37.82%	30.33	-28.63%	(1,500.98)
Less: Non Controlling Interest	-2.55%	(1,003.99)	-9.49%	(490.02)	12.10%	9.71	-9.16%	(480.31)
Eliminations	-4.22%	(1,666.09)	11.83%	610.52	-12.10%	(9.71)	11.46%	600.82
Total	**100.00%**	**39,437.41**	**100.00%**	**5,162.04**	**100.00%**	**80.20**	**100.00%**	**5,242.25**

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

59 The Group does not have any Benami property and no proceedings have been initiated or pending against the Group for holding any Benami property.

60 (A) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

61 The Board of Directors of Holding Company have considered and recommended a dividend @ 100% i.e. ₹ 2 per equity share on face value of ₹ 2 per equity share for the financial year 2022-23 subject to approval of members of the Holding Company.

62 Figures for the previous year have been regrouped, wherever necessary, to conform to the figures of the current period's classification.

63 The Consolidated Financial Statements of the Group are approved by the Board of Directors on May 23, 2023.

As per our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W/W100829

Neela R. Shah
Partner
Membership No. 045027

Place : Vadodara
Date : May 23, 2023

For and on behalf of the Board of Directors of
Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman, Audit Committee
DIN - 00007914

Rakesh Johari
Company Secretary

B P Yadav
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing Salient Features of the Financial Statement of subsidiaries/associate companies/joint ventures

Part-"A": Subsidiary		
Sr. No.	**Particulars**	**Name of Subsidiary**
1	Name of subsidiary	**Indutch Composites Technology Private Limited**
2	Date since when subsidiary was acquired	May 22, 2018
3	Reporting period for the subsidiary concerned	2022-23
4	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiary	Amount (₹) in Lakhs
5	Share capital	421.55
6	Reserves and surplus	2,430.13
7	Total assets	55,256.86
8	Total liabilities	52,405.18
9	Investments	-
10	Turnover	40,283.23
11	Profit before taxation	(2,324.94)
12	Provision for taxation	(778.43)
13	Profit after taxation	(1,531.31)
14	Proposed dividend	-
15	Extent of shareholding (in %)	68%

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures
Not Applicable

For and on behalf of the Board of Directors of
Munjal Auto Industries Limited

Sudhir Kumar Munjal Chairman & Managing Director DIN - 00084080	Anju Munjal Whole Time Director DIN - 00007867	Vikram Shah Chairman Audit Committee DIN - 00007914
Rakesh Johari Company Secretary	B P Yadav Chief Financial Officer	

Place : Gurugram
Date : May 23, 2023

MUNJAL AUTO
INDUSTRIES LIMITED

Registered Office: 187, GIDC Industrial Estate,
Waghodia 391 760,
Dist. Vadodara, (Gujarat)
Tel. Nos. (+91 02668) 262421-22
Fax No. (+91 02668) 262427

Pratiksha : 098252 62512

MUNJAL AUTO INDUSTRIES LIMITED

Regd. Office: 187, GIDC Industrial Estate, Waghodia 391760, Dist. Vadodara, Gujarat
Phone : (02668) 262421-22, Fax : (02668) 262427
E-mail : cs@munjalauto.com, Website : www.munjalauto.com
CIN : L34100GJ1985PLC007958

NOTICE

Notice is hereby given that the 38th Annual General Meeting ('AGM') **of the Members of** Munjal Auto Industries Limited **will be held on** Saturday, September 02, 2023, at 11.00 A.M. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") **to transact the following businesses:**

ORDINARY BUSINESS

1. **To receive, consider and adopt:**
   (a) The Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2023, together with the reports of the Board of Directors' and the Auditors' thereon.
   b) The Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors' thereon.
2. To declare a final dividend of ₹ 2/- per equity share for the financial year 2022-23.
3. To appoint a Director in place of Mr. Anuj Munjal (DIN: 02714266), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To approve reappointment of Mr. Sudhir Kumar Munjal, (DIN 00084080) as a Managing Director

   To consider and if thought fit, to pass, the following resolutions as **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the 'Act') read along with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 17 and other regulations applicable, if any of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], and in terms of Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and subject to such sanctions as may be necessary, the consent of the members be and is hereby accorded to the re-appointment of Mr. Sudhir Kumar Munjal (DIN 00084080) as a Managing Director the Company for another term of five years commencing from October 29, 2023, to October 28, 2028, even if he has already attained the age of 70 years, and liable to retire by rotation, upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of Section 197 read with Schedule V the Act and in the agreement entered into between the Company and Mr. Sudhir Kumar Munjal, which agreement, be and is hereby approved, with liberty to the Board of Directors or Committee thereof, to alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit and in such manner as may be agreed to between the Board and him.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to revise the remuneration of Mr. Sudhir Kumar Munjal from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time and the said agreement between the Company and Mr. Sudhir Kumar Munjal be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

   RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, applicable provisions of the Companies Act, 2013 read with rules made thereunder and other laws applicable, if any [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] as also pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Approval, be and is, hereby accorded, to the of payment of remuneration to Mr. Sudhir Kumar Munjal (belonging to promoter group) as a Managing Director on the terms and conditions as approved by the Board of Directors of the Company for his term of reappointment October 29, 2023, to October 28, 2028, notwithstanding:

(a) the annual remuneration payable to him exceeds Rs. 5 crores or 2.5 percent of the net profit of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher,

OR

(b) the aggregate annual remuneration of all the Executive Directors exceeds 5 percent of the net profit of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT in case of no profit or inadequacy of profits in any financial year during the currency of his tenure, the remuneration as aforesaid will be paid as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required and delegate all or any of its powers herein conferred to any committee of director(s) to give effect to the above resolution."

Place : Gurugram
Date : May 23,2023

By Order of the Board of Directors
For Munjal Auto Industries Ltd.

Sd/-
Rakesh Johari
Company Secretary & Compliance Officer
ACS 19153

Registered Office
187, GIDC Industrial Estate,
Waghodia - 391760
Dist.: Vadodara (Gujarat)

Notes :

1. The Ministry of Corporate Affairs (MCA) with reference to Circular Nos. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 5, 2022, 10/2022 dated December 28, 2022 and all other relevant circulars issued from time to time (hereinafter collectively referred to as "Circulars") has allowed companies whose AGMs are due in the year 2023, to conduct their AGMs on or before 30.09.2023, in accordance with the requirements laid down in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 5, 2020. Hence, in compliance with these Circulars, the annual general meeting of the Company (hereinafter referred as "AGM") will be conducted through Video Conferencing (VC)/Other Audio-Visual Mode (OAVM). The deemed venue for the 38th AGM shall be the Registered Office of the Company.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to special business to be transacted at the AGM is annexed hereto.

3. Details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in terms of Secretarial Standard - 2 in respect of the Directors seeking appointment/re-appointment at the 38th AGM are annexed hereto as **Annexure-A** to the Notice which forms part of the Explanatory Statement. The Company has received relevant disclosure/ consent from the Directors seeking appointment/re-appointment.

4. In terms of the aforesaid MCA Circulars, SEBI Circular nos. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, the Company has sent the Annual Report and the Notice of AGM only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

   a. Shareholders holding shares in physical form, are requested to register / update their email addresses by submitting physical copy of Form ISR-1 to the RTA along with relevant documents at below mentioned address:
   M/s MCS Share Transfer Agent Limited (Unit: Munjal Auto Industries Limited)
   1st Floor, Neelam Apartment, 88, Sampatrao Colony,
   Above Chappanbhog Sweet, Alkapuri, Vadodara - 390 007
   Tel:(0265) 2314757, 2350490, Fax:(0265) 2341639
   E-mail: mcsltdbaroda@gmail.com

   b. Shareholders holding shares in dematerialized form, are requested to register/ update their email addresses with the Depository Participants with whom the demat account is maintained.

5. The Notice of the 38th AGM and the Annual Report for the year 2022-23 including therein the Audited Financial Statements for the year 2022-23, will be available on the website of the Company at www.munjalauto.com and the website of stock exchanges at BSE Limited www.bseindia.com and National Stock Exchanges of India Ltd. at www.nseindia.com. The Notice of 38th AGM and the Annual Report will also be available on the website of CDSL at www.evotingindia.com.

6. The Annual Report along with Notice of AGM will be sent to the members, whose names appear in the Register of Members/depositories as at close of business hours on August 04, 2023.

7. All documents referred to in the Notice will be available for electronic inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM, i.e. September 02, 2023. Members seeking to inspect such documents can send an email to cs@munjalauto.com.

8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ("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.

9. Pursuant to Section 91 of the Act and Regulation 42 of the Listing Regulations, the Register of Members and the Share Transfer books of the Company will remain closed from **Sunday, August 27, 2023, to Saturday, September 02, 2023,** (both days inclusive) for the purpose of 38th AGM of the Company.

10. **Cut-off Date:** The Company has fixed **Saturday, August 26, 2023,** as the **Cut-off Date** for remote e-voting. The remote e-voting/ voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. **Saturday, August 26, 2023,** only. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

11. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the Cut-off Date, being **Saturday, August 26, 2023.**

12. The Company has designated Mr. Rakesh Johari, Company Secretary and Compliance Officer, to address the grievances connected with the voting by electronic means. The Members can reach Company official at +91-02668-262421-22 or cs@munjalauto.com.

13. The Board of Directors has appointed Mr. Devesh A Pathak, Proprietor, M/s. Devesh Pathak & Associates, Company Secretaries, Vadodara, as Scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.

14. The Scrutinizer shall, after conclusion of voting at the AGM, first download the votes cast at the meeting and thereafter unblock the votes cast through remote and e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and shall within two working days of conclusion of the AGM, submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any KMPs of the Company who shall countersign the same and declare the results of voting forthwith.

15. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions. The results shall be declared within two working days of conclusion of the Annual General Meeting of the Company. The results alongwith Scrutiniser's Report shall be placed on the website of the Company www.munjalauto.com, website of CDSL www.evotingindia.com and by filing with the Stock Exchanges. It shall also be displayed on the Notice Board at the Registered Office of the Company.

16. Members are requested to note that under Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund ('IEPF') constituted by the Central Government of India. Further, all shares in respect of which dividends remain unclaimed/unpaid for seven consecutive years or more, are also required to be transferred to designated Demat Account of the IEPF Authority. The Company during the financial year 2022-23 had, accordingly, transferred the unpaid and unclaimed dividend amount pertaining to the financial year 2014-15 alongwith relevant shares to the IEPF within the stipulated time period. Further, all the shareholders who have not claimed/encashed their dividends in the last seven consecutive years from FY 2016-17and onwards are requested to claim the same. The concerned members are requested to verify the details of their unclaimed amounts, if any, from the website of the Company and write to the Company's Registrar before the same becoming due for transfer to the IEPF.

17. In respect of the physical shareholding, in order to prevent fraudulent transactions, members are advised to exercise due diligence and notify the Registrar of any change in their addresses, telephone numbers, e-mail ids, nominees or joint holders, as the case may be. The Securities and Exchange Board of India ('SEBI') has mandated submission of Permanent Account Number ('PAN') by every participant in 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 are requested to submit their PAN details to the Registrar.

18. Pursuant to the Listing Regulations, shares of a listed entity can only be transferred in demat form w.e.f. April 1, 2019 except in cases of transmission or transposition. Therefore, **shareholders are encouraged in their own interest to dematerialize their shareholding to avoid hassle in transfer of shares and eliminate risks associated with physical shares. Members can write to the Registrar in this regard.**

19. Information in respect of unclaimed dividend pertaining to the subsequent financial years when due for transfer to the said fund is given below:

Financial Year ended	Date of declaration of dividend	Last date for claiming unpaid dividend
31.03.2017	30.06.2017	29.06.2024
31.03.2018	25.08.2018	24.08.2025
31.03.2019	31.08.2019	30.08.2026
31.03.2022	16.09.2022	21.09.2029

20. Since the AGM will be held through VC, the facility to appoint proxy to attend and cast vote for the members is not available for the AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. Therefore, the route map, proxy form and attendance slip are not annexed to this Notice.

21. The 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 the securities in dematerialized form ONLY while processing the following service request:

    i. Issue of duplicate securities certificate;

    ii. Claim from Unclaimed Suspense Account;

    iii. Renewal / Exchange of securities certificate;

    iv. Endorsement; v. Sub-division / Splitting of securities certificate;

    vi. Consolidation of securities certificates/folios;

    vii. Transmission;

    viii. Transposition

24. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares of a listed entity can only be transferred in demat form. Therefore, shareholders are encouraged in their own interest to dematerialize their shareholding to avoid hassle in transfer of shares and eliminate risks associated with physical shares. Members can write to the Registrar in this regard.

    Law provides voting rights to all members proportionate to their holding in the Company. Munjal Auto Industries Limited encourages the members to exercise their voting rights and actively participate in the decision-making process.

25. **Remote E-Voting:**

    Pursuant to Section 108 of the Act, rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide the facility of voting by electronic means viz. 'remote e-voting' (e-voting from a place other than venue of the AGM) through CDSL, for all Members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the Notice of 38th AGM of the Company. The remote e-voting period begins on Wednesday, August 30, 2023, at 9:00 A.M. and ends on Friday, September 01, 2023, on 5:00 P.M.(IST).

    During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on the Cut-off Date i.e. **Saturday, August 26, 2023**, may cast their votes electronically. The remote e-voting module shall be disabled after **5:00 p.m. (IST)** on **Friday, September 01, 2023**. The facility for electronic voting system, shall also be made available at the 38th AGM.

    The Members attending the AGM, who have not cast their votes through remote e-voting, shall be able to exercise their voting rights at the AGM. The Members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM.

    The Members desirous of voting through remote e-voting are requested to refer to the detailed procedure given hereinafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.

CDSL e-Voting System – For e-voting and Joining Virtual meetings

1. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations, 2015 (as amended), and MCA General Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022 and December 28, 2022, the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

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

4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at https://munjalauto.com/finance/notice/. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

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

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

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

(i) The voting period begins on Wednesday, August 30, 2023, at 9:00 A.M. and ends on Friday, September 01, 2023, on 5:00 P.M.(IST).During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Saturday, August 26, 2023,** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020,** under Regulation 44 of the Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **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 ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

(iv) **In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.**

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasinew/Home/Login or visit www.cdslindia.com and click on Login icon and select My Easi New (Token). 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINK INTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants** (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

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

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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 write to cs@munjalauto.com in to obtain sequence number which shall be mentioned in the PAN field.
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 as mentioned in instruction (v).

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

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

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

(ix) Click on the EVSN 230809002 for the relevant Munjal Auto Industries Limited on which you choose to vote.

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

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

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

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

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

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

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

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

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address i.e.cs@munjalauto.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least**15 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **15 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@munjalauto.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

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

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company email id at cs@munjalauto.com or RTA email id at mcsltdbaroda@gmail.com.

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

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

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 555 333.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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

Statement under section 102 of the Act and regulation 36(3) of the Listing Regulations

Item No. 4

To approve reappointment of Mr. Sudhir Kumar Munjal as a Managing Director of the company

Having regard to the rich experience and valuable contributions of Mr. Sudhir Kumar Munjal to the Company, virtually since inception of the Company, even if he has already attained the age of 70 years, the Board of Directors of your Company at its meeting held on May 23, 2023, has reappointed Mr. Sudhir Kumar Munjal as a Managing Director of the Company w.e.f. October 29, 2023, to October 28, 2028, for a further period of five years pursuant to the provisions of sections 196, 197, 203 read with Schedule V of the Act on the terms and conditions as set out in the Draft Agreement including the remuneration as approved by the Nomination and Remuneration Committee in its meeting held on May 23, 2023.

The important terms and conditions of the draft agreement of the re-appointment of Mr. Sudhir Kumar Munjal as a Managing Director are as follows:

1) He will continue to act as a Managing Director of the Company for a further period of five years commencing from October 29, 2023,and he shall perform the duties and exercise the powers hereinafter mentioned and also all such powers which from time to time may be assigned to or vested in him by the Board of Directors of the Company;

2) He will devote his whole time and attention during business hours to the business of the Company;

3) Whenever required by the Company, he will travel in India and elsewhere in connection with the business of the Company;

4) The Company to remunerate him in consideration of the performance of his duties as under:

   a) Basic Salary: Rs. 20,00,000/- p.m. with an authority to the Board to grant such further increases from time to time as it may deem fit, within the overall limit.

   b) Commission: He shall also be entitled to remuneration by way of commission which shall not exceed 5% of the yearly net profit of the Company, as calculated in the manner set out in section 197 and 198 of the Companies Act, 2013;

   c) Allowances:

Particulars	% of Basic Salary
House Rent Allowance	60%
Medical Allowance	10%
Electricity Allowance	10%
Professional Development Allowance	10%
Education Allowance	5%
Soft Furnishing Allowance	5%

   d) Perquisites:

      I. Car Facility: Car facility with Driver to be used for the business of the Company;

      II. Telephone: Free telephone facility at his residence including Mobile Phone and internet for the business of the Company;

      III. Medical Reimbursement: Reimbursement of actual medical expenses incurred by him and his family members;

      IV. Leave Travel Concession: For the appointee and his family once a year incurred in accordance with any rules specified by the Company;

      V. Personal Accident Insurance: Actual premium to be paid by the Company;

      VI. Insurance of Household goods: Actual premium to be paid by the Company;

   e) Retiral benefits:

      I. Company's contribution to Provident Fund and Superannuation or Annuity Fund: to the extent not taxable under the Income Tax Act, 1961

II. Gratuity: Payable at the rate not exceeding half a month's salary of each completed year of service

III. Leave Encashment at the end of the tenure of services of the Managing Director

In case of loss or inadequacy of profit, aforesaid Retiral Benefits shall not be included in the remuneration. However, any retiral benefit remuneration in excess of aforesaid ceiling shall form part of remuneration.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

5) Earned / Privilege Leave

On full pay and allowances but not more than one month's leave for every eleven months of service shall be allowed.

6) He will be entitled to:

a) the reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and

b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.

7) As long as he functions as Managing Director, no sitting fee will be paid to him for attending the meetings of the Board of Directors or committee(s) there of.

8) Either party shall be entitled to terminate the Agreement by giving to the other party 180 days' notice in writing without showing any cause. Additional information required as per Schedule V to the Companies Act, 2013, relating to Item no. 4 of the Notice of Annual General Meeting.

Requisite Additional information as prescribed in item no. (iv) of sub-paragraph "B" of paragraph (1) of section II of schedule V of Companies Act, 2013 is available in "**Annexure A**" to this notice.

Copies of Draft Agreements will be available for inspection between 10 a.m. to 12 noon on all working days except Saturday and Sunday up to the date of Annual General Meeting.

Their brief profile pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 is set out in **"Annexure B"** to the explanatory statement.

Sub regulation 6(e) to Regulation 17 to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') requires approval of shareholders by way of Special Resolution in following circumstances.

The payment of any fees or compensation to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution, if:

a) the annual remuneration payable to such executive director exceeds Rs. 5 Crore or 2.5 percent of the net profit of the listed entity, whichever is higher; or

b) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent of the net profit of the listed entity."

Details of remuneration drawn by them are available in the Corporate Governance Report.

Accordingly, Your Directors recommend and seek your approval to the resolution as appearing in item no. 4 of the accompanying notice by way of Special Resolution.

None of the Directors / Key Managerial Personnel or their relatives except Mr. Sudhir Kumar Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal as well as their relatives shall be deemed to be concerned or interested in the resolutions except to the extent of their shareholding, if any.

ANNEXURE-A TO THE EXPLANATORY STATEMENT

Additional information required as per Schedule V to the Companies Act, 2013 relating to Item no. 4 of the Notice of Annual General Meeting:

I. General information:

(i) Nature of Industry: The Company is engaged in the manufacturing of Auto Component parts for two wheelers and four wheelers.

(ii) Date or expected date of commencement of commercial production: The Company's plants for manufacturing the Auto Component parts for two wheelers and four wheelers are fully operational.

(iii) Financial performance based on given indicators:

(₹ In Crores)

Particulars	Financial year	
	2022-23	**2021-22**
Effective Capital	302.62	249.67
Total Income	1,595.04	1,715.70
Profit after Tax	65.73	20.81

(iv) Export performance and net foreign exchange earnings: ₹ 34.69 Lakhs

(v) Foreign investments or collaborators, if any: Nil

II. Information about the Appointee:

(i) Background details of the Managerial Personnel:

Mr. Sudhir Kumar Munjal is an Arts Graduate and having more than 57 years of rich experience in bicycle/ automobile/ engineering industry. Mr. Sudhir Kumar Munjal has served as Director of Munjal Auto Industries Limited during the period 1991 to 1993 & he assumed charge as Managing Director of the Company in 1993.

During his tenure as Managing Director, Mr. Munjal has successfully steered the change in focus of the business of the Company from Bicycle to Auto Components manufacturing, which resulted into turnaround of the Company in 1999-2000. He has also been appointed as Chairman of the Company w.e.f. March 28, 2015.

(ii) Past remuneration: Details of the remuneration of Mr. Sudhir Kumar Munjal (2022-23) are set out in column no. (v) of this paragraph.

(iii) Recognition or awards: The Company has no information to offer.

(iv) Job Profile and suitability: Mr. Sudhir Kumar Munjal is vested with substantial powers of the Management of the Company subject to the overall supervision, direction and control of the Board of Directors of the Company. Having regard to rich and very vast experience and contributions made so far to the Company in parity with his job profile, your Board of Directors are of the opinion that he is suitable to hold position as Managing Director.

(v) Remuneration proposed:

(₹ in Lakhs)

Particulars	Present Remuneration (FY 2022-23)	Proposed Remuneration (FY 2023-24)
Gross Salary*	420.00	420.00

* In addition to perquisites as set out in draft Agreement to be entered by Company with them and mentioned in paragraph-1 of section IV of part II of schedule V of the Act.

(vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The remuneration as proposed for Mr. Sudhir Kumar Munjal is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company, responsibilities shouldered on him and the industry benchmarks. Moreover in their position as Managing Director of the Company, he has devoted his substantial time in overseeing the operations of Company.

(vii) Mr. Sudhir Kumar Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal are inter-se related.

(viii) Pecuniary relationship with the Company/ Managerial Personnel as aforesaid.

III. Other Information:

a. Reasons of loss or inadequate profits:

Inadequate profits can be mainly attributable to increase in input cost but not increase in volumes of products.

b. Steps taken or proposed to be taken for improvement:

The Company has actively taken steps to improve on the performance of the Company by streamlining the various processes. These along with other measures including diversification by taking over majority stake in a private limited company engaged in Composites products and wind mill blades manufacturing and commencing BIW parts productions for four wheelers. The future outlook of your Company remains positive and with improvement in business sentiments, the Company is confident of improving its performance and profitability over the coming years.

c. Expected increase in productivity and profits in measurable terms:

The Company expects a better performance of the Company in all measurable parameters in the coming years in view of the various measures taken by the Company to improve on its performance.

IV. Disclosures:

Remuneration package of Mr. Sudhir Kumar Munjal has been set out as above. Other information relating to disclosure is available in the corporate governance report for FY 2022-23.

ANNEXURE 'B' TO THE EXPLANATORY STATEMENT

Name of Director	**Mr. Sudhir Kumar Munjal**	**Mr. Anuj Munjal**
Date of Birth	October 26, 1946	June 13, 1974
DIN	00084080	02714266
Date of Appointment in current tenure	October 29, 2018	June 01, 2020
Experience	57 years	24 years
Date on which first appointed on the Board	August 01, 1991	June 01,2010
Expertise in specific functional areas	- Automotive/ Technology/ R&D/Product Development - Strategic planning, Business Development, Business Operations - Human resources/ people management - Corporate Governance, Regulatory & Public Policy	- Automotive/ Technology/R&D/Product Development - Strategic planning, Business Development, Business Operations - Human resources/ people management - Corporate Governance, Regulatory & Public Policy - Consumer sales/ marketing,
Qualification	Graduate in Arts	MBA in Finance and Marketing from North Eastern University, Boston (USA)
Shareholding in the Company	NIL	NIL
Directorship held in other public companies (excluding foreign companies)	NIL	NIL
Membership / Chairmanship of Committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL
Disclosure of Relationships between Director inter-se	Mr. Sudhir Kumar Munjal is spouse of Mrs. Anju Munjal and father of Mr. Anuj Munjal	Mr. Anuj Munjal is Son of Mr. Sudhir Kumar Munjal and Mrs. Anju Munjal