August 17, 2023

National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, Block -G Bandra-Kurla Complex Bandra (East), Mumbai – 4000 51	Bombay Stock Exchange Limited Corporate Relationship Department P.J. Towers, Dalal Street Mumbai – 4000 01
Scrip Symbol: SANSERA	Scrip Code: 543358

Dear Sir

Sub: Revised Integrated Annual Report of the Company for the Financial Year 2022-23
Ref: Our letter dated August 16, 2023

Pursuant to Regulations 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the revised Integrated Annual Report of the Company for the Financial Year 2022-23. The same will be dispatched today.

The Integrated Annual Report is also available on the Company's website at www.sansera.in and on websites of stock exchanges i.e., www.bseindia.com and www.nseindia.com

Kindly take the same on your record.

Thanking you,

for Sansera Engineering Limited

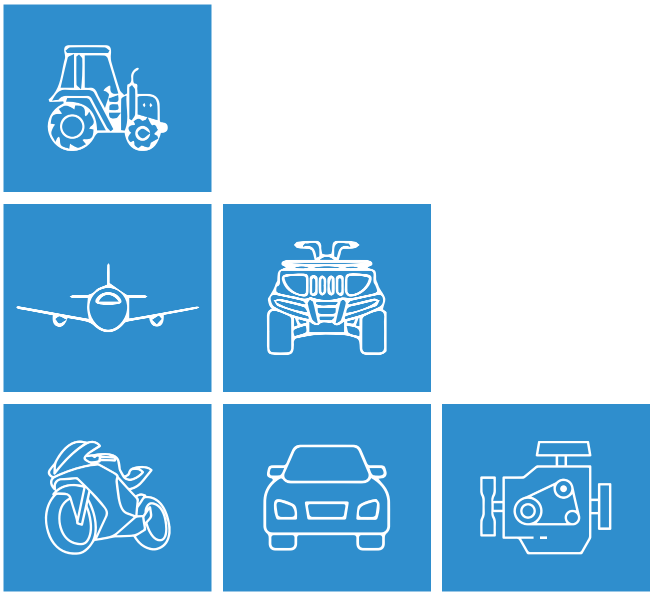
RAJESH KUMAR MODI
Digitally signed by RAJESH KUMAR MODI
Date: 2023.08.17 13:37:47 +05'30'

Rajesh Kumar Modi
Company Secretary and Compliance Officer

Encls: Annual Report 2022-23

Annual Report 2022-23

SANSERA
ideas@work



ACCELERATING GROWTH THROUGH ENGINEERING EXPERTISE

READ INSIDE

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

Standalone

Consolidated

Investor Information

Market Capitalisation
as at March 31, 2023: ₹39,824 mn

CIN: L34103KA1981PLC004542

BSE Code: 543358

NSE Symbol: SANSERA

Bloomberg Code: 1312462D:IN

Dividend Recommended: ₹2.50 per equity share

AGM Date & Time: Friday, September 08, 2023 at 11.00 am (IST)

AGM Venue/Mode: Video-Conferencing ('VC') or Other Audio-Visual Means ('OAVM')

For more investor-related information, please visit https://sansera.in/annual-reports

Or simply scan to view the online version of the report :

Disclaimer:

This document contains statements about expected future events and financials of Sansera Engineering Limited ('The Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

ACCELERATING GROWTH THROUGH ENGINEERING EXPERTISE

Sansera Engineering Limited is a prominent manufacturer and supplier of a diverse range of components and assemblies that are essential to a variety of systems, including engine, transmission, suspension, braking, chassis, and others. These components are critical to the seamless functioning of two-wheelers, passenger vehicles, commercial vehicles, as well as aerospace, off-road, agriculture, and other industries.

Our Company's prowess in producing the critical high precision components is underpinned by our cutting-edge manufacturing facilities integrated with advanced technologies, concurrent engineering capabilities, and modular assembly lines, ensuring seamless production of components. Our Company has a track record of delivering exceptional customer service, making us a supplier of choice for our customers. Altogether, with these, we are **Accelerating Growth through Engineering Expertise** and delivering value to our customers.

Our Numbers in FY 2022-23

₹ **23,561** mn — 18% ▲
Total Income

₹ **3,948** mn — 13% ▲
EBIDTA

16.8% — 60 bps ▼
EBIDTA Margin

₹ **1,483** mn — 12% ▲
PAT

6.3% — 30 bps ▼
PAT Margin

₹ **27.74**
EPS

^ y-o-y growth in 2022-23 over 2021-22; bps: basis points

SANSERA ENGINEERING LIMITED ('SANSERA' OR 'WE' OR 'OUR COMPANY') IS AN ENGINEERING-LED INTEGRATED MANUFACTURER OF COMPLEX AND CRITICAL PRECISION FORGED AND MACHINED COMPONENTS CATERING TO OEMs GLOBALLY. WE COMMENCED THE COMMERCIAL PRODUCTION OF PASSENGER VEHICLE COMPONENTS IN 1986 AND HAVE, SINCE, GROWN INTO A TRUSTED COMPANY OF AUTOMOTIVE AND NON-AUTOMOTIVE COMPONENTS IN INDIA. WE HAVE EVOLVED ORGANICALLY BY SUPPLYING PREMIUM QUALITY COMPONENTS TO AUTO ICE, TECH-AGNOSTIC, xEV AND NON-AUTO OEMs IN DOMESTIC AND GLOBAL MARKETS.

Our Ethos

Our Vision

World-class engineering corporation that maximises stakeholders' value

Our Mission

Building an employee-driven and socially responsible global engineering corporation using innovative methods and efficient management for lasting customer loyalty

Our Values

- Customer Centric
- Respect for Individuals & Trust in Relationship
- Accountability to Stakeholders
- Teamwork
- Integrity
- Excellence & Innovation
- Environment
- Corporate Social Responsibility (CSR)
- Value for Time

Quick Facts

17

INTEGRATED MANUFACTURING FACILITIES

400+

DEDICATED TEAM MEMBERS ACROSS DESIGN ENGINEERING, MACHINE BUILDING AND AUTOMATION INCLUDING AEROSPACE

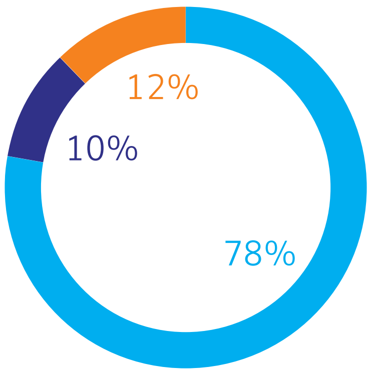
61

AUTOMOTIVE CUSTOMERS

35

NON-AUTOMOTIVE CUSTOMERS

Revenue Pie



- Auto ICE*
- Auto Tech-Agnostic and xEV
- Non-automotive

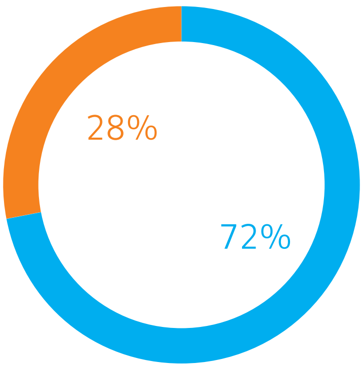
*Auto ICE includes (Motor-cycles - 36%, Scooters - 8%, PV - 23%, HCV - 11%)

OUR PRESENCE

SERVING BEYOND BOUNDARIES

SANSERA IS HEADQUARTERED IN BENGALURU AND HAS A STRONG PRESENCE ACROSS INDIA. OUR STATE-OF-THE-ART, TECHNOLOGY ENABLED MANUFACTURING FACILITIES ARE LOCATED IN PROXIMITY TO CLIENT PRODUCTION FACILITIES. WE LEVERAGE OUR CAPABILITIES TO BETTER SERVE OUR CUSTOMERS ACROSS THE GLOBE.

Geography-wise Revenue

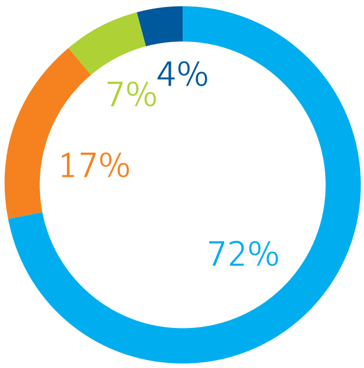


Our Journey

Adapting and Evolving over Four Decades

- Domestic Revenue
- International Revenue

Region-wise Revenue



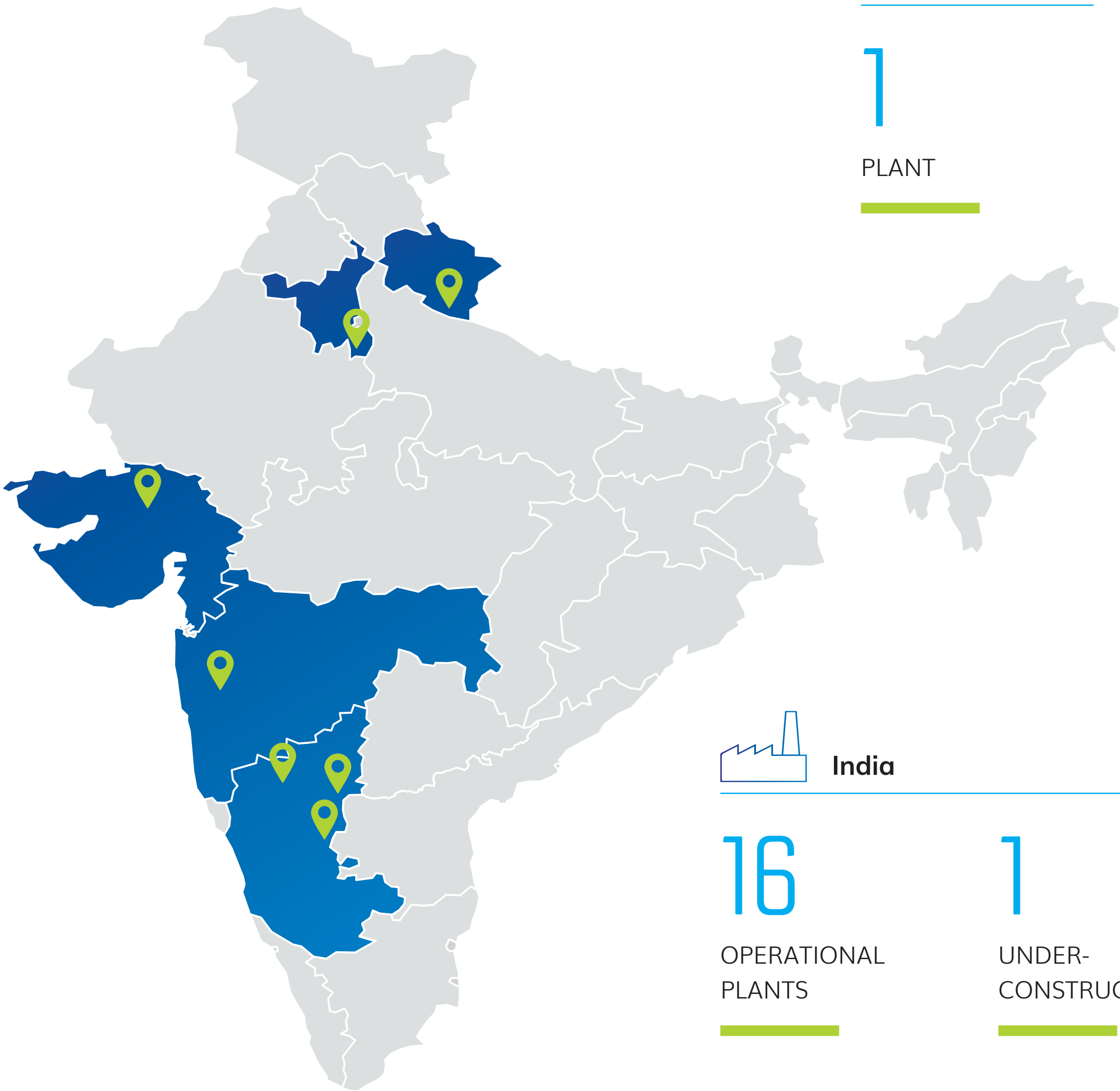
- India
- Europe
- USA
- Other

Our Manufacturing Presence

Sweden

1

PLANT



India

16	1
OPERATIONAL PLANTS	UNDER-CONSTRUCTION

1	1	1	1	9	3
PANTNAGAR (UTTARAKHAND)	MANESAR (GURUGRAM)	MEHSANA (GUJARAT)	CHAKAN (PUNE)	BOMMASANDRA/ BIDADI (BENGALURU)	TUMAKURU (KARNATAKA)

This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

OUR JOURNEY

ADAPTING AND EVOLVING

Sansera has grown by leaps and bounds since inception. Our growth is characterised by our longstanding relationship with globally renowned OEMs.

1981
Incorporated by Mr S Sekhar Vasan

1986
Received first purchase order from Maruti Udyog Limited

1990
Joined as co-promoters Mr F R Singhvi, Mr Unni Rajgopal, and Mr D Devaraj

2004-08
Commenced operations at our new plants in Haryana, Maharashtra, and Uttarakhand

Received investment from Monsoon India Inflection Equity Fund

2013
Commenced supply of machined connecting rods to Kirloskar Toyota

2014
Received investment from Client Ebene Ltd and CVCIGP II Employee Ebene Ltd

OVER FOUR DECADES

2015

Commenced operations of the dedicated facility for Aerospace

2017

Acquired Mape Sweden, European manufacturer of connecting rods for HCV

2019

Started manufacturing of Tech-Agnostic Aluminium forged and machined parts

2020

Commenced development of

- Suspension and drive train components for a domestic e-Two-Wheeler OEM
- Multiple drive train components for hybrid PVs and steering components for PVs
- Crankshaft for braking assembly for HCVs

Received the Platinum Certification for Plant 11 by the Indian Green Building Council (IGBC) Green Factory Buildings

2021

Commenced development of components for PV braking assembly and BEV (battery electric vehicle) drivetrain

Secured business for machining of aircraft engine casings

Listed on NSE and BSE

2022

Commenced new construction facility for machining line for aluminium forged parts

2023

Concluded construction of new aerospace and defence plant, which is 4X of the current facility

Strategic investment in MMRFIC Technology Private Limited (Bengaluru)

Commenced construction of machining facility at plant 11, Bidadi

Secured business for larger connecting Rods for Non-Automotive business from a NA based OEM

PRODUCT PORTFOLIO

SUPPLYING PRODUCTS ACROSS SECTORS

SANSERA MANUFACTURES COMPLEX AND CRUCIAL PRECISION-FORGED AND MACHINED COMPONENTS FOR BOTH THE AUTOMOTIVE AND NON-AUTOMOTIVE SECTORS, WITH A PRIMARY FOCUS OF SUPPLYING TO THE AEROSPACE, OFF-ROAD, AND AGRICULTURE INDUSTRIES.

AUTO (ICE)

Two-Wheelers

PRODUCT OFFERINGS

- Roller RA
- Integral CR
- Crankshaft Assembly
- Integral Crankshaft
- Gear Shifter Fork (GSF)
- Balancer Shaft

Sales Mix 2021-22

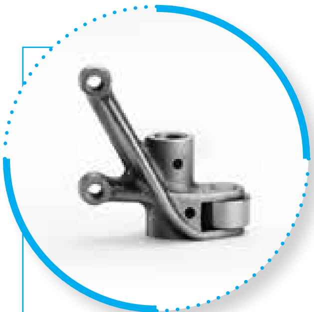
36.5%
Motorcycle

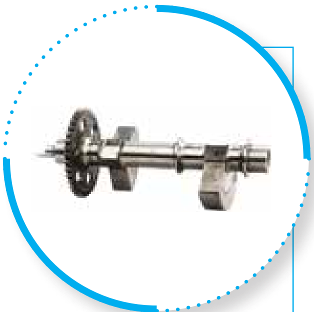
6.7%
Scooters

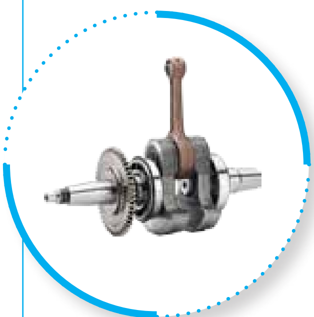
Sales Mix 2022-23

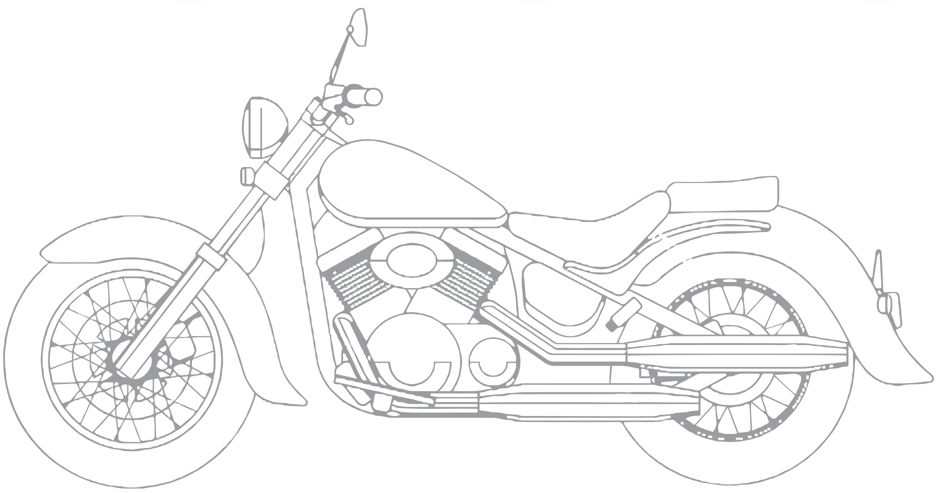
35.5%
Motorcycle

7.9%
Scooters









PASSENGER VEHICLES

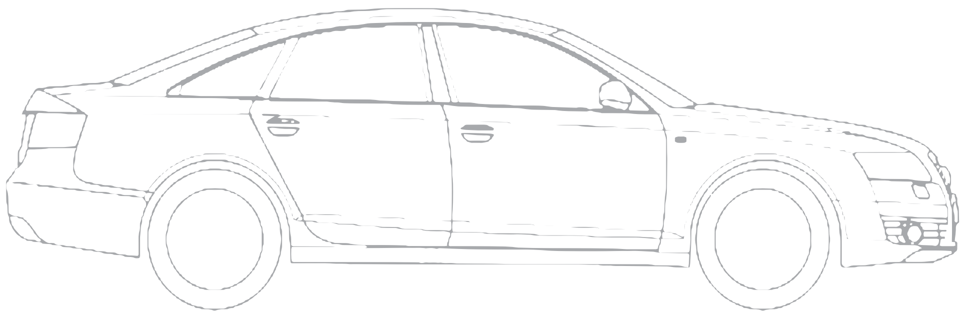
- Fractured CR
- Split CR
- Rocker Arm (DLC)
- Gear Shifter Fork

Sales Mix 2021-22

26.5%

Sales Mix 2022-23

22.8%



COMMERCIAL VEHICLES (CV)

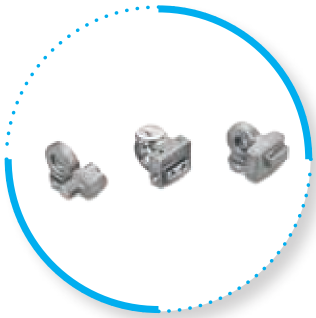
- Fractured CR
- Split CR
- Gear Shifter Fork
- Integral Crankshaft (HCV Braking System)

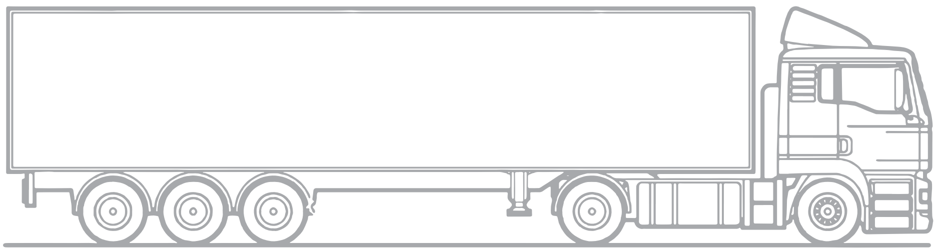
Sales Mix 2021-22

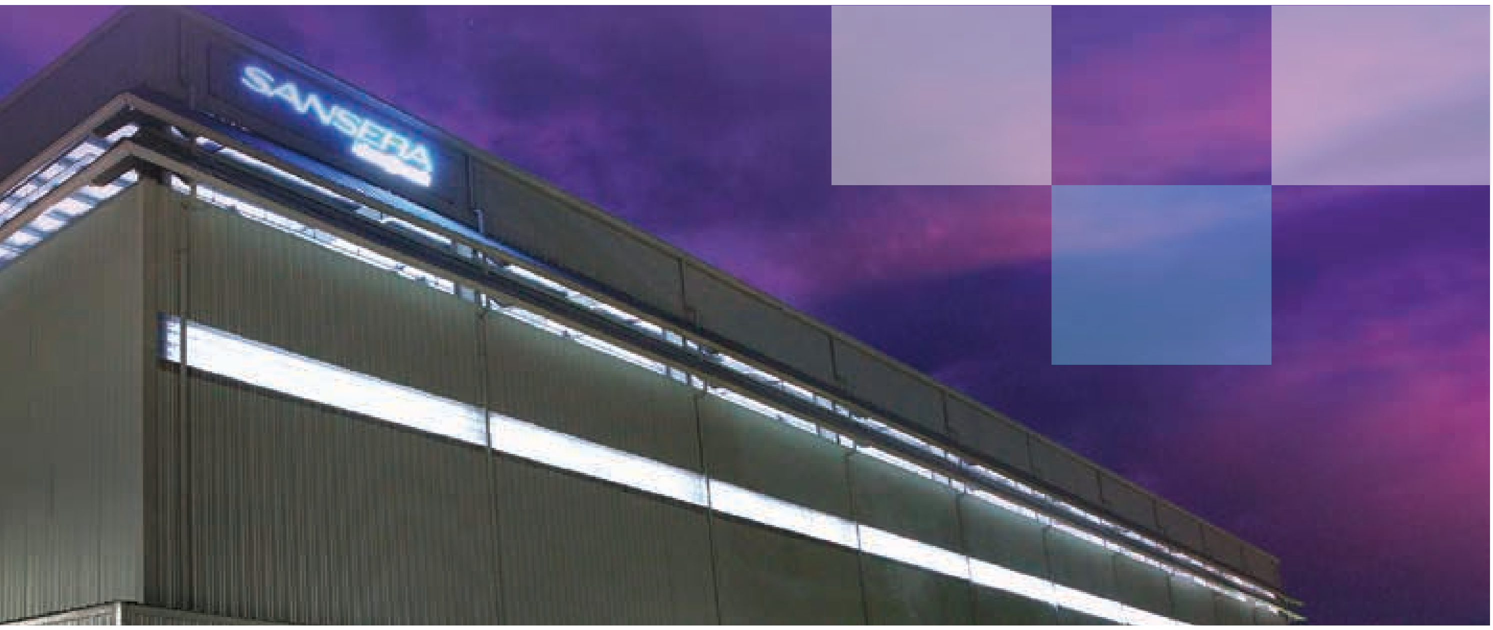
12.9%

Sales Mix 2022-23

10.9%







AUTO (TECH-AGNOSTIC AND XEV)

TECH-AGNOSTIC

2W / E-2W

- Suspension Parts
- Stem Comp Steering
- Aluminium Forged Parts

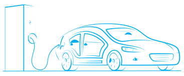
PV / HYBRID / B-EV

- Steering Parts
- Tow Hook
- Breaking System Component

COMMERCIAL VEHICLES

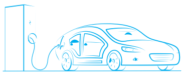
- Chassis Components (Cabin Tilt System)
- Breaking System Component
- Integral Crankshaft (Braking System)

Sales Mix 2021-22

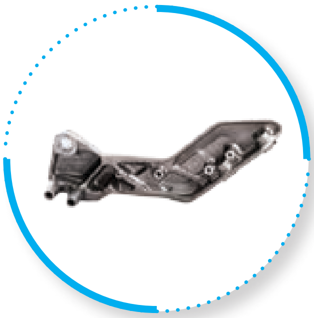


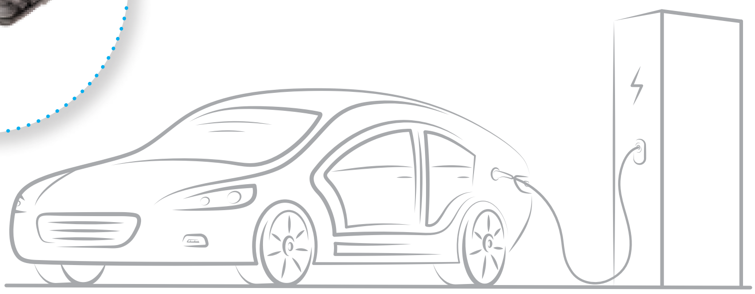
5.7%

Sales Mix 2022-23



6.6%





xEV

TWO-WHEELERS

- Drive Train Part
- Rotar Parts

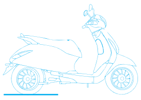
PASSENGER VEHICLES

- Drive Train Part

COMMERCIAL VEHICLES

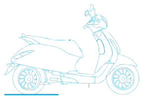
- Transmission Part
- Spring Bracket
- Differential Lock Hook

Sales Mix 2021-22

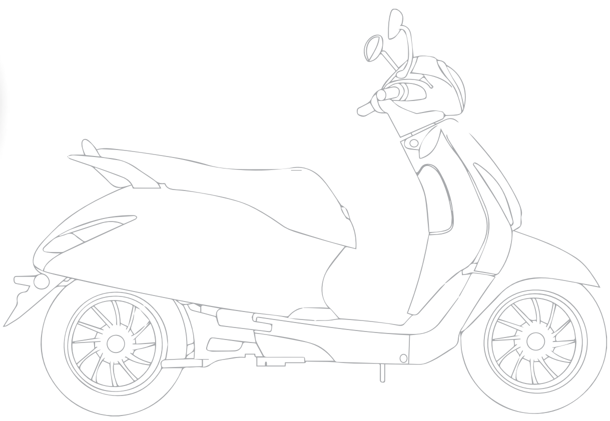


0.4%

Sales Mix 2022-23



3.8%



NON-AUTO

AEROSPACE

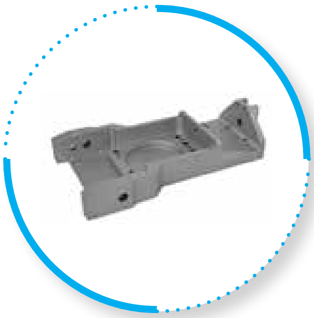
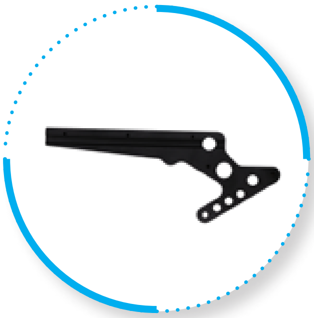
- Seating Parts
- Aerostructure Parts
- Door Assembly
- Lighting Parts
- Cargo Systems
- Engine Casing

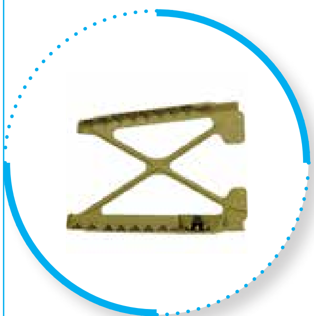
Sales Mix 2021-22

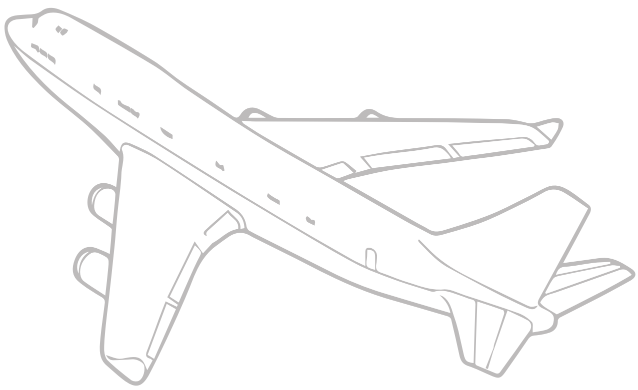
3.2%

Sales Mix 2022-23

4.2%





OFF-ROAD

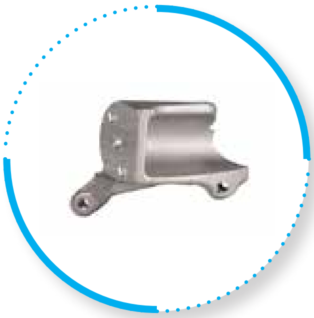
- Fractured CR
- Split CR
- Gear Shifter Fork
- Crankshaft
- Rocker Arm

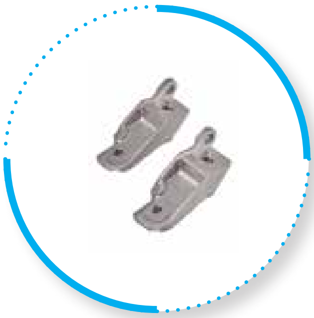
Sales Mix 2021-22

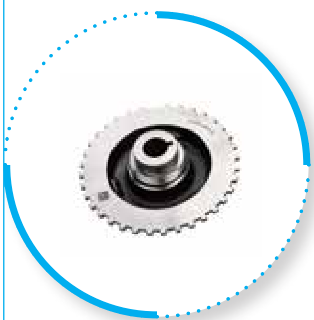
3.1%

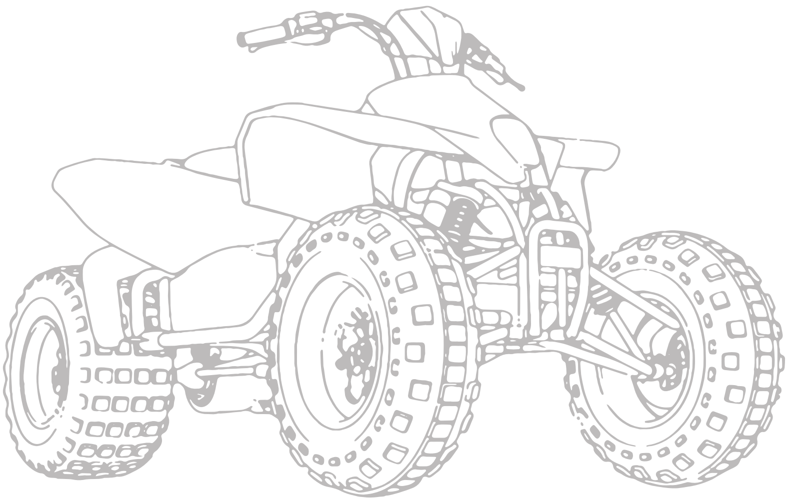
Sales Mix 2022-23

3.2%









AGRICULTURE

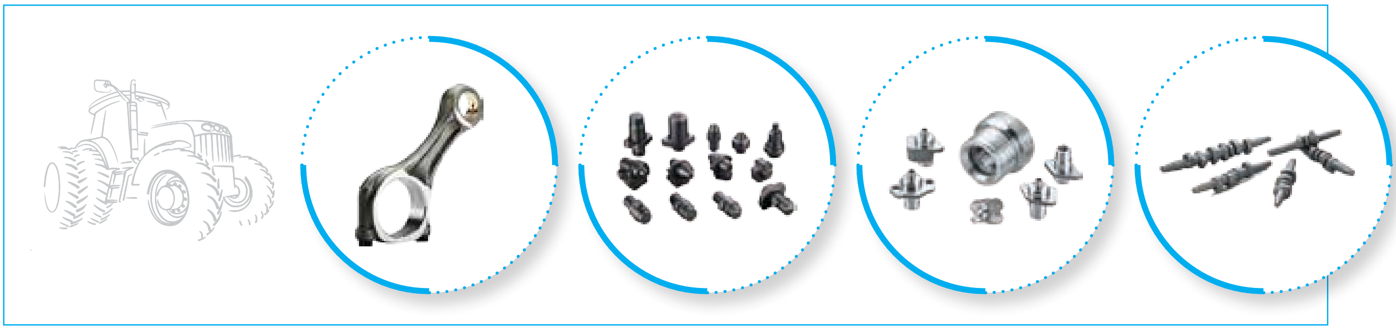
- Fractured CR
- Cam Shaft
- Pump Barrel

Sales Mix 2021-22

2.8%

Sales Mix 2022-23

3.1%



INDUSTRIAL

- Fractured CR
- Split CR
- Crankshaft
- Pump Barrel

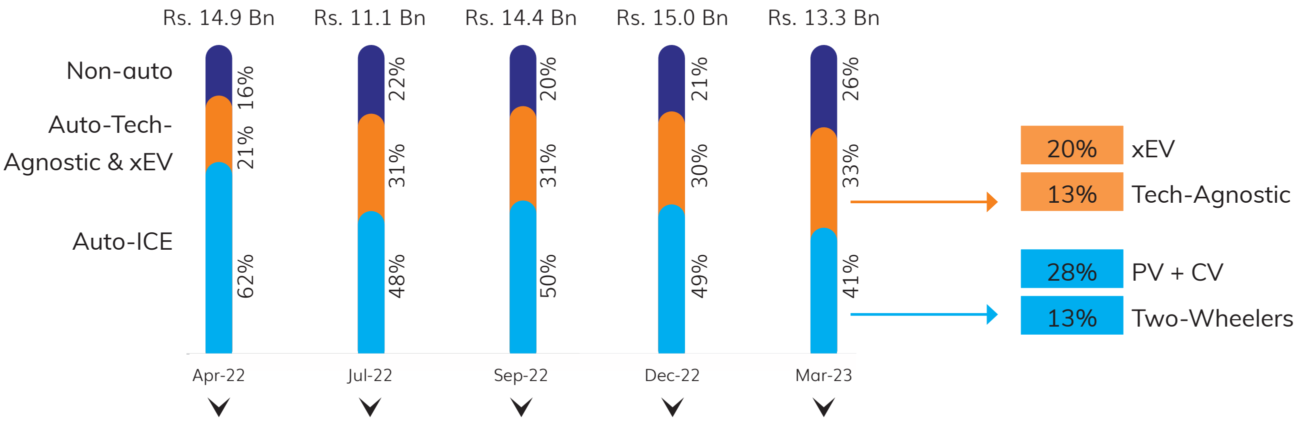
Sales Mix 2021-22

1.4%

Sales Mix 2021-22

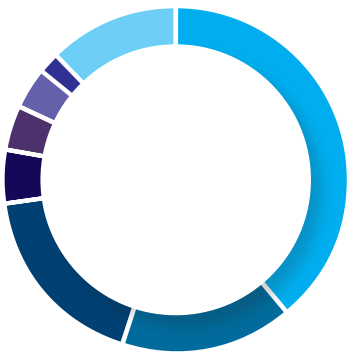
1.5%

Share Of Order Book



	Apr-22	Jul-22	Sep-22	Dec-22	Mar-23
Domestic	39%	60%	52%	51%	42%
Global	61%	40%	48%	49%	58%

Product Revenue Pie



39%	Connecting Rods	4%	Stem comp
16%	Rocker Arms	4%	Aerospace
18%	Crank shaft	2%	Integral crankshaft
5%	Gear Shifter Forks	12%	Others

MANAGEMENT MESSAGE

CMD'S COMMUNIQUE

Dear Shareholders,

It is my privilege to present to you the Annual Report of your Company for the fiscal year 2022-23. We have recorded a healthy performance and are bullish about continuing the same trajectory in the future. I am delighted to highlight our core focus areas: innovation, in-house engineering excellence, and steadfast customer relationships. These strategic pillars drive our accelerated growth trajectory, propelling us towards continued success.

Navigating a Complex and evolving World

The global macro environment presented numerous headwinds, including geopolitical tensions, soaring inflation, changes in consumer preferences, monetary tightening, and rising interest rates, impacting the global economy. However, India demonstrated exceptional resilience amidst these uncertainties, maintaining its position as the fastest-growing major economy with a 7.2% growth in 2022-23. As a leading player in India, we serve original equipment manufacturers (OEMs) worldwide. I am pleased to inform you that last year, we achieved the best-ever annual performance during a fiscal year. As a testament to our success, we are pleased to recommend a dividend of ₹2.50 per share for the year 2022-23.

Encouraging Industry Landscape

Last year, the automotive industry experienced several challenges, including contraction in export volumes. However, there was a trend reversal in the domestic auto sales after three years of continuous degrowth owing to demand recovery across segments. The automotive sector is expected to face a transformational shift in the longer term from ICE to xEV's, Hydrogen powered (both fuel cell and combustion), and this will create opportunities for well-established component manufacturers like your Company. We are also experiencing a demand recovery in the aerospace and defence sectors, which is helping in growing revenue from these sectors. The year 2021-22 saw robust exports, while the domestic market remained subdued. However, in 2022-23, the trend reversed. The current year shows promising signs in both markets, creating a favourable landscape that we aim to leverage.

Throughout last year, we made strategic investments towards diversification, fostering growth and cultivating robust organisational capabilities. We have established a new facility for our aerospace division to cater to our customers' needs with premium technology products.

Throughout last year, we made strategic investments towards diversification, fostering growth and cultivating robust organisational capabilities. We have established a new facility for our aerospace division to cater to our customers' needs with premium technology products. Moreover, we have strengthened our engineering and product development capabilities to effectively cater to the needs of both traditional OEMs, non-auto OEMs and emerging players in the electric vehicle (EV) sector. Leveraging our longstanding relationships with OEMs, we are actively increasing our penetration in these market.

During the year we were recognised by our customers through various awards: from Yamaha for delivery, Boeing for excellent supplier performance, and Godrej for outstanding quality, among many others.

Diversification

We invested in MMRFIC Technology Private Limited, a research, design, and manufacturing entity specialising in advanced subsystems for next-generation radars. This company has the capabilities to work in the 100GHz range. This strategic alliance will provide us with opportunities for diversification and collaboration. MMRFIC's expertise in radar technology and their strong R&D experience make them a valuable investment. The partnership will allow Sansera to enter the high-technology space, access a skilled R&D engineering team, and benefit our focus areas, such as defence and aerospace. It also holds potential in telecom and automotive, particularly in autonomous driving subsystem technologies. This investment is expected to bring significant growth prospects for both parties in the years to come.

Operational Performance

In the financial year 2022-23, our sales mix in the portfolio was as follows: Auto ICE: motorcycles accounted for 35.5%, scooters 7.9%, passenger vehicles 22.8%, commercial vehicles 10.9%, tech-agnostic and xEV 6.6% and 3.8%, respectively. In the non-auto segment, aerospace and defence contributed 4.2%, off-road 3.2%, agriculture 3.1%, and others 1.5%. We crossed the milestone of ₹900 mn in the aerospace and defence business during 2022-23. With the opening of our new fully functional facility for aerospace and defence, we anticipate even stronger growth in the coming years. The share of Auto-ICE components sales reduced to 77.7% in 2022-23 from 83.4% in 2021-22 on a higher revenue base reflecting the acceleration in Auto-Tech-Agnostic, xEV and non-auto sales.

With respect to geographical performance, our domestic markets outpaced the international business on a year-on-year basis. However, in a positive turn of events, we saw a recovery in our international business towards end of the financial year. I am happy to state that sales at our Swedish facility are approaching near normal levels after experiencing some degrowth in previous quarters, indicating a promising trend in our overall performance.

Performance Highlights

During 2022-23, we achieved a total income of ₹23,561 mn, marking an 18% growth and representing the highest revenue ever achieved by our Company. Our EBITDA stood at ₹3,948 mn with a margin of 16.8%. The net profit amounted to ₹1,483 mn compared to ₹1,319 mn in the previous year. Our net cash from operating activities reached ₹2,564 mn, representing 65% of the EBITDA for 2022-23, indicating a healthy cash conversion of profit. Our net debt stood at ₹6,505 mn as of March 2023. Our financial performance reflects our dedication to growth and excellence, positioning us for a prosperous future and reinforcing our commitment to delivering value to our stakeholders.

Exceptional Order Book

As of March 31, 2023, our order pipeline indicated an order book of new business with annual peak revenue of ₹13,328 mn. Auto ICE accounted for ₹548 mn, approximately 41% of the total order book. Auto tech-agnostic and xEV contributed ₹432 mn, representing around 33% of the total order book. For aluminium forged components, we have secured about 58 component orders from 13 different customers. Non-auto accounts for approximately ₹348 mn of the order book, constituting about 26%.

Nurturing a Growth-Ready Workforce

At Sansera, we recognise our employees' invaluable role in achieving our strategic objectives. To cultivate a diverse and growth-ready workforce, we prioritise learning and development initiatives while ensuring the overall health and safety of our people and partners. During the year, we bagged the Great Place to Work certification. This achievement is a testament to our commitment towards fostering a safe and encouraging environment at Sansera.

ESG at the Core

At Sansera, we passionately believe that our success is intertwined with our responsibility to the planet, community, and our valued stakeholders. As we continue our journey towards sustainable growth, we recognise the paramount importance of Environmental, Social, and Governance (ESG) factors in shaping our future. Preserving our environment is a commitment we hold dear. We are dedicated to reducing our ecological footprint through the adoption of eco-friendly practices across our operations. During the year, we undertook waste management initiative via Project Trashbot, a decentralised automated mixed-waste segregator at Bommasandra Lake. We are also investing in sustainable innovation and technologies to develop products that are both high-performance and environmentally conscious.

Our CSR Endeavours

CSR efforts hold the utmost importance for us. Our initiatives primarily focus on health and education, with a strong emphasis on improving education for underprivileged children and promoting civic responsibility. We forge partnerships with government schools, NGOs, and other institutions to offer financial support and encourage citizen participation in initiatives such as solid waste management, plantation drives, and rainwater harvesting.

In addition to our education endeavours, we also undertake healthcare initiatives, including the support and adoption of TB patients. Furthermore, we extend our support to schools and participate in various events to foster a positive impact on the communities we serve.

Building a Culture of Transparency and Strong Governance

As a socially responsible organisation, we uphold a stringent governance framework and implement robust internal systems. Our dedication to strong governance is rooted in principles of full disclosure, fairness, equity, transparency, and accountability across all aspects of our business. Through these

principles, we protect the interests of our stakeholders and cultivate long-lasting relationships with them.

Long-Term Growth Prospects

To support our growth in the non-ICE segments, we invested ₹2,440 mn as capex in 2022-23, for technological upgradation and adding production lines. We expect to spend a similar amount in the current financial year. We also initiated the construction of a new facility for machining of parts at our existing plant in Bidadi. This Brownfield expansion project is expected to be completed by the end of this year and will enhance our presence in the tech-agnostic and xEV segment, including aluminium components. Our focus on being tech-agnostic and driving innovation in the xEV space has been instrumental in our recent progress, and we remain steadfast in accelerating this growth.

In Closing

As we enter the financial year 2023-24, we are well-positioned for even better performance, with a healthy domestic business and signs of recovery in our international business.

With the collective support of our stakeholders, we have achieved remarkable progress that will shape the trajectory of our business. Our most prosperous years lie ahead, and we remain committed to discovering innovative approaches and implementing strategic plans that enhance our service to customers, employees, and communities, while generating greater returns for our shareholders. Furthermore, we will leverage our products to create a meaningful and enduring environmental impact, improving the lives of those we serve.

Best Wishes,
S Sekhar Vasan
Chairman and Managing Director

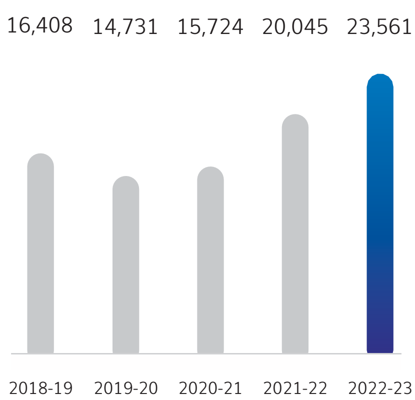
KEY PERFORMANCE INDICATORS

NUMBERS DEFINE OUR SUCCESS

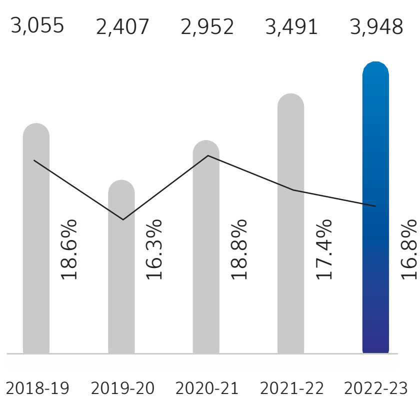
SANSERA RECORDED HEALTHY GROWTH DURING THE YEAR. OVER THE LONG TERM, OUR COMPANY SHOWED CONSISTENT PERFORMANCE WITH REVENUE AND PAT GROWING AT HEALTHY 16% AND 20% CAGR (FY 2012-13 TO FY 2022-23). OUR COMPANY IS CONFIDENT ABOUT CONTINUING TO OUTPERFORM OUTPERFORM THE INDUSTRY IN THE FUTURE. WE ARE COMMITTED TO DELIVER EXCELLENCE TO OUR CUSTOMERS WITH THE SUPPORT OF OUR STRONG AND EXPERIENCED TEAM AND CONTINUOUSLY INTRODUCING INNOVATIVE PRODUCTS.

Key Financial Parameters

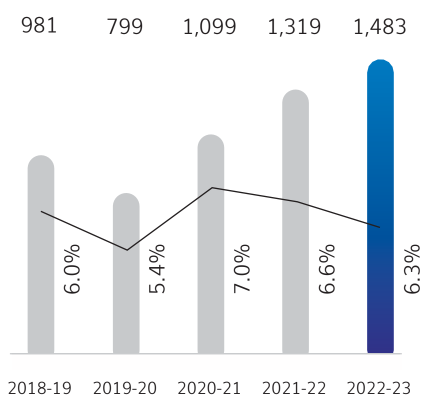
Total Income
(₹ in mn)



EBITDA (₹ in mn) and EBITA Margins (%)

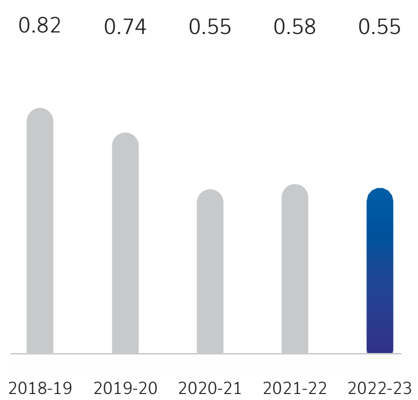


PAT and (₹ in mn) PAT Margins (%)



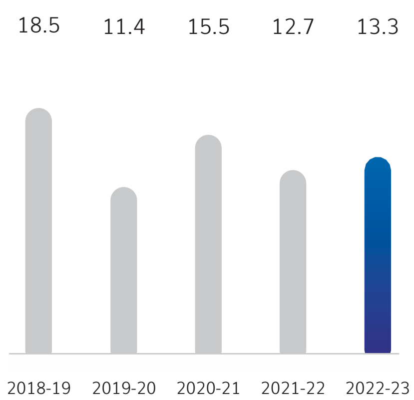
Net-Debt-to-Equity

(x times)



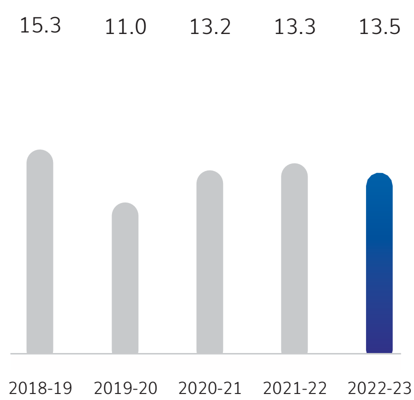
Return on Capital Employed

(%)



Return on Equity

(%)



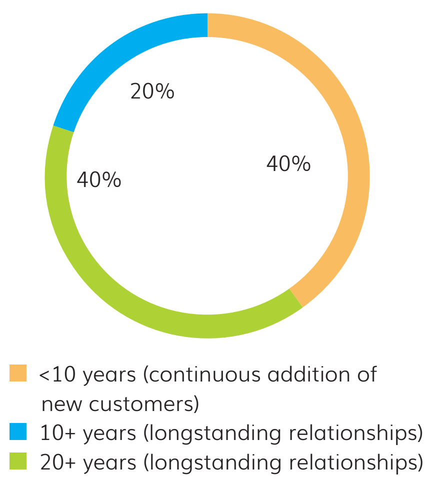
*ROCE: Return on Capital Employed
*ROE: Return in Equity

OUR ESTEEMED CLIENTELE

DIVERSIFIED CUSTOMER BASE

WITH A WEALTH OF EXPERTISE AND EXTENSIVE EXPERIENCE, OUR TEAM EXCELS IN SUCCESSFULLY DELIVERING COMPLEX ENGINEERING PROJECTS. WE HAVE ESTABLISHED ENDURING PARTNERSHIPS WITH ESTEEMED CUSTOMERS, ENCOMPASSING BOTH PROMINENT DOMESTIC AND INTERNATIONAL OEMs. OUR COMMITMENT IS TO UPHOLD RIGOROUS CUSTOMER AUDITS, MEET APPROVALS, AND FULFIL SPECIFIC REQUIREMENTS. WE ARE DEDICATED TO EXPANDING OUR MARKET PRESENCE AND CAPTURING A LARGER SHARE OF OUR CLIENTS' INVESTMENTS. OUR FOCUS REMAINS ON BECOMING THE PREFERRED AND PRIMARY SUPPLIER FOR ALL OUR CUSTOMERS, OFFERING COMPREHENSIVE SOLUTIONS FOR THEIR DIVERSE NEEDS.

CUSTOMER RELATIONSHIP



FOCUS AREAS

- Highest level of expertise along with abundant experience to help execute complex engineering products
- Longstanding relationship with customers, including top domestic as well as international OEMs
- Adherence to stringent customer audits, approvals, and requirements
- Cornering higher wallet share with clients
- Becoming the first stop supplier to our customers

INDIA

Relationship with

10 Out of Top 10

Two-Wheelers OEMs

Relationship with

4 Major Two-Wheelers

EV OEMs

GLOBALLY

Relationship with

6 Out of Top 10

LV OEMs

Relationship with

3 Out of Top 10

MHCV OEMs

Relationship with

3 Leading LV

xEV OEMs

20+ Years

of Relationship with many Global and Indian OEMs

STRATEGICALLY PROGRESSING TOWARDS THE FUTURE

AS THE AUTOMOTIVE INDUSTRY UNDERGOES TRANSFORMATION, AT SANSERA, WE ARE ACTIVELY LEVERAGING OUR CAPABILITIES TO CATER TO THE EVOLVING NEEDS OF OUR CUSTOMERS. WE HAVE ENHANCED OUR CAPABILITIES TO MANUFACTURE PRODUCTS THAT CATER NOT ONLY TO INTERNAL COMBUSTION ENGINES (ICE), BUT ALSO THE BROADER SPECTRUM OF AUTO-TECH-AGNOSTIC AND xEV TECHNOLOGIES. GOING AHEAD, WE ARE WELL-POSITIONED TO DIVERSIFY THE BUSINESS AND PRODUCE NON-AUTOMOTIVE PRODUCTS THAT ARE LATEST AND ADDRESS THE MARKET DEMAND.

LEVERS FOR FUTURE GROWTH

Auto ICE

- Consolidate and strengthen global market share in existing portfolio

Auto-Tech-Agnostic & xEV

- Strengthen xEV Business
- Leverage existing capabilities in tech-agnostic products especially aluminium forged components

Non-Auto

- Diversify further into non-automotive businesses and expand addressable market

We aim to enhance the global internal combustion engine (ICE) market through our existing portfolio. With a strong position, we are well-equipped to meet the demands of both the Indian and international markets.

INDIA

TWO-WHEELERS

- Largest supplier of connecting rods, rocker arms, and gear shifter forks

LIGHT VEHICLES

- Largest supplier of connecting rods and rocker arms

INTERNATIONAL MARKET (CONNECTING RODS)

- One of the major supplier of connecting rods in international market

KEY INDUSTRY TRENDS

- Faster engine upgrades
- Rising outsourcing trend from OEMs and creating a dependency for supply
- China +1 and Europe +1 themes in play
- High focus on light weighting

At Sansera, we focus on providing high-value added and technology-driven components to capture shifts in customer preferences as well as evolving regulatory requirements and emission norms.

Strengthening Our xEV Business

At Sansera, we strive to stay ahead of the curve in the EV realm. Our emphasis and focus are on ushering in a new era of mobility. Some of our key achievements in the xEV segment are as follows:

- Extensive experience in ICE providing solid foundation for growth in the EV space
- Robust R&D and design capabilities to meet the growing demand of both traditional OEMs and new-age players in the EV space
- Made significant strides in securing multiple orders for aluminium forged and machined components.
- Broader product portfolio with a higher kit value
- Longstanding relationships with OEMs to increase penetration
- Recent awards from marquee global customers exemplifies our growth momentum
- Dedicated facility for hybrid and electric components within our existing plant at Bengaluru
- Rapid growth in EV space is expected, aligned with the increasing production of our OEMs

FOCUS AHEAD

- Delivering high-quality products to customers
- Infusing capex for improving capabilities
- Driving consistent performance
- Maintaining healthy growth in the non-auto business
- Continuing to add high-tech products to the portfolio
- Enhancing export in auto and non-auto space
- Exploring inorganic growth opportunities

ENVIRONMENT, SOCIAL AND GOVERNANCE RESPONSIBILITY AT SANSERA

AT SANSERA FOUNDATION, WE FIRMLY EMBRACE THE PRINCIPLES OF CORPORATE GOVERNANCE AND RECOGNISE THE IMPORTANCE OF ACTIVELY CONTRIBUTING TO THE BETTERMENT OF SOCIETY. WE ARE HONESTLY AND SINCERELY DEDICATED TO MAKING EFFORTS IN OUR CSR ACTIVITIES, AND WE ARE HAPPY TO DO IT. AS AN INCLUSIVE EMPLOYER, WE ARE COMMITTED TO NURTURING THE GROWTH AND DEVELOPMENT OF DIVERSE SKILLS AND TALENTS. OUR INVOLVEMENT DOES NOT REMAIN ONLY TO PROVIDE THE CSR FUND, BUT ALSO TO COLLABORATE WITH NUMEROUS SCHOOLS AND ORGANISATIONS THROUGH OUR DEDICATED SANSERA EMPLOYEES AS VOLUNTEERS WHO CARRY OUT VARIOUS ACTIVITIES.

OUR CSR INITIATIVES ARE UNDERPINNED BY A ROBUST ETHICAL FRAMEWORK, WITH A PARTICULAR EMPHASIS ON IMPROVING EDUCATIONAL OPPORTUNITIES FOR CHILDREN IN GOVERNMENT SCHOOLS. AT SANSERA, CSR IS NOT JUST ABOUT IDENTIFYING SOCIETAL NEEDS. IT IS ABOUT DEVISING INNOVATIVE AND PRACTICAL APPROACHES THAT EMPOWER OUR EMPLOYEES TO MAKE A MEANINGFUL IMPACT IN THE AREAS OF ENVIRONMENT AND EDUCATION.

ENVIRONMENT

Being a socially responsible company, we pay special attention to the environment and related aspects through various initiatives.

Environment Initiatives

Kyalasanahalli Lake

- 36 acres lake area with 1.2 KM walk area
- 18,000 saplings planted (including Miyawaki Forest)
- 95% sustenance of saplings
- History of Kyalasanahalli Lake: The lake was built by Mr V K Garudachari in the year 1844 and is 175 years old. During those days, this lake was the only source of water for the surrounding villages, to fulfil their drinking water requirements and agriculture.

Lake Development Impact

- Ground water table increased in the surrounding areas around 150 bore wells recharged
- The collected water can support 80 to 100 acres of agricultural land in 4 villages and up to 5 crops
- Lake ecosystem restored
- Improvement in flora and fauna around the lake
- Surrounding areas will remain cool throughout the year
- Aquatic life in the lake enhanced through the introduction of 100 varieties of fish
- Lake water is expected to be potable in two years
- More water available for agriculture
- People use lake periphery for walking and jogging
- Play area within the lake used by children
- Migrating bird droppings will enhance fertility of the surrounding agricultural land

Bommasandra Lake

- History of Bommasandra Lake: Bommasandra Lake (also known as Kithaganahalli Lake), is located in the middle of the industrial area and spans over 28 acres. It is one of the largest lakes in Anekal Taluk, Bengaluru.

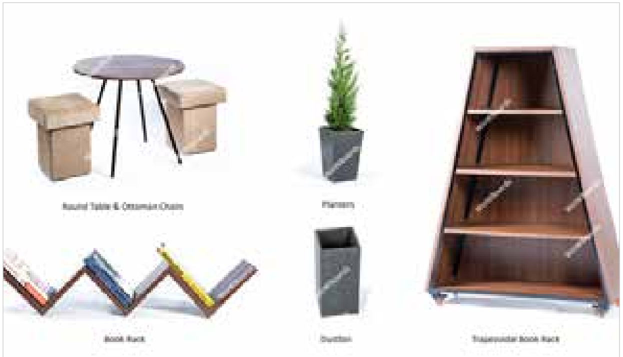
It is believed to be constructed in the 16th century when other lakes in the city were being built by the Kempegowdas and Wodeyars of Mysore.

- Project partner: Bommasandra Industrial Association

Garbage Management Program at Bommasandra

Year	Total waste segregated (tons)	Wet waste segregated (tons)	Dry waste segregated (tons)
2022-23	250	150	75
2021-22	187	114	57

95% of the garbage is collected after segregation and recycled by wet waste going into pigries and making of manure and dry waste is transformed into various products showcased in the photograph below:



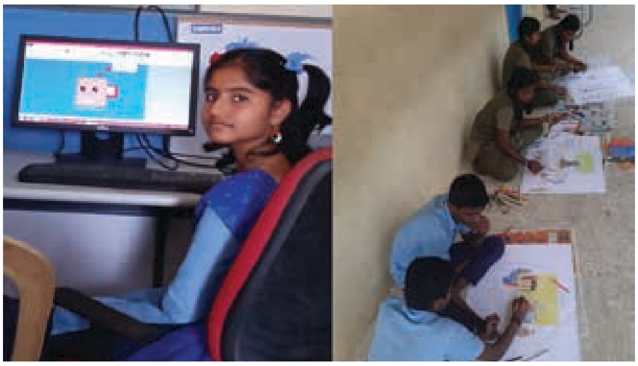
EDUCATION

Education is the fundamental right of every human being. It is the first step towards increasing awareness, critical thinking, empowerment, and in improving people's lives.

Initiatives Under Education

Co-Curricular Classes at Government Schools

- Music
- Yoga
- Drawing
- Computer Classes at Gurubhavan
- Computer Classes at Schools

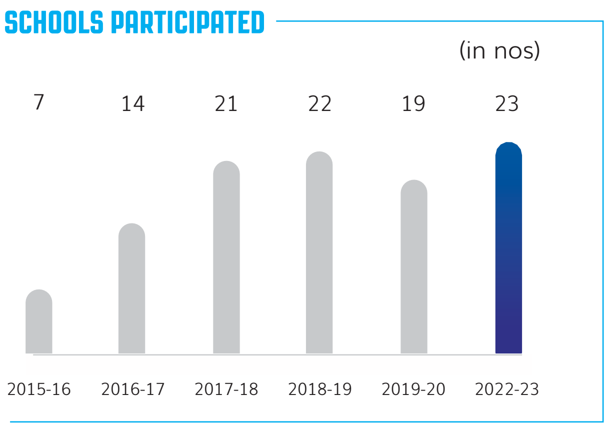


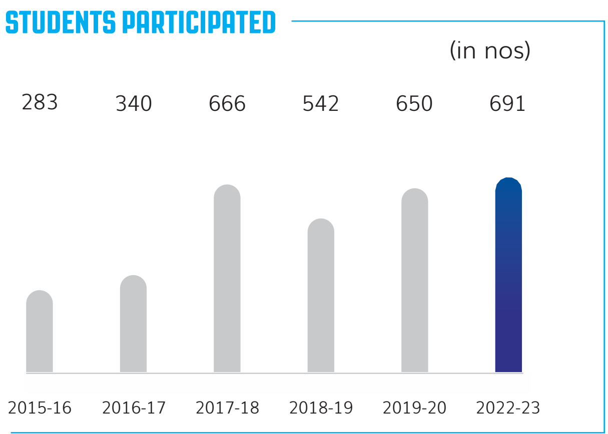
Inter-School Sports Meet

- Kabaddi, Kho Kho and Athletics

Facility, Volunteers Engagement and Participants Trend

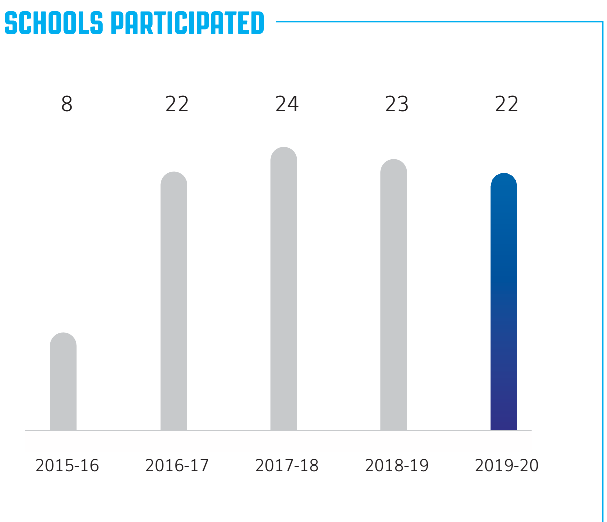
- Transportation (Pickup and Drop), Breakfast, Lunch and Snacks



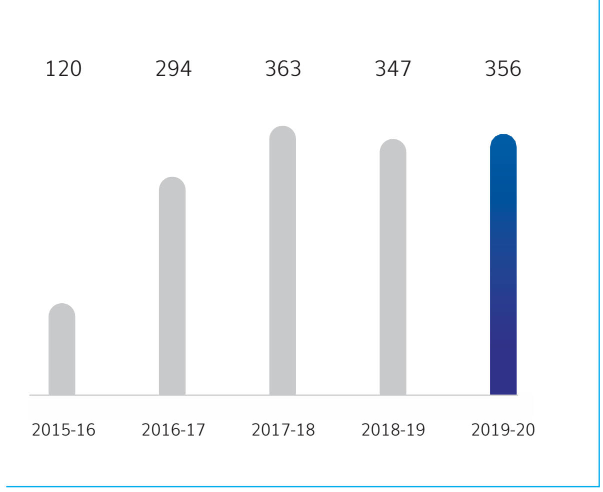


Inter-School Cultural Meet

Prize Distribution



STUDENTS PARTICIPATED



5S Awareness Training for Teachers and Students

- Programme: 5S Training for Teachers
- Conducted By: Mr Raghunath, Sansera Volunteer
- Event Partner: Education Department
- Programme: 5S Training for Students
- Conducted By: Mr Girish Naik, Sansera Volunteer
- Event Partner: Education Department

5S System Implementation

- Hand Wash Area
- Dry and Wet Waste
- Fire Extinguisher
- 5S Audit by Sansera Team
- Gangway Marking
- Arranging Files
- Bicycle Stand and Playground Board

Student Participation in 5S Activities

- Cleaning of the school ground
- Learning sorting and systematic arrangement
- 5S daily audit board to school
- Personal hygiene
- Uniform and shoes (for safety)
- Cleaning of facility and audit by students

Career Guidance and Spoken English Programme

- Programme: Career Guidance and Spoken English
- Event Partner: R V College students
- School: GHS Begur, Hennagara

90
Students Benefited in GHS Begur School

127
Students Benefited in GHS Hennagara School

Teachers and Students Training Programme

Topics: Continuous learning, creative thinking, exam preparation and empowerment of mathematics teachers

Student Industry Visit

- Swamy Vivekananda Vidyaniketana, Neraluru, Bengaluru
- Government High School, Hennagara

HEALTH

Sansera emphasises conducting healthcare programmes and undertakes various initiatives for the upliftment of healthcare facilities.

Health Initiatives

Eye and Dental Care

- Healthcare programme at Sansera supported schools and event partners such as Narayana Netralaya and KMYF

Blood Donation

- Event partners: Sankalp India Foundation & Narayana Hrudayalaya

2,172 units
Total Units Collected

Adoption of TB Patients of Anekal Taluk, organised in association with Suprajit Foundation

958
Total Patients Treated

2,554
Total Kits Provided

RURAL DEVELOPMENT

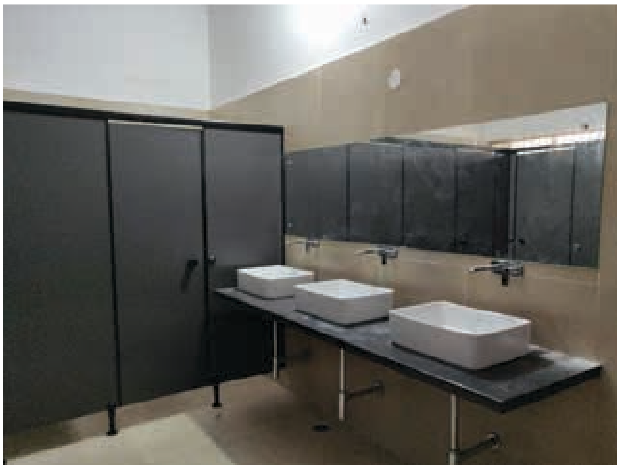
Infrastructure Initiatives

Infrastructure Support to Begur School

- A multi-purpose hall on the first floor for
  - Dining
  - School cultural programmes
  - Educational seminars
  - Teacher training
  - Parent-teacher meetings

Renovation of Gurubhavan

- An auditorium for
  - Teachers' meetings with officials of the Education Department
  - Educational seminars
  - Teachers' training
  - Parent-teacher meetings
  - Special classes for students
  - Library for teachers and students
- Facilities planned at Gurubhavan
  - Renovation of wash room
  - 3 movable partitions in the hall (hall size can vary based on the need)
  - Computer room
  - Office room
  - Green room
  - Library on both sides of the hall
  - Lighting
  - Painting of the facility
  - Compound
  - Closed-circuit television cameras (CCTV)



School Bus Donated to Shivanahalli Vivekananda Ashram

Infrastructure Support to Victoria Hospital

- Provided elevator at Victoria Hospital
- Provided tensile roof canopy structures for patients' relatives to sit

Infrastructure Support - Hebbagodi Police Station

- Renovated ground floor and layed vitrified tiles at 3,000 sq ft (approximately)
- Constructed 2 rooms and 2 toilet blocks (built area 1,400 sq ft) at the first floor
- ACP cladding for external wall for elevation, granite work (700 sq. ft)

Renovation of Hebbagodi Police Station

Support to Sports

- Support Sponsorship of Kashvi Sunil (under 16 Tennis)

- Karnataka Semi Hockey Team (national team)

Clean Water

- Inauguration of clean water project by rotary district governor

Our CSR Partners

We have established partnerships with many organisations, NGOs, and are actively supporting various initiatives financially. Additionally, we aim to play an integral part in educating the residents of the local community on the importance of corporate citizenship. To achieve this, we encourage active participation from citizens in various activities such as solid waste management, plantation drives, and rainwater harvesting.

Full Circle

Narayana Health

Azim Premji Foundation

Rotary Bangalore Midtown

National Institute of Mental Health & Neurosciences

Karnataka Marwari Youth Foundation Dental Care Centre

Sankalp India Foundation

Rotary Club of Bangalore

Rotary Bangalore Southeast

CSR AWARDS

EXEMPLARS – 2017 Corporate Citizen Award by Rotary Club of Bangalore

Community Partner Award 2018 by Rotary International District

Mental Health Care Practice by NIMHANS

CSR Excellence Award 2018 by Apex India Foundation

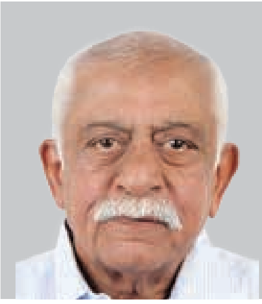
Recognition by the Government of Karnataka 2019 by Education Dept. & Dept. of Public Instruction

Inspiring Partnership Award 2019 by Rotary Club of Bangalore

Best CSR Impact Initiative – Manufacturing Industry (December 2022)

SOUND GOVERNANCE

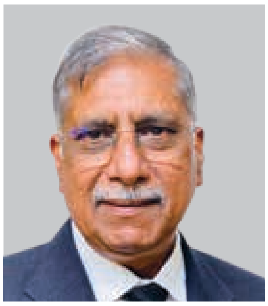
SANSERA HAS A STRONG, FOCUSSED, AND EXPERIENCED BOARD THAT IS INVESTED AND COMMITTED TO BETTER FUNCTIONING OF OUR COMPANY. THE BOARD LEADS WITH INTEGRITY, CONSISTENTLY STRIVING TO CREATE SUSTAINABLE VALUE WHILE MAINTAINING ITS UNIQUE ENTREPRENEURIAL SPIRIT.



Mr S Sekhar Vasan
Chairman and
Managing Director

Qualification: PGDM from IIM Bengaluru and Bachelor of Technology from IIT Madras.

Experience: He has 41 years of experience in the field of manufacturing precision products. He has been with Sansera since our Company's incorporation.



Mr F R Singhvi
Joint Managing Director

Qualification: Previously with M/s Singhvi, Dev & Unni (CA) Chartered Accountant. Fellow member of the Institute of Chartered Accountants of India.

Experience: He has 41 years of professional experience. He has been associated with Sansera for over 15 years now and guides the automobile and aerospace business.

Mrs Revathy Ashok
Non-Executive,
Independent Director

Qualification: PGDM from IIM Bengaluru.

Experience: She has previously been associated with Tishman Speyer & CFO of Syntel. She was awarded the 'Faculty Medal for Best Performance' – Habitat & Environmental Studies.

Mr Muthuswami Lakshminarayan
Non-Executive,
Independent Director

Qualification: Master's Degree in Technology from IIT Bombay.

Experience: He has previously been appointed as the MD at Bosch and Harman International.

Mr Raunak Gupta
Non-Executive,
Nominee Director

Qualification: PGDCM from IIM Calcutta and Bachelor of Technology from IIT Delhi.

Experience: He is currently the Managing Director at The Rohatyn Group (TRG). He was previously associated with Citi Venture Capital International, Motilal Oswal, Rabo India, and Infosys.

Mr Samir Purushottam Inamdar
Additional Director
(Non-executive Independent Director)

Qualification: PGDM from IIM Calcutta and Bachelor's in Mechanical Engineering from Mumbai University.

Experience: He has 40+ years of experience. He was previously appointed as the President & CEO for major businesses of General Electric in South Asia, and as the CEO & Managing Director of Tyco Electronics in South Asia, for 11+ years.

RECOGNITIONS RESEMBLE EXCELLENCE

Yamaha

Appreciation Award For Delivery (2023)

Golden Peacock

National Training Award for Best Training Practices (2023)

Honda Motorcycle & Scooter India (HMSI)

Delivery Management Award (2023)

TIEI

Best Success Story (2023)

Bajaj Auto

Quality Platinum Award (2023)

ET Ascent

Company of the Year (Automotive)
Business Leader of the Year (2023)

Global CSR Excellence Award

Best Use of CSR Practices (Manufacturing Industry) World CSR (2023)

ACMA

Certified of Appreciation Award On Sustainability (2023)

Boeing

Excellent Supplier Performance (2021)

GM Award

Launch Excellence Award (2022)

Ashok Leyland Award

Advance Technology Expo 2022

Hero

Next Sustainability Award Best Performance EARN Program (2022)

Collins Aerospace

Flawless Project Execution Award 2022

Bosch India

Regional Supplier Awards for Long Term Association Fitwel Forge (2022)

Godrej

Outstanding Quality Award (2022)

ACHIEVED RECOGNITION FOR GREAT PLACE TO WORK

Great Place To Work®
Certified
MAR 2023-MAR 2024
INDIA

This is to certify that SANSERA ENGINEERING LTD has successfully completed the assessment conducted by Great Place to Work® Institute, India, and is certified as a great workplace.

This certificate is valid from Mar 2023 to Mar 2024.

Yeshasvini Ramaswamy
Chief Executive Officer
Great Place to Work® Institute, India

Note: The certificate is valid subject to the terms and conditions agreed to by the Organization.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr S Sekhar Vasan
Chairman & Managing Director

Mr F R Singhvi
Joint Managing Director

Mrs Revathy Ashok
Independent Director

Mr Lakshminarayan M
Independent Director

Mr Raunak Gupta
Non-Executive, Nominee Director

Mr Samir Purushottam
Inamdar - Independent Director

GROUP CHIEF EXECUTIVE OFFICER

Mr B R Preetham

CHIEF FINANCIAL OFFICER

Mr Vikas Goel

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr Rajesh Kumar Modi

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells,
Chartered Accountants

SECRETARIAL AUDITORS

M/s. BMP & Co., LLP, Company
Secretaries

COST AUDITORS

M/s Rao, Murthy & Associates,
Accountants

INTERNAL AUDITORS

M/s Aneja & Associates,
Chartered Accountants

REGISTERED OFFICE

Plant 7, Plot No. 143/A Jigani Link Road,
Bommasandra Industrial Area Bengaluru
560105, Karnataka, India.
CIN: L34103KA1981PLC004542
Phone No.: +91 80 27839081/82/83
Email: rajesh.modi@sansera.in
Website: www.sansera.in

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

Link Intime India Private Limited
C 101, 247 Park, L B S Marg
Vikhroli (West), Mumbai - 400083

BANKERS & LENDERS

State Bank of India
CitiBank NA
HDFC Bank Limited
Axis Bank Limited
HSBC
DBS
Bajaj Finance Limited

BOARD'S REPORT

To,

The Members,

Your directors take immense pleasure in presenting the 41st Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended as at March 31, 2023. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL PERFORMANCE

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

(₹ in Mn)

Particulars	Standalone		Consolidated	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue from operations	20,900.95	17,450.04	23,383.03	19,890.32
Other income	187.3	170.87	178.1	154.93
Total Income	**21,088.25**	**17,620.91**	**23,561.13**	**20,045.25**
Total Expenses	19,061.94	15,905.82	21,528.81	18,261.57
Profit before tax	2,026.31	1,715.09	2,032.32	1,783.68
Tax expense	524.31	433.52	548.9	464.79
Profit after tax	**1,502.00**	**1,281.57**	**1,483.42**	**1,318.89**
Other comprehensive income/(loss) for the year, net of income tax	(18.12)	19.29	(19.61)	(14.59)
Minority interest	-	-	21.00	14.34
Total Comprehensive Income for the year	1,483.88	1,300.86	1,463.81	1,304.30

STANDALONE FINANCIAL RESULTS:

The standalone revenue from operations increased by 20% to ₹ 20,901 Mn for FY 2022-23 as compared to ₹ 17,450 Mn in FY 2021-22. The profit after tax stood at ₹ 1,502 Mn for FY 2022-23 as compared to ₹ 1,282 Mn in FY 2021-22 reflecting an increase of 17% from the previous year.

CONSOLIDATED FINANCIAL RESULTS:

The Company's consolidated revenue from operations recorded an increase of 18% to ₹ 23,383 Mn for FY 2022-23 as compared to ₹ 19,890 Mn in FY 2021-22 primarily on account of:

- Growth in 2W revenue from volume growth with newly added customers and addition of new products with existing customers in the domestic market.
- Growth in passenger vehicle segment in domestic market through demand recovery from existing customers and addition of new customers.
- Growth in non-automotive revenue from aerospace, off-road and agriculture sectors.

During the year under review, the consolidated profit after tax stood at ₹ 1,483 Mn as compared to ₹ 1,319 Mn in the previous year reflecting an increase of 12% year on year.

DIVIDEND

The Board recommended a dividend of ₹ 2.50 per equity share for FY 2022-23 (i.e., 125%).The dividend will be paid on or before September 20, 2023, if approved by the shareholders at the 41st AGM of the Company. The Company has formulated a dividend distribution policy and the same is available on the website of the Company www.sansera.in

RESERVES AND SURPLUS

The Board did not propose to transfer any amount to special reserves of the Company during the year under review.

CHANGES TO EQUITY SHARE CAPITAL

The Equity Share Capital of the Company as at March 31, 2023 stood at ₹ 105.86 Mn (previous year ₹ 104.31 Mn) as per detail given below:

S. Nos.	Particulars	Amount (₹ In Mn)
1	Equity Share Capital as on March 31, 2022	104.31
2.	Add: Allotment of Equity Shares on Exercise of Stock Option 2015 on May 23, 2023.	0.94
3.	Add: Allotment of Equity Shares on Exercise of Stock Option 2015 on September 28, 2022	0.55
4.	Add: Allotment of Equity Shares on Exercise of Stock Option 2015 on February 28, 2023.	0.06
	TOTAL:	**105.86**

* Note: Post March 31, 2023, the Company has, on June 08, 2023 allotted 3,97,122 Equity Shares of ₹ 2.00 each on Exercise of Stock Option under ESOP 2015 plan.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis for FY 2022-23, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report as **Annexure 1.**

CHANGE IN NATURE OF BUSINESS

During the period under review, there was no change in the nature of Company's business.

DETAILS OF SUBSIDIARY COMPANIES

As at March 31, 2023, the Company has 2 (two) directly held subsidiaries i.e., Fitwel Tools and Forgings Private Limited and Sansera Engineering Pvt. Ltd, Mauritius and 1 (one) step- down subsidiary i.e., Sansera Sweden AB. Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiaries is attached as **Annexure 2**. None of the subsidiaries are material as at March 31, 2023.

During the year under review, no Bodies Corporate have become or ceased to be Subsidiary, Joint venture or Associate Company of the Company.

STRATEGIC INVESTMENT IN MMRFIC

On March 29, 2023, the Company entered into a definitive agreement with MMRFIC Technology Private Limited for a strategic investment of ₹ 20.00 Cr. in the form of CCPS (Compulsorily Convertible Preference Shares). MMRFIC is a Research, Design and Manufacturing entity, building sub-systems for next generation Radars by leveraging machine learning with artificial intelligence and, mm-Wave Sensors with hybrid beam forming capabilities.

The objective of the Company behind this strategic investment is mainly to:

(i) enter into high technology space and have access to a strong R&D and engineering team which can address our priority market segments viz., Defence, Aerospace, Healthcare and Security. It also has the potential in the Telecom (5G) and the Automotive (autonomous driving – subsystems) technologies in future.

(ii) have access to world-class technologies; and

(iii) grow this Company to be a significant player in its sectors with additional investments if required. The equity percentage will be determined on conversion of CCPS based on actual financial performance of MMRFIC for FY 2023-24. The Company has a right to increase its stake up to 51% based on pre-agreed valuation principles.

PARTICULARS OF EMPLOYEES

Pursuant to the Section 197 (2) of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as **Annexure 3.**

BOARD MEETINGS

The Board of Directors duly met six times (6) during the FY 2022-23. For more details, please refer to section on Corporate Governance Report forming part of this Report. The intervening gap between any two meetings was within the period prescribed under the provisions of the Companies Act, 2013 and Listing Regulations.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration Number 008072S) was appointed as Statutory Auditors of the Company by the shareholders in the 38th AGM held on December 24, 2020, for a period of 5 years, who will continue to act as Statutory Auditors of the Company till the conclusion of the 43rd Annual General Meeting of the Company.

SECRETARIAL AUDIT REPORT

In terms of the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, M/s. BMP & Co., LLP, a practicing Company Secretary firm was appointed as Secretarial Auditors of the Company to conduct the Secretarial Audit for FY 2022-23.

The Secretarial Audit Report with no qualification is attached as **Annexure 4.**

Explanations or Comments by the Board on every qualification, reservation or adverse remark or disclaimer made:

a) By Statutory Auditors in their audit report: There were no qualifications, reservation or adverse comments by the Statutory Auditors of the Company in their report submitted to the Company for FY 2022-23.

b) By Secretarial Auditors in their secretarial audit report: There were no qualification or adverse comments issued by the Statutory Auditors of the Company in their report for FY 2022-23.

COST AUDIT

In terms of the provisions of Section 148 and applicable provisions of the Companies Act, 2013, ("Act") read with the Companies (Audit and Auditors) Rules, 2014, M/s. Rao Murthy and Associates, Cost Accountants, Cost Auditors was appointed to conduct the audit of cost records of your Company for FY 2023-24. As per the provisions of the Act, a resolution seeking members' ratification for the remuneration payable to Cost Auditors is included in the Notice convening the 41st AGM.

INTERNAL CONTROL SYSTEMS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

M/s. Aneja Associates, Chartered Accountants were appointed as the Internal Auditors of the Company during the period under review. During the year, the Company continued to implement their suggestions and recommendations to improve the internal control mechanism. Their scope of work broadly includes review of processes for safeguarding the assets of the Company, review of operational efficiency, Internal Financial Control, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors' findings are discussed with the process owners and suitable corrective actions were taken as per the directions of management on an ongoing basis to improve efficiency in operations. Further, on a quarterly basis, the report issued by Internal Auditors are reviewed by the Audit Committee and suitable actions are taken by the Company.

EMPLOYEE STOCK OPTIONS PLANS (ESOP)

During the year under review, the Company has not granted any fresh options under Employee Stock Options Plan.

The eligible employees of the Company have exercised part of their vested and unexercised options under ESOP 2015 during the year under review as per detail given below:

a) 4,72,325 equity shares of ₹ 2/- each on May 23, 2022.

b) 2,73,275 equity shares of ₹ 2/- each on September 28, 2022; and

c) 28,125 equity shares of ₹ 2/- each on February 28, 2023.

As on date of this report, the aforesaid equity shares are listed with the stock exchanges i.e., BSE and NSE.

Applicable disclosures as stipulated under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB Regulations) with regard to the Employee Stock Option Scheme are available on the Company's website.

The Company has received a certificate from M/s. BMP & Co. LLP, Secretarial Auditors of the Company stating that the Sansera Engineering Limited Employee Stock Option Plan 2015 and Sansera Engineering Limited Employee Stock Option Plan 2018 has been implemented in accordance with the SEBI SBEB Regulations. The said certificate will be made available to the shareholders, if requested during the 41st AGM of the Company.

VIGIL MECHANISM/ WHISTLE-BLOWER

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have approved the Policy on vigil mechanism/whistle blower, which provide a Vigil Mechanism for directors and employees to report genuine concerns. The said policy is available on the website of the Company. During the year under review, no complaints was received by the Company.

RISK MANAGEMENT POLICY

The management is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions plan on a continuing basis.

The Company has adopted various measures concerning the development and implementation of a Risk Management Policy after identifying the elements of risks, which in the opinion of the Board/ or Risk Management Committee may threaten, the very existence of the Company.

Your Company has entered into long-term contracts with the customers to mitigate enterprise risk, undertakes forward contracts and foreign currency borrowings to minimize the risk of currency fluctuation on net foreign currency exposure, has taken insurance coverage against key insurable risks and statutory compliance monitoring software tool for effectively monitoring the statutory compliances. Apart from this, the Audit Committee and Risk Management Committee review on a regular basis, the risks associated with the Company including action plans to mitigate risks.

DETAILS OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OF THE COMPANIES ACT, 2013.

There were no frauds reported by Auditors under Sub-section (12) of Section 143 of the Companies Act, 2013 during the period under review.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

No major material changes and commitments, affecting the financial position of the Company has occurred between the end of the financial year of the Company, to which the financial statements relate and date of this report except as disclosed in the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

There was no material order passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future as at March 31, 2023. Details of litigation on various tax matters are disclosed under notes to the financial statements.

THE DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR RESIGNED DURING THE YEAR.

Directors

During the year under review, the Board of the Company was duly constituted in line with the requirements under the Companies Act, 2013 and Listing regulations. For more details, please refer to the relevant section of Corporate Governance Report forming part of this Report.

Mr F R Singhvi is liable to retire by rotation in the 41st AGM of the Company. Being eligible for re-appointment, his proposal will be placed before the shareholders at the 41st AGM.

The appointment of Mr Samir Purushottam Inamdar (DIN 00481968) as Non-Executive Independent director for a period of 5 years w.e.f. May 23, 2022 was approved by the shareholders at the 40th AGM of the Company.

Mr Sylvain Bilaine (DIN: 00128817) ceased to be a director of the Company w.e.f. July 28, 2022, due to completion of his second term of office as an Independent Director of the Company.

For more details regarding additional information under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards, please refer to notice of 41st AGM forming part of this Report.

Key Managerial Personnels (KMPs)

There was no changes in the KMPs during the year under review.

Mr S Sekhar Vasan, Chairman & Managing Director, Mr F R Singhvi, Joint Managing Director, Mr B R Preetham, Group CEO, Mr Vikas Goel, CFO and Mr Rajesh Kumar Modi, Company Secretary & Compliance Officer of the Company continues to be the KMPs of the Company as on date of this report as per Section 203 of the Companies Act, 2013.

DECLARATION BY INDEPENDENT DIRECTORS AND STATEMENT ON COMPLIANCE OF CODE OF CONDUCT

The independent directors of your Company have given a declaration to the Company under Section 149 (7) of the Companies Act, 2013 and Rule 6 of Companies (Appointment and Qualification of Directors) Rules 2014 that, they meet the criteria of independence as provided in Sub-Section including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The independent directors have affirmed compliance with the Code of Conduct. The Independent Directors also affirmed compliance under Section 150 of the Companies Act, 2013 including any amendments/ notifications issued from time to time.

In the opinion of Board of Directors of the Company, Independent Directors of your Company holds highest standards of integrity and are highly qualified, recognized and respected individually in their respective fields. The composition of Independent Directors is the optimum mix of expertise (including financial expertise), leadership and professionalism.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Pursuant to Section 186 of the Act, disclosure on particulars relating to loans, advances, guarantees and investments are provided as a part of the financial statements in note nos. 4 and 40 of the standalone financial statements.

RELATED PARTY TRANSACTIONS:

Prior approval of the Audit Committee was obtained for all related party transactions during the year under review. The Audit Committee reviews, on a quarterly basis, the details of the Related Party Transactions entered by the Company. The Company has framed a Policy for determining materiality of Related Party Transactions and dealing with Related Party Transactions. During the year under review, the Policy has been revised in line with an amendments in Listing Regulations. The said Policy is available on the website of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including arm's length transactions under third proviso thereto has been disclosed in Form No. AOC-2 as **Annexure 5.**

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place Anti Sexual Harassment Policy in line with the requirement of Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the employees have been advised to address their grievances under this policy for redressal. Internal Complaints Committee (ICC) has been set up to redress complaints received under sexual harassment. All employees (permanent, contractual, temporary, trainees etc.) are covered under this policy.

During the year under review, the Company has not received any complaint of sexual harassment.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

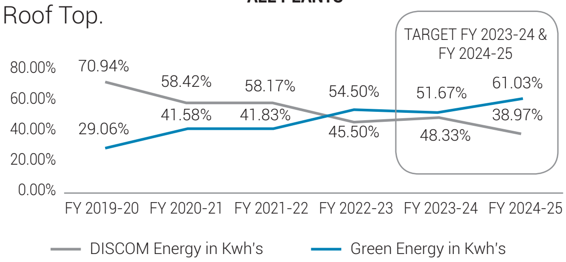
a. **Conservation of energy**

Initiatives towards energy efficiency, renewable energy, clean technology and sustainability

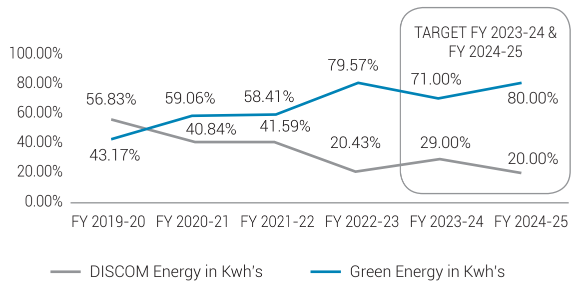
Sansera is committed for the maximum utilization of Green Energy as part of clean development Mechanism, compacting / reducing Energy intensity, Carbon footprint reduction.

Sansera is utilizing 50 – 55% Green Energy Pan India basis and 80% utilization in Karnataka through various Green Energy contracts. Total contracted volume of 73.1 mn units / annum (58,480 Tons/Annum of Co2 emission) consists of Solar PPA, Group Captive Wind contract & Group Captive Solar contract Power & Solar Roof Top.

DISCOM Vs GREEN ENERGY TREND FOR SANSERA GROUP-ALL PLANTS



DISCOM Vs GREEN ENERGY TREND FOR KARNATAKA PLANTS



SANSERA has implemented many Energy Conservation Projects (53 Projects) as part of improving Energy Efficiency, Energy Performance and Carbon foot print Reduction, through ISO 50001:2018 (EnMS) & ISO 14001:2015 (EMS) Certification across the manufacturing units in India.

As a result, we have saved approximately 5% of Power

Consumption per annum through Machine Shop, Forge Shop, Heat Treatment Shop & Utilities by implementing multiple EMAPs (energy management programs)

Below are the few key projects implemented division wise throughout the plants

1. **Machine Shop:**
   - Optimized Power Consumption in Sansera Deep hole drilling Machines through re-configured low rated efficient pumps.
   - Washing Machine pumps with low rated replaced high rated pumps managing the same output.
   - Optimum air pressure setting done for Air screw compressors.
   - Waste heat recovery (WHR) system adopted for Washing machines as horizontal deployment.
   - Old power packs and motors are being continuously replaced with Energy Efficient Power Pack & IE3/IE4 Motors as horizontal deployment.
   - SPMs built in-house with considering Energy conservation.
   - SPM – Single pass honing machine Spindle motors have been upgraded to produce more components at the time.
   - Energy saver (Compressed Air Cut-off/ on) enabled thereby reduction in Energy Consumption.
   - Optimized cycle time established for most of the critical operations to increase productivity thereby energy reduction.

2. **Forge Shop:**
   - Yield improvement projects have been carried out as regular practice.
   - Variable Speed drives used in Hammers and Presses for optimized Speed to ensure reduced power consumption.
   - Re-heating of billets have been avoided through auto Power regulation system.
   - Cavity die lubrication introduced as against Continuous die lubrication & Lubrication motor interlocked with stroke counter in place of Time-based control.

3. **Heat Treatment Shop:**
   - Introduced PNG for most of the plants thereby eliminated Endo gas generators & LPG.
   - Temperature optimization done in furnaces through thyristor controller to ensure optimized temperature Management.
   - WHR from air screw compressors have been efficiently utilized for Heat treatment washing machines by eliminating resistive Load thereby huge energy consumption reduction.
   - Frequently Skin temperature is monitored and controlled in SQF & Normalizing furnaces by revamping brick lining as and when required.
   - Optimized load ensured with heat treatment equipment's to ensure reduced SEC.

4. **Utility:**
   - Time based auto on/off Lightings in Machine shops, Forge Shops & offices.
   - Louvers installed in Machine Shop to ensure day light illumination.
   - Lux level in the lighting system increased by decreasing the distance of lightings and working area.
   - Reduce Ambient air temperature through exhaust air duct in air compressor room to ensure improve efficiency of the air compressors.
   - Optimal compressed air flow evidenced through ring main system with transient air line.
   - 1.2+0.934 MW Solar Roof Top has been installed in our factory premises.
   - Air line re-configured to serve high pressure and low-pressure air requirements considering energy saving.
   - Compressor Air leakages have been identified through external audit and air leakages arrested to the maximum extent possible.

5. **Way Forward:**
   - Additional Green Power of 22.0 mn units will be added to ensure green energy share 58% for PAN-India & 80% for Karnataka Plants FY 2024-25.
   - Implementing more Solar roof top projects

across the plants, 0.934 Mw installation done at our new plant-9 premises also 1Mw project is under pipeline for Plant-11.

- Horizontal deployment of re-configured low rated efficient pumps for SDD machines.
- Horizontal deployment of waste heat recovery system & heat Pump for Washing Machines across the plants.
- IE3/IE4 motors adoption across the plants.
- Horizontal deployments of Energy Efficient Pumps for all hydraulic clampings.
- Providing Centralized UPS to improve the power quality & Efficiency for all machine shops.
- Implementation of Rainwater harvesting and borewell recharge system across the Plants.
- LED lights/ VRF or 5-star rated air conditioners adoption across the Plants.
- ETP/STP water utilizing for Gardening & for flushing.
- Inhouse EDI based DM Plants to reduce wastewater generation.

b. **New Technology Adoption:**

- SEC tracking Machine wise, Line Wise – Under Progress in Plant-2, later to implement across the plants as horizontal deployment.
- Online monitoring of Energy consumption w.r.to various source are under functional for 9 Plants, later to implement for remaining plants.
- Parameter optimization and interlock to ensure optimized energy consumption through SCADA system for Heat treatment furnaces.
- IOT 4.0 implementation in all Shopfloor to monitor and optimize the machine performance considering Energy Efficient.
- Robotic Technology adoption / automation to improve productivity and to improve OEE.
- Adopting BMS to optimize Energy consumption.

c. **Foreign exchange earnings and Outgo**

During the year, the total foreign exchange outflow was ₹ 3,140.37 Mn and the total foreign exchange inflow was ₹ 5,699.86 Mn

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Committee has been entrusted with the prime responsibility of recommending to the Board, the CSR activities to be undertaken by the Company in line with the CSR Policy, the amount of expenditure to be incurred and monitoring the implementation of the CSR Policy.

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 have been given in **Annexure 6** forming part of this Report.

The CSR Policy of the Company is available on the website of the Company

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

A detailed BRSR in terms of the provisions of the Listing Regulations is attached as **Annexure 7** forming part of this Report.

CORPORATE GOVERNANCE

A report on the Corporate Governance as stipulated in Listing Regulations is enclosed as **Annexure 8** to this Report.

A certificate from BMP & Co., LLP, Practicing Company Secretaries, Secretarial Auditors of the Company confirmed that the Company has complied with the conditions of Corporate Governance and the same is attached with the report on Corporate Governance.

ANNUAL PERFORMANCE EVALUATION

The Board and NRC has approved the policy for evaluating the performance of the Board, its committees, individual Director, and the Chairman in compliance with the provisions of Section 178 read with Schedule IV of the Companies Act, 2013 and Listing Regulations. In accordance with the evaluation criteria specified in the policy, the Nomination and Remuneration Committee(NRC) and the Board have carried out the annual performance evaluation of the Board as a whole, its committees and individual Director. The Independent Directors have carried out the annual performance evaluation of the Chairperson, Non-Independent Directors, and the Board as a whole. A structured questionnaire covering various aspects of the evaluation was finalized by the NRC in line with guidance notes Issued by the Companies Act, 2013 and Listing Regulations. The feedback and results of the questionnaire were collated, and a consolidated report was shared with the Board. The Board expressed its satisfaction with the evaluation process.

FAMILIARIZATION PROGRAM FOR BOARD MEMBERS

The familiarization program aims at making the Independent Directors familiar with the businesses, operations and amendments in roles and responsibilities of directors through various structured familiarization programs. The Company organizes such program for directors as and when required.. The Company have plans for more effective programs as and when required to keep the Board updated on their roles and responsibilities as required under the Listing Regulations and Companies Act. The said familiarization programs are available on the website of the Company.

HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talented employees on an ongoing basis. Your Company thrust is on the promotion of talent internally through job rotation and role enrichment.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

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

c. the directors had 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. the directors had prepared the annual accounts on a going concern basis;

e. the directors had 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. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

The Nomination and Remuneration Policy of the Company for appointment and remuneration of the Directors, Key Managerial Personnels (KMPs) and Senior Management of the Company along with other related matters have been provided in the Corporate Governance Report. As and when the need arises to appoint Director, KMP and Senior Management Personnel, the Nomination and Remuneration Committee (NRC) of the Company determines the criteria based on the specific requirements/ roles. NRC, while recommending candidature to the Board, takes into consideration the qualification, integrity, attributes, expertise, experience, and independence of the candidate.

COMMITTEES OF THE BOARD

The Board of Directors of the Company have constituted/ re-constituted the following committees, during the year under review:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Environmental, Social and Governance Committee

The details with respect to the composition, numbers of meetings, attendance, powers, roles, terms of reference, etc. of the aforesaid committees are given in detail in the "Report on Corporate Governance" of the Company which forms part of this Report.

DETAILS OF AMOUNT RECEIVED FROM A DIRECTOR OF THE COMPANY OR A RELATIVE OF THE DIRECTOR

During the year under review, the Company has not received any amount from any Director or relative of the Director pursuant to Rule 2 (1)(c)(viiii) of the Companies (Acceptance of Deposits) Rules, 2014.

COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS BY THE COMPANY

During the year under report, the Company has complied with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Government of India under sub-section (10) of section 118 of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3), the extract of the

Annual Return is available on the website of the Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There was no unpaid/unclaimed dividend that was required to be transferred to Investor Education and Protection Fund during the year under review.

DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits in terms of Chapter V of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

DISCLOSURE ON MANAGING DIRECTOR AND KEY MANAGERIAL PERSONNELS RECEIVING REMUNERATION AND COMMISSION FROM HOLDING COMPANY OR SUBSIDIARY COMPANY:

The Managing Director and Key Managerial Personnels (KMPs) of the Company have not received remuneration and commission from any of its subsidiary companies.

INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the financial year, neither any application nor any proceeding is initiated against the Company under the Insolvency and Bankruptcy Code, 2016.

SETTLEMENTS WITH BANKS OR FINANCIAL INSTITUTIONS:

During the year under review, no settlements were made by the Company with any Banks or Financial Institutions.

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

During the FY 2022-23, there were no Insolvency Proceedings initiated against the Company and hence there were no instances of one-time settlement with banks or financial institutions.

DETAILS OF PENALTIES/ PUNISHMENT/ COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE DIRECTORS' REPORT

There were no penalties/punishment/commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

ACKNOWLEDGEMENTS

Your directors wish to place on record their appreciation to all stakeholders, investors, customers, vendors, banks, Central and State Governments. The Company's valued investors and other business partners, for their assistance and continued co-operation during the year under review.

Your directors also place on record their deep sense of appreciation for the dedicated service of the employees of the Company.

On Behalf of Board of Directors

Sd/-
S. Sekhar Vasan
Chairman & Managing Director
DIN:00361245

Place: Bengaluru
Date: May 22, 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

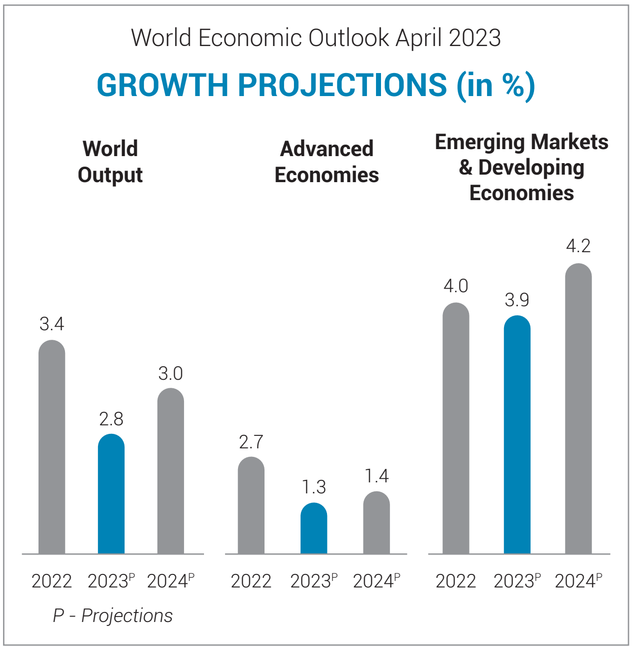
ANNEXURE 1

ECONOMIC OVERVIEW

GLOBAL ECONOMIC LANDSCAPE

The global economy is experiencing a fragmented recovery, despite the profound impact of the Covid-19 pandemic and the Russia-Ukraine war. The supply chain turmoil, that previously disrupted the energy and food markets, is diminishing, resulting in greater stability. Additionally, numerous central banks are engaging in a significant and coordinated effort to tighten monetary policy, which is expected to yield positive results as inflation approaches its targets. The International Monetary Fund (IMF), in its World Economic Outlook (WEO) April 2023, predicts a slight decline in global growth, dropping from 3.4% in 2022 to 2.8% in 2023. However, as the IMF projects a rise of 3.0% in the subsequent year, the outlook stays positive for 2024.

Global inflation is anticipated to decline from 8.7% in 2022 to 7% in 2023 and further to 4.9% in 2024. This is owing to weaker global demand and the implementation of tighter monetary policies. The combination of supply chain bottlenecks, generous Government spending, tight labour markets, and a commodity shock triggered by Russia-Ukraine conflict has contributed to this trend. Recent banking instability is a reminder that the world economic outlook is fragile, with downside risks still dominating and uncertainty increasing.



Strong labour markets in most advanced economies suggest stronger-than-expected aggregate demand, which may require monetary policy to tighten further or to stay tighter for longer than anticipated. Persistent volatility surrounding high inflation, increasing recession risks, and monetary policy uncertainty has led to significant fluctuations in financial markets. However, there are signs of improvement in both inflation and core inflation as a result of concerted efforts.

OUTLOOK

The medium-term growth is anticipated to be lower in the future. Over the past decade, projections for growth rate have gradually decreased from 4.6% in 2011 to 3.0% in 2023. Although some of this economic deceleration can be attributed to the natural convergence of previously fast-growing economies such as China and Korea, there may also be more concerning factors contributing to the recent sluggishness. These include the lingering effects of the Covid-19 pandemic, a slow pace of structural reforms, rising trade tensions, declining direct investment, and slower adoption of innovation and technology in fragmented regions. Moreover, if the world continues to be divided and polarised, it is unlikely that it will achieve progress for all or effectively address global challenges, such as climate change or any pandemic preparedness.

(Source:https://www.imf.org/en/Publications/WEO Issues/2023/04/11/world-economic-outlook-april-2023)

INDIAN ECONOMIC LANDSCAPE

The Indian economy showed a remarkable performance during 2022-23, continued to maintain its position as one of the fastest-growing economies. The nation's GDP growth has been revised to 7.2%, driven by private sector consumption and increased Government focus on infrastructure development. Despite global macroeconomic disturbances and tighter domestic monetary policies, aimed at addressing inflationary pressures, the growth momentum remained stable. This showcases the resilience of India's economy in recovering and revitalising growth drivers.

Earlier, turmoil in the form of inflation, the Russia-Ukraine war, supply chain disruptions, and a shortage of semiconductor chips were major concerns in the economy. Despite these headwinds, the momentum of export growth has been sustained through the first half of FY 2022-23, increasing India's share in the global market of merchandise exports. Gradually, as the growth of exports slowed down, the rebound in domestic consumption gained traction, further boosting the growth of India's economy. Thus, leading to a rise in domestic capacity utilisation.

The Reserve Bank of India (RBI) anticipated a headline inflation rate of 6.8% for 2022-23, which falls outside its target range. However, this level of inflation is not expected to impact private consumption or discourage investments significantly. Inflation is likely to exceed the central bank's upper target limit of 6% until early CY 2023, but it may gradually decrease with the control measures being implemented. Despite this volatility, the banking and non-banking financial service sectors in India remain healthy, as financial markets have evolved in an orderly manner.

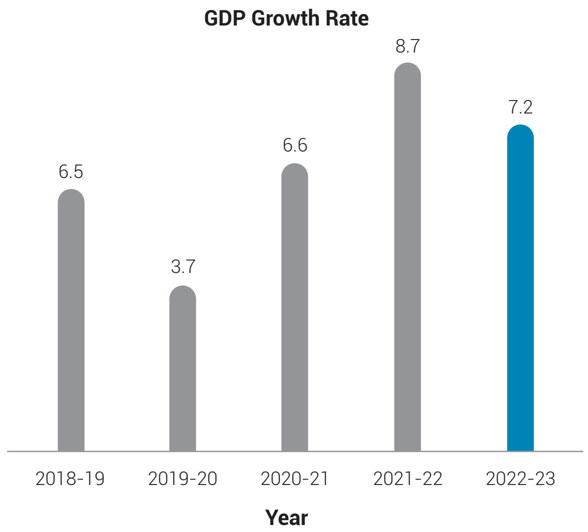
Both direct and indirect taxes observed year-on-year growth of 16% and 7.2%, respectively during 2022-23. In the category of indirect taxes, Union excise duties were reduced by 15%, mainly due to a reduction in excise duties on fuel in May 2022. At the same time, GST collections (centre plus states) grew by 22%, benefitting from sturdy economic activity. In the same period, the Central Government's revenue expenditure, which excludes interest payments and subsidies, grew by 2.5%, and capital expenditure increased by 21.7%.

The Union Budget for 2023-24 has a primary objective of elevating the country's status by allocating a capital expenditure of ₹ 10 Lacs Cr., indicating a 33% rise in capital outlay, in comparison to 2022-23. This development brings high optimism for core sectors.

OUTLOOK

India has maintained its position as the world's fastest-growing major economy in 2022-23 and is expected to retain this top spot throughout 2023-24, with a projected growth rate of 6.5%. The country's economic prospects are optimistic, as an investment boom is expected to drive substantial increases in manufacturing output, bank lending, and consumer spending. This economic expansion is likely to enhance business confidence and encourage increased private-sector investment, further propelling the growth of the Indian economy.

INDIAN ECONOMIC GROWTH (% CHANGE)



Despite the moderation of consumer spending due to inflationary pressures and higher borrowing rates, the road to achieving a higher growth rate for the Indian economy is expected to be longer. Nevertheless, investments are anticipated to be the primary drivers of growth, with the Government's capital spending playing a major role. The optimistic outlook and enthusiasm among investors are expected to fuel India's growth story, fostering a positive momentum for sustained economic development.

(Source:https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf)

INDUSTRY OVERVIEW

GLOBAL AUTOMOTIVE INDUSTRY AND TRENDS

The automotive industry is a crucial sector that plays a significant role in the development of countries, given its capital-intensive structure and the large volume of employment it generates. The global automotive industry has recently experienced substantial growth, driven by a revival in economic activity and increased mobility. Additionally, the rising demand for high-end passenger vehicles has also contributed to the industry's performance.

Overall, domestic auto sales have increased dramatically. The year has marked remarkable growth on account of ease in the availability of semiconductors and increasing demand sentiments, owing to the festive season. The passenger vehicle segment recorded higher sales throughout the year, due to the increasing demand for luxury cars and the launch of new models.

Some of the key trends in the industry demonstrate that semi and fully-automated vehicle segments will grow in 2023, owing to the technological progress that will enhance Advanced Driver Assistance Systems (ADAS) and self-driving algorithms. Electric Vehicle (EV) sales are anticipated to reach a record high in 2023, with 19% of the new passenger car registrations being in the categories of Electric, Battery Electric Vehicles (BEVs) and Plug-in Hybrid Electric Vehicles (PHEVs), as compared to 14% in 2022. Continuing with the trend, China will remain the largest market for EVs in 2023, with 62% of global registrations, followed by 21% in Europe and 10% in the US. Growth for shared mobility is predicted to reach gross bookings of USD 214 bn in 2023– an uptick of 4.3% compared to 2022.

(Source:https://www.euromonitor.com/article/top-three-automotive-and-mobility-trends-in-2023).

OUTLOOK

The global automotive industry is currently experiencing a period of optimism. From a consolidated value of USD 3296.8 bn in CY 2021, followed by USD 3,566.5 bn in CY 2022, it is anticipated to grow to USD 6,070.4 bn till 2030, registering a compound annual growth rate (CAGR) of 6.9% during the estimated period 2023-30. The growth prospects are owing to the increasing demand for high-end passenger vehicles, urbanisation, and rising infrastructure spending in the economy.

(Source:https://finance.yahoo.com/news/automotive-industry-projected-reach-usd-071700105.html).

INDIAN AUTOMOTIVE INDUSTRY

The Indian automotive industry is a crucial pillar of the country's economy, with strong backward and forward integration from businesses serving as the primary driver of growth. Over the past few years, liberalisation and deliberate policy interventions have led to the establishment of a dynamic and competitive market, attracting numerous new players, expanding the capacity of the automobile industry, and generating substantial employment opportunities.

The contribution of this sector to the National GDP has grown to about 7.1% now from 2.8% in 1992-93. It provides direct and indirect employment to over 19 mn people. Two-wheelers account for 75% of the India's automobile market followed by passenger cars at 18% during the year 2022-23. Passenger car sales are dominated by small and mid-sized cars and gradually transitioning towards compact SUVs. Exports of automobiles which accounted for 24% of the total production during the year 2021-22, decreased to 18% during 2022-23.. Buoyed by the strong domestic market traction, India aims to double its auto industry size to ` 15 Lacs Cr. by the end of 2024. There has been an FDI inflow of USD 33.77 bn in the industry from April 2000 till September 2022, which is around 5.48% of the total FDI inflow in India during the same period.

(Source:https://static.pib.gov.in/WriteReadData/specificdocs/documents/2023/feb/doc2023217160601.pdf)

OUTLOOK

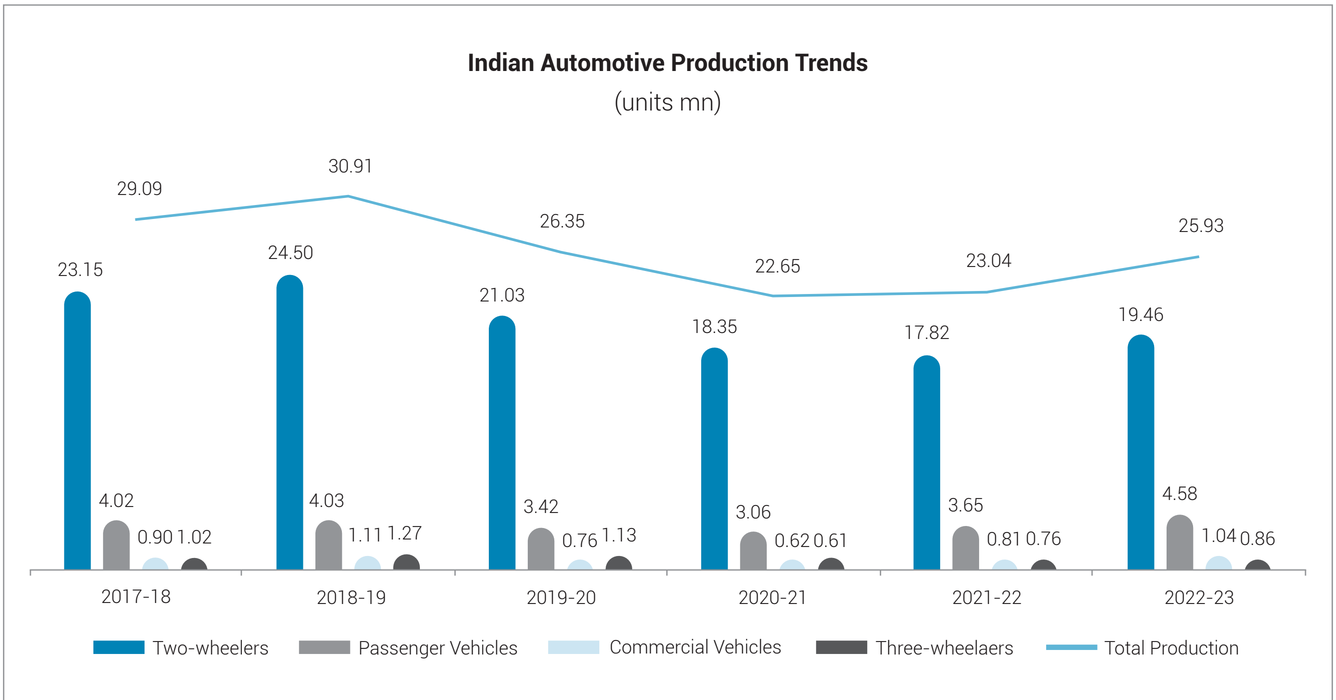
The Indian automotive industry has shown significant progress over the last two decades, capturing global attention and positioning itself as a potential frontrunner in the industry. In the global rankings scale, India has a robust presence in terms of manufacturing output. This is evident from the fact that the nation is the second-largest manufacturer of two-wheelers, the seventh-largest manufacturer of commercial vehicles, and the sixth-largest manufacturer of passenger vehicles. Moreover, India is also the largest manufacturer of tractors worldwide. Over the past decade, the nation has positioned itself as one of the most sought-after locations worldwide for manufacturing high-quality automotive components and vehicles of all types. It has also made significant progress in closing the gap with several established countries in the industry.

Over the next decade, the automotive industry is likely to undergo significant transformations at a global level. The transformations are owing to the growth in demand for automobiles in the developing nations, mainly from Brazil, Russia, India, China, and South Africa (BRICS); and a considerable rise in the share of electronics in automobiles, turning them into 'Computers on Wheels and Connected to the Internet'. Moreover, an unwavering pursuit of economies of scale and scope in the design and engineering of automobiles & components, and a quest for low-cost manufacturing locations are driving the change.

(Source:https://static.pib.gov.in/WriteReadData/specificdocs/documents/2023/feb/doc2023217160601.pdf)

AUTOMOBILE PRODUCTION TRENDS

The domestic industry produced a total of 25.93 mn vehicles during the year 2022-23, as against 23.03 mn units during previous year registering a 12.6% growth aided by 20% expansion in domestic sales.



AUTOMOBILE DOMESTIC SALES TRENDS

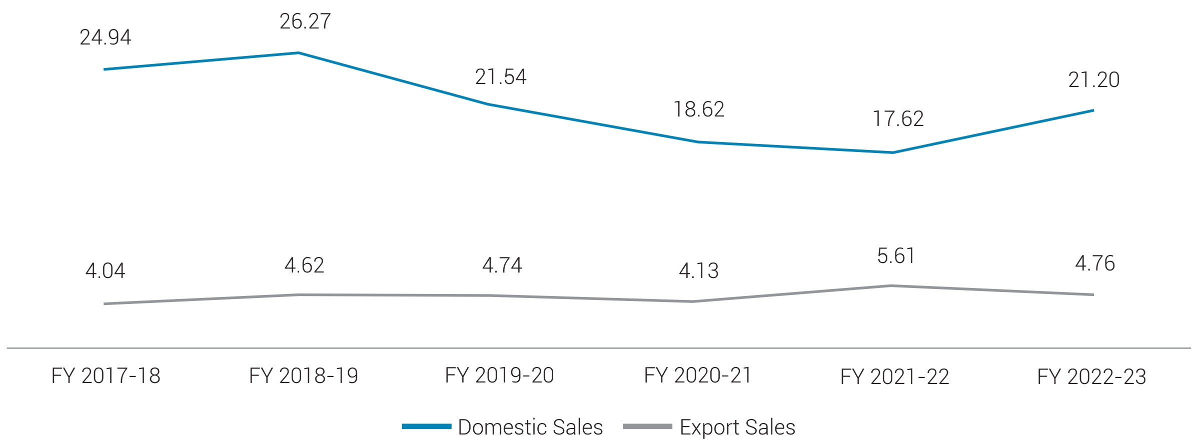
Domestic sales of vehicles reached 21.2 mn units during 2022-23, closer to the pre-pandemic level of 21.54 mn units in 2019-20 registering a growth in every vehicle segment. During this period, the share of passenger vehicles increased by 5.4% from 12.8% to 18.3% with a proportionate decrease in the share of two-wheelers and three-wheelers.

AUTOMOBILE EXPORT TRENDS

Passenger vehicle exports increased by 15% from 0.58 mn to 6.63 mn units, while all other segments experienced a degrowth in exports as compared to last year - commercial vehicle -15%, , Three-wheeler -27%, and two- wheeler -18%.

Automotive Domestic & Export Sales Trends

(units mn)



INDIAN ELECTRIC VEHICLE (EV) MARKET

The Indian electric vehicle market was valued at USD 7,025.56 mn in 2021, and is anticipated to reach USD 30,414.83 mn by 2027, registering a CAGR of 28.93% during the estimated period. The growing demand for fuel-efficient, high-performance, and low-emission vehicles, increasingly strict laws and regulations on vehicle emissions, lowering battery costs, and rising fuel costs are expected to drive the growth.

Moreover, the rapidly escalating year-on-year adoption rate of mild-hybrid electric vehicles, favoured electric vehicle policies, and improved Government initiatives across India are fuelling the growth of electric vehicle market in India. Moreover, the demand for electric vehicles was relatively less affected during the Covid-19 pandemic as compared to other segments, which helped maintain the growth momentum.

The Government has reduced the amount of subsidy provided on electric two-wheeler vehicles. On June 2022, the Government reduced the subsidy incentive cap from 40% of a vechicle's value to 15% and capped the subsidy of ₹ 10,000 per kWh of battery.

INDIAN TWO-WHEELER INDUSTRY

The Indian two-wheeler market refers to the vehicles such as Motorcycles, bicycles, mopeds, scooters etc. They can be operative either electric or fuel-based. Two-wheelers have several benefits over three or four-wheeled vehicles, including maneuverability, higher fuel efficiency, cost-effectiveness, lower carbon emissions, etc. Additionally, they reduce dependency on public transit systems and decrease travel time.

The market size of the two-wheeler industry reaches a volume of 18 mn units. Going ahead as per IMARCE group, the market will reach a volume of 48.1 mn units by 2028, showcasing a CAGR of 17.80% during 2023-2028. This growth is primarily driven by increasing urbanisation, rising disposable incomes, and improving living standards, which have led to higher demand for two-wheelers due to their maneuverability, fuel efficiency, cost-effectiveness, and lower carbon emissions. Additionally, the growing number of female drivers, environmental awareness, and popularity of electric and hybrid two-wheelers further contribute to the positive outlook for the market. The expansion of the tourism industry has also fuelled demand for two-wheeler rentals, adding to the product's popularity. Moreover, the market is witnessing advancements in technology that are likely to drive its growth in the future.

INDIAN PASSENGER VEHICLE INDUSTRY

The Indian passenger vehicle industry accounts for 18% of the total automobile industry in India in terms of domestic sales volume. The Indian passenger vehicle industry is grouped into three major categories: passenger cars, vans, and utility vehicles. The domestic sales in the passenger vehicle segment grew by 27% y-o-y in 2022-23, driven by the improvement in sentiments and ease in supply of semiconductors. Growth in passenger vehicle sales volumes reflected a strong bounce-back after the Covid-19 pandemic.

A low base also contributed to this growth as sales in 2021-22 witnessed disruption amid severe headwinds, in the form of the second wave of Covid-19 pandemic, semiconductor shortage, and supply chain issues. This robust post-Covid-19 pandemic demand for passenger vehicles has been driven by a strong preference for personal mobility and by new launches across Original Equipment Manufacturers (OEMs).

WAY FORWARD

In the past few quarters, the demand for passenger vehicles has remained robust, primarily driven by the launch of new models by OEMs. In recent times, with the increased availability of semiconductor chips, growth in this sub-segment has accelerated, leading to domestic sales surpassing pre-Covid-19 pandemic levels. Furthermore, the utility vehicle sub-segment (within the passenger vehicle segment) witnessed significant growth, reflecting the changing preference towards utility vehicles which now constitute 51.2% of the total passenger vehicle domestic sales. However, continued high rates of inflation, coupled with increasing interest rates in the economy, can potentially impact consumer sentiments on account of the increased cost of ownership.

Overall, the sales volume of the domestic automobile industry grew by 20% in FY 2022-23. The passenger vehicle sub-segment is expected to exhibit growth, led by product mix, ease in supply chain issues and discounts & offers. Furthermore, the utility vehicle sub-segment is anticipated to experience growth due to the rising preference for larger-sized and feature-rich vehicles. Looking ahead, the demand outlook is anticipated to improve on the back of investments from the PLI scheme, the introduction of new vehicle models, the better traction of its ICE (Internal Combustion Engine) models, and a robust order book. Add reference to 2W sector outlook.

(Source:CARE Edge Report, January 2023)

AUTO COMPONENTS INDUSTRY

According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto components industry is well-positioned to experience growth with an optimistic outlook. The nation's automobile component market is bifurcated between organised and unorganised sectors. Original Equipment Manufacturers (OEMs) are a part of the organised sector, which looks after the production of premium precision devices. In contrast, low-value products, that are geared towards after-market services, are found in the unorganised industries. The industry is leveraging a stronger domestic market, which enabled it to uptick revenues of ₹ 2.65 Lacs Cr. in the first nine months of 2022-23, registering a significant 34.8% YoY growth. The industry is anticipated to record a growth of 10-15% in FY 2023-24, owing to the sustained momentum in India's domestic vehicle market. The industry is also anticipated to incur a capex of over ₹ 20,000 crore in FY 2023-24, with incremental investments towards new product additions, product development for committed platforms, development of advanced technology and EV components.

In India, the domestic auto component market continues to register robust growth, driven by the passenger vehicle, tractor, and commercial vehicle segments. Despite being a cyclical industry, the tractor segment has held up well over the last three years. The two-wheeler segment is also anticipated to register growth, based on the economic bounce back in rural India, which determines the bulk of the two-wheeler sales in the country. In addition, there is strong growth momentum in the Medium and Heavy Commercial Vehicles (M&HCV) category, owing to the Government's push on infrastructure development.

The Indian automotive industry has stood the test of time. However, the increasing incorporation of electronic chips in every vehicle is likely to unfold various challenges, necessitating the industry's adaptation to this new dynamic. The industry is bullish on increasing investments in the electrification space, with suppliers intensifying capex towards localisation of EV-related products as well as developing the entire EV ecosystem. The Indian Government's push, in the form of automotive PLI schemes (Production Linked Incentive), to encourage local manufacturers to adopt advanced automotive technologies is poised to benefit the local EV market significantly. In addition, it is also set to enhance exports of these advanced components from India.

WAY FORWARD

The outlook of the Indian auto components industry remains optimistic in terms of exports. However, ACMA anticipates adopting a wait-and-watch approach as uncertainties continue to loom large in Europe due to the prolonged Russia-Ukraine conflict. This cautious approach is notwithstanding the robust export performance of the component industry in FY 2022-23. Going ahead, Indian auto component manufacturers endeavour to offer high-quality, technology-led components at a competitive price. As India is scaling up its capacity, tapping emerging opportunities globally, and serving demand, Indian auto components industry is further going to be benefitted from the presence of numerous global players – planning to expand capacities in India – creating employment opportunities.

(Source:https://www.autocarpro.in/news/yokohama-off-highway-tires-appoints-mihir-modi-as-cfo--114357).

AEROSPACE AND DEFENCE INDUSTRY

The Aerospace and Defence industry in India is at a turning point, given the modernisation and indigenisation programmes being undertaken by the largest military forces in the world. With the global economy gradually recovering from the disruptive impact of the Covid-19 pandemic, the Aerospace and Defence (A&D) industry has shown signs of bouncing back in 2022. The robust recovery in air travel is leading to increased aircraft orders and aftermarket activity. Leading global commercial aerospace original equipment manufacturers (OEMs) anticipate that global passenger traffic will return to pre-Covid-19 pandemic levels by the end of 2023 or early 2024.

However, supply chain and talent issues continue to limit the industry's growth prospect. According to Deloitte's Outlook Survey, supply chain disruptions and talent shortages will be the biggest challenges for the Aerospace and Defence industry in 2023. Furthermore, inflation continues to be a challenge for the entire industry, with price hikes being one of the significant risks anticipated in 2023.

The demand for passenger travel is correlated to ticket prices, which, in turn, depend on jet fuel prices. Thus, a quick and sustained rise in jet fuel prices can affect traffic and increase market volatility. To address this challenge, aircraft manufacturers are investing in aircraft and engine design to make them more fuel-efficient. Furthermore, they are looking to lower operating costs, and explore lower- and zero-emission commercial aircraft for the future.

The Ministry of Defence in India has laid out an expansive plan for modernising obsolete equipment through long-term perspective plans, capability plans, and capital acquisition plans. The Government of India has also identified the Aerospace and Defence sector as a focus area for the 'Make in India' ('Aatmanirbhar Bharat') programme. It has taken considerable steps to push forth the establishment of indigenous manufacturing infrastructure, complemented by a robust R&D ecosystem.

WAY FORWARD

The defence segment remained stable through 2022 and is anticipated to outperform the commercial aerospace segment, buoyed by an increase in defence budgets in the wake of the Russian invasion to Ukraine, boosting demand for military equipment globally. As per Deloitte's Outlook Survey, the general business outlook for the Aerospace and Defence industry for the next year is 'somewhat to very positive'. The reasons for this optimistic outlook include growth in new technologies and segments, such as AAM, evolving business models in areas, such as space, and the use of digital thread and smart factories. In the years to come, these factors are anticipated to facilitate industry growth and pave the way for the creation of new markets.

BUSINESS OVERVIEW

Sansera Engineering Limited (referred to as 'Sansera' or 'The Company') is a trailblazer in the manufacturing and supplying of a broad spectrum of high-precision machined components for the automotive and non-automotive industries. These components and assemblies are critical for the engine, transmission, suspension, brake, chassis, and other systems for two-wheeler, passenger vehicle, and commercial vehicle verticals. In addition, within the non-automotive sector, the Company manufactures and supplies a range of components for aerospace, off-road, agriculture, and other sectors, including engineering and capital goods.

Sansera has a strong research team comprising 277 experts in design, engineering, machine building, and automation. Among the Company's 17 state-of-the-art manufacturing facilities, 16 are strategically located across India and one is in Sweden. This operational prowess enables it to serve customers in 27 countries globally. Way back in 2014, Sansera forayed into the Aerospace sector and has consistently grown its presence and scale. During 2021, the Company started receiving orders from customers in the Defence sector. To meet the growing demand from Aerospace and Defence, it completed construction of a new dedicated plant during the year at Jagani Hobli, Bangalore, which has started its operations in Q1 of FY 2023-24. Capitalising on its design and engineering capabilities, Sansera has made a strategic investment and entered into the high-technology space. The Company has access to a formidable R&D and engineering team that will focus on the priority market segment for Aerospace and Defence, while simultaneously developing a product portfolio to contribute to the vision of 'Aatma Nirbhar Bharat'.

Sansera is going through a transition from automotive components supplier to a provider of precision forged and machined components across industry sectors and application globally, supported by its ability to adapt to the changes. The Company is aiming for substantial growth in its non-automotive markets, securing new orders for engine-agnostic components, and increasing its market share across geographies. During the year, the Company has bagged a platinum award from Bajaj for quality, another award from Toyota for quality-month award 'My product', 'My responsibility', and earned a 'Hero-Next' sustainability award.

GROWTH STRATEGIES

- Diversify into tech-agnostic products and cater to the xEV opportunity
- Consolidate and strengthen global market share in the existing portfolio and diversify into technology-agnostic products
- Continue to leverage existing capabilities to diversify further into non-automotive businesses and expand the addressable market
- Retain and strengthen technological leadership through continued focus on engineering capabilities

OPERATIONAL REVIEW

For 2022-23, Sansera generated 88.1% of its revenue from the automotive sector and the remaining 11.9% from the non-automotive sector. As a global supplier, the Company derived 71.6% of its revenue from India, while the remaining 28.4% of the revenue came from the sale of products in Europe, the US, and other foreign countries.

Sansera, with a strong history of producing complex precision engineered components for the Automotive sector, aims to expand its manufacturing capabilities to cater to Non-Automotive segments like aerospace, off-road, agriculture, and engineering and capital goods. The Company is already supplying components for new non-automotive applications, including defence. Additionally, Sansera's existing key product families in the Automotive sector have potential applications in various Non-Automotive sectors. In the Non-Automotive segment, the Company emphasises manufacturing precision engineered components that demand complex engineering skills, leading to significant value addition.

Sansera's emphasis on a diversified business model remains a crucial aspect of its operations. The Company has added 14 customers for xEV (electric and hybrid vehicles) across two-wheeler, passenger vehicle, and commercial vehicle segments. It has also developed a strong pipeline of future orders, of which approximately 33% come from the automotive sector (xEV and tecology-agnostic) and the other 26% from non-automotive businesses.

Sansera is witnessing a rising demand for higher performance and top quality products, promoting the Company to prioritise continuous improvement in design and engineering capabilities. By focussing on delivering high value-added and technology-driven components, Sansera aims to seize opportunities arising from shifting customer preferences and evolving regulatory requirements, such as heightened emissions control standards.

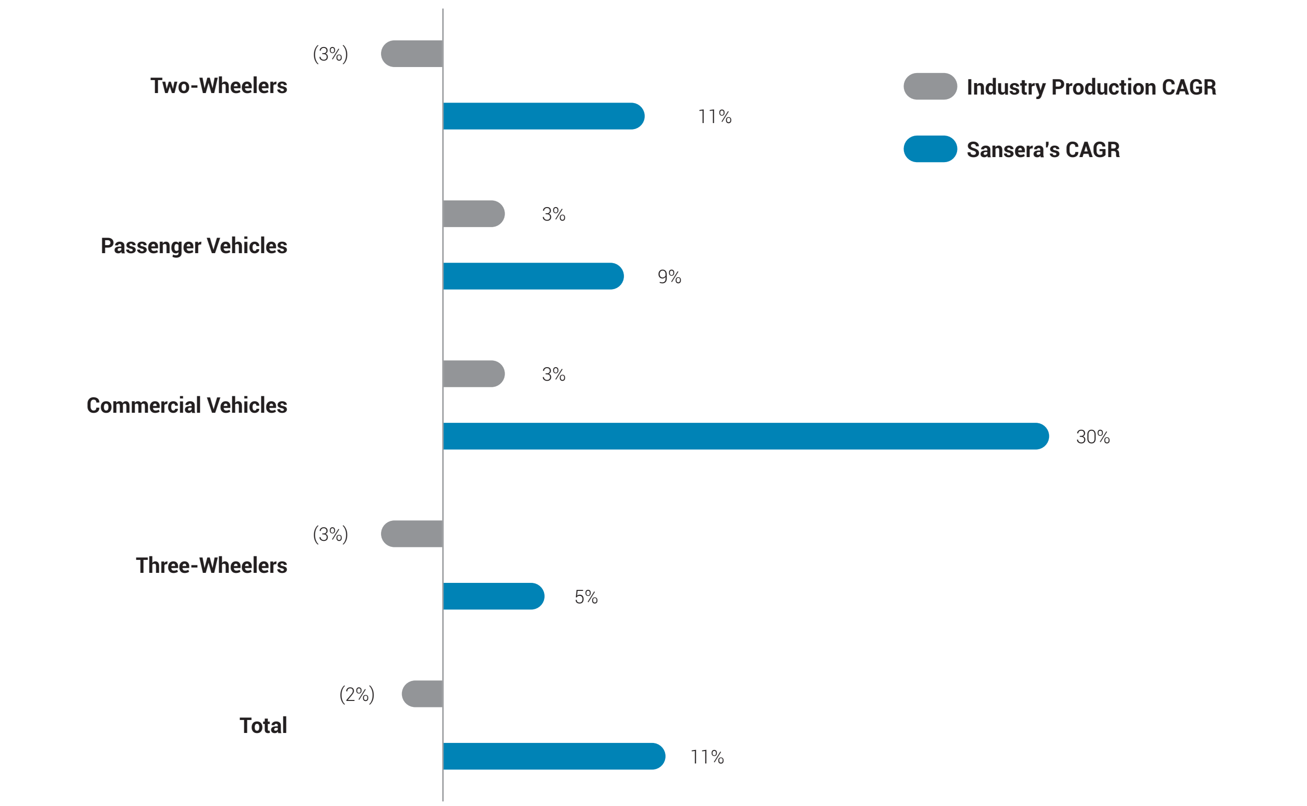
ORDERBOOK SUMMARY AS AT MARCH 31, 2023

As of March 31, 2023, the order book for new business with an annual peak revenue stood at ₹ 13.3 bn. This amount reflects a post-reset state. The company resets its figures at the beginning of each year, moving products that have entered mass production into the mass production cycle.

Within this order book, the auto ICE segment contributes ₹ 5.5 billion, accounting for approximately 41% of the total order book. Auto tech agnostic and xEV components contribute ₹ 4.3 bn, constituting around 33% of the total order book. The non-auto sector accounts for approximately ₹ 3.5 bn of the order book, making up about 26%. Furthermore, the international order book has expanded due to a good recovery across all geographical regions.

INDIAN AUTO INDUSTRY PRODUCTION CAGR VS SANSERA'S DOMESTIC AUTO REVENUE CAGR

(from 2017-18 to 2022-23)



FINANCIAL REVIEW

CONSOLIDATED INCOME STATEMENT SUMMARY

Sansera's consolidated performance for 2022-23 has demonstrated significant growth, with a total revenue of ₹ 23,383 mn, representing a 18% increase over 2021-22. The Company's earnings before interest, taxes, depreciation, amortisation (EBITDA), and profit after tax (PAT) also exhibited strong momentum, reaching ₹ 3,770 mn and ₹ 1,483 mn, respectively, which is an uptick of 13% and 12% compared to the previous year.

(₹ in mn)

Particulars	Consolidated		
	2022-23	2021-22	YoY%
Revenue from Operations	23,383	19,890	18
Operating Expenses	19,613	16,554	18
EBITDA	3,770	3,336	13
Other Income	178	155	15
Finance Charges	615	510	21
Depreciation and Amortisation	1,301	1,197	9
Profit Before Tax	2,032	1,784	14
Tax Expenses	549	465	18
Profit After Tax	1,483	1,319	9
EPS (Basic)	27.74	25.27	

DETAILS OF SIGNIFICANT RATIO CHANGES

The key financial ratios of Sansera are given below:

Key Financial Ratios (Standalone)	2022-23	2021-22	Variance (%)
Current Ratio	1.20	1.18	1.69
Debt-to-Equity Ratio	0.55	0.58	(5.17)
Debt Service Coverage Ratio	1.75	1.75	-
Return on Capital Employed	13.33%	12.70%	0.63
PAT Margin	7.19%	7.34%	(0.15)
Return on Equity	13.56%	13.34%	0.22

Notes

Current Ratio = Current Assets / Current Liabilities

Debt-to-Equity Ratio = Total Debt / Shareholders' Equity

Total Debt include Non-Current Borrowings, Current Borrowings, Current Maturities of Non-Current Borrowings, Lease Liabilities and Accrued Interest

Debt Service Coverage Ratio = Earnings Available for Debt Servicing

Earning for Debt Servicing = Net Profit After Taxes + Non-Cash Operating Expenses like Depreciation and Other Amortisation + Interest - Other Adjustments like Gain on Sale of Fixed Assets, Income from Government Grants and Dividend Income Share of Profit from Investment

Debt Servicing = Interest and Lease Payments + Principal Repayments

EBITDA Margin = EBITDA / Total Revenue. EBITDA = Earnings Before Interest, Tax, Depreciation and Amortisation and Other Income Return on Capital Employed = EBIT / Capital Employed. Capital Employed = Tangible Net Worth + Borrowings + Deferred Tax Liabilities

PAT Margin = Net Profit After Taxes / Total Income. Return on Equity = Net Profit After Taxes/ Average Shareholders' Equity

Shareholders' Equity = Equity Share Capital + Other Equity

Operating Expenses excludes Depreciation and Amortisation

RISKS AND MITIGATION STRATEGIES

Sansera is committed to identifying and mitigating potential business risks through effective risk management strategies. The Company has established a comprehensive risk management framework, policies, and procedures to evaluate, identify, mitigate, and report risks. Its Risk Management Committee, under the oversight of the Board, is responsible for identifying and evaluating various risks and developing appropriate mitigation strategies. This proactive approach helps the Company to minimise the impact of any unforeseen risk events that may occur.

GLOBAL ECONOMIC AND GEOPOLITICAL RISK

An economic slowdown initiated by high inflation or a geopolitical event like the Russia-Ukraine war might have an adverse effect on the Company's business. Sansera conducts regular review of its order book, execution strategies, market opportunities, and changes in the business environment in various markets to develop effective growth strategies. By analysing these factors, the Company can tailor its approach on sector / geographic diversification to capitalise on opportunities and adjust its strategies to meet new challenges as they arise.

MARKET AND TECHNOLOGY RISK

Changes in consumer preferences and the emergence of new competitive technologies may impact the attractiveness of certain products. Furthermore, stricter Government regulations and volatile fuel prices have placed significant pressure on the automotive industry to reduce carbon dioxide emissions. This has resulted in the growth of electric vehicles (EVs). Sansera is actively engaged in diversifying its product offerings to meet the needs of technology-agnostic applications within the automotive sector. These include suspension, chassis, driveline, and braking systems for ICE and EV powertrain technologies. The Company is also catering to its customers in non-automotive sectors, such as aerospace, defence, agriculture, industrial automation, and stationary engines. It regularly monitors progress in its diversification efforts and evaluates the impact of new orders on its product portfolio.

TALENT ACQUISITION AND RETENTION / SUCCESSION FOR KEY RESOURCES AND ROLES

Human capital is a key resource for the Company and crucial for its sustained business growth and profitability. The Company is committed towards building and sustaining a high-performance culture and ensuring development of employees along with its strategic growth. The Company undertakes regular assessment of skill sets for current and emerging roles required to manage its business growth and complexity, identify potential candidates for each role within the organisation, implement training and development plans including soft skill training, shadowing leads, coaching and mentoring, leadership programmes, etc. and track progress.

At times, for newly created roles where talent is not available internally, the Company takes recourse to hiring external candidates.

The Company's HR policies and ongoing initiatives, including regular trainings, skill upgradation, competency development and work recognition help provide learning and development opportunities for the employees and control attrition.

INFLATION RISK

The increase in the prices of key inputs like steel, energy, etc. has the potential to increase the overall cost of inputs, which could impact Sansera's margins. Sansera continuously monitors the price movement of key raw materials and, accordingly, adjusts its product prices for domestic customers. For export contracts, the Company may track inflation at the time of finalisation and regularly reviews and adjusts prices for exceptional movements. Furthermore, Sansera has implemented several cost improvement initiatives, that include process automation to optimise manpower, transitioning to cheaper renewable energy sources, enhancing supply chain efficiency, and improving material yield. These measures have helped the Company to reduce costs and improve its bottom line.

CREDIT RISK

The slowed performance in the automotive, non-automotive, or aerospace sectors as well as global economic environment may weaken Sansera's sales and profits and make it difficult for it to repay its debts. Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and others, foreign exchange transactions and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure.

COMPETITION RISK

Increasing rivalry within the industry, both at the global and domestic levels, can put pressure on pricing and margins. Sansera's exceptional expertise and solid reputation have enabled it to establish an unparallel position in the market, while forging strong and long-lasting customer relationships. The Company's commitment to offer innovative and superior-quality products and services provides it with a significant competitive edge.

LIQUIDITY RISK

The risk may impact the Company in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

PROCUREMENT RISK

Any adverse fluctuations in market prices or the financial distress of Sansera's suppliers can potentially impact its financial position and earnings. Sansera recognises these risks and takes proactive steps to mitigate them. The actions in this direction include close monitoring of market prices, development of contingency plans, and ensuring optimal supply of goods and services to the Company.

INTEREST RATE RISK

The jitters in the economical environment may have adverse effects on the interest rate which further impact the borrowings of the Company. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

CYBERSECURITY RISK

A probable exposure, loss of critical assets and sensitive information, or reputational harm as a result of a cyber-attack or breach within Sansera's IT network. Sansera follows a cybersecurity risk management strategy to constantly evaluate the network vulnerability and deploy/upgrade tools to protect against presently known and evolving cyber threats.

HUMAN RESOURCES

Sansera understands that a strong Human Resources department is crucial to fostering a healthy organisational culture. Hence, the Company ensures that its HR team is aligned with its goals. It is committed to developing its employees' expertise and skills. Sansera's personnel policies prioritise the recruitment of talented individuals and the promotion of skill development through both in-house and external training programmes.

With a robust team of 2,109 permanent employees and 6,644 contractual employees as of March 31, 2023, Sansera depends on its workforce to deliver high-quality products, while maintaining the highest standards of health and safety. The Company also values diversity and strives to ingrain a culture of mutual respect. It fosters a culture of employee engagement, where individuals are encouraged to take ownership of their roles and contribute actively towards a positive work environment. This includes promoting personal development opportunities, as well as ensuring a workplace that is free from all forms of discrimination and harassment.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Sansera's internal control systems and audit processes are designed to safeguard its assets and resources, while providing reasonable assurance on the reliability of financial reporting and other operational data. The Company ensures compliance with established policies, procedures, and statutory requirements for all its processes. It has developed well-documented guidelines, and procedures for authorisation and approval, including regular audits. Moreover, Sansera's internal audit system encompasses financial and operational controls across all its divisions, functions, and departments. The internal audit team reviews the Company's various functions on a regular basis and identifies opportunities for further improvement.

CAUTIONARY STATEMENT

The statements in the Management Discussion and Analysis section describing the Company's objectives, projections, estimates, and predictions may be considered as forward-looking statements. All statements that address expectations or predictions about the future, including, but not limited to, statements about the Company's strategy for growth, product development, market positioning, expenditures, and financial results, are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance, or achievement may, thus, differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify, or revise any forward-looking statement based on any subsequent developments, information, or events. To avoid duplication and repetition, certain heads of information required to be disclosed in the Management Discussion and Analysis, have been included in the Board's Report.

FORM AOC-1

ANNEXURE 2

(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": SUBSIDIARIES

Name of Subsidiary Company	Fitwel Tools and Forgings Private Limited	Sansera Engineering Pvt. Ltd, Mauritius.	Sansera Sweden AB.
Currency	(₹ in Mn)	(₹ in Mn)	(₹ in Mn)
The date since when subsidiary was acquired	August 01, 2014	November 04, 2016	April 14, 2017
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹	EURO 1 EURO = INR (a) Average: 83.95 (b) Closing: 89.44	SEK 1 SEK =INR (a) Avg: 7.74, (b) Closing 7.94
Share Capital	3.56	840.76	201.95
Reserves and Surplus	465.06	17.62	(217.21)
Total Assets	1,144.95	859.57	1,563.95
Total Equity and Liabilities	1,144.95	859.57	1,563.95
Investments	-	779.29	-
Total Income	1,616.78	4.36	1,464.52
Profit/(Loss) before Tax	96.87	1.47	(82.62)
Provision for Tax	25.29	0.32	-
Profit/(Loss) After Tax	71.58	1.15	(82.62)
Proposed Dividend	-	-	-
% of shareholding	70%	100%	100%

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures		Not Applicable
1.	Latest audited Balance Sheet Date	
2.	Shares of Associate/Joint Ventures held by the Company on the year end	
	No.	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding(%)	
3.	Description of how there is significant influence	
4.	Reason why the associate/joint venture is not consolidated	
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	
6.	Profit/Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

Notes:

The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operation: None
2. Names of subsidiaries which have been liquidated or sold during the year: None.

Details of Remuneration of Directors, KMPs and Employees and comparatives
[Pursuant to Section 197(12) and Rule 5(1) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. **The ratio of remuneration of each director to the median remuneration of employees of the Company based on month of March 2023:**

Sr. No.	Name	Designation	Ratio (Times)
1.	Mr S Sekhar Vasan	Chairman & Managing Director	62.28
2.	Mr F R Singhvi	Joint Managing Director	62.28
3.	Mr Raunak Gupta	Non-Executive – Nominee Director	-
4.	Mr Muthuswami Lakshminarayan	Independent Director	6.11
5.	Mrs Revathy Ashok	Independent Director	6.06
6.	Mr Sylvain Bilaine (Ceased to be Director w.e.f. 28th July 2023)	Independent Director	1.92
7.	Mr Samir Purushottam Inamdar	Independent Director	4.85

2. **The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in FY 2022-23:**

Sr. No.	Name	Designation	Percentage Increase over previous year
1.	Mr S Sekhar Vasan	Managing Director, Chairman	No change
2.	Mr F R Singhvi	Joint Managing Director	No change
3.	Mr Raunak Gupta	Non-Executive – Nominee Director	Not Applicable
4.	Mr Muthuswami Lakshminarayan	Independent Director	No Change
5.	Mrs Revathy Ashok	Independent Director	No Change
6.	Mr Sylvain Bilaine (Cessed to be Director w.e.f. 28th July 2023)	Independent Director	No Change
7.	Mr B R Preetham	Chief Executive Officer	8.02
8.	Mr Vikas Goel	Chief Financial Officer	8.04
9.	Mr Rajesh Kumar Modi	Company Secretary and Compliance Officer	9.01

3. **The percentage increase in the median remuneration of employees in the FY 2022 23:** 12.05%.(approx.)

4. **The number of permanent employees on the rolls of the Company:** 4344

5. **Average percentile increase already made in the salaries of employees other than the managerial personnels in the last financial year:** 11.97%(approx.)

6. **Affirmation that the remuneration is as per the remuneration policy of the Company and Annual increments, if any, are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year:** Yes

ANNEXURE 3 (Contd.)

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Employed throughout the year and were in receipt of remuneration at the rate of not less than ₹ 1,02,00,000.00 (Rupees One Crore Two Lacs Only) per annum (if employed for a part of the financial year, was in receipt of remuneration for any part of that year, then ₹ 8,50,000.00 (Rupees Eight Lacs Fifty Thousand only) per month)

Sl. No.	Name	Designation of Employee	Remuneration Received [₹ In Mn]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held	The percent age of equity shares held by the employee in the Company	Whether any such employee is a relative of any Director of the Company and if so, name of such Director
1	Mr S. Sekhar Vasan	Chairman & Managing Director	14.89	B. Tech (IIT), PGDM (IIMB)	41	70	1981	Rambal Engineering Private Limited	19.36	No
2	Mr F.R. Singhvi	Joint Managing Director	14.89	B. Com, FCA	41	68	2006	Partner, M/s Singhvi Dev Unni. Chartered accountants	5.28	No
3	Mr B R Preetham	Group CEO	16.94	B.E	30	53	1992	Not Applicable	0.06	No
4	Mr Vikas Goel	CFO	16.54	B. Com (H). FCA, ACMA	29	57	2019	Ingersol Rand India Limited	0.00	No

Note:

1) Remuneration shown above includes Salary, Allowances, Perquisites and Incentives but excludes options under Company's Employee Stock Option Plan 2015 and 2018.

2) The nature of employment in case of Chairman & Managing Director and Joint Managing Director is contractual and terms of remuneration are governed under the Board and Shareholders resolutions.

3) None of the above employees/ directors are related to any of the Directors.

FORM NO. MR-3

ANNEXURE 4

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,
Sansera Engineering Limited
CIN: L34103KA1981PLC004542
Plant-7, No.143/A, Jigani Link Road
Bommasandra Industrial Area,
Anekal Taluk Bengaluru – 560105

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sansera Engineering Limited (hereinafter called the "Company"). The 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

iii. The Depositories Act, 1996 and the Regulations and Byelaws 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. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; – Not applicable as the Company has not issued any debt securities during the financial year under review;

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

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; – Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and

i. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; - Not Applicable as the Company has not done any buyback of its securities during the financial year under review.

ANNEXURE 4 (Contd.)

vi. The following key / significant laws as specifically applicable to the Company: -

1. Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder
2. Electricity Act, 2003
3. Environment (Protection) Act, 1986
4. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/ Concerned State Rules
5. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/ Concerned State Rules
6. Hazardous Wastes (Management and Handling) Rules, 1989
7. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
8. The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ Concerned State Rules
9. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes
10. The Employees' State Insurance Act, 1948 & its Central Rules/ Concerned State Rules
11. The Minimum Wages Act, 1948 & its Central Rules/ Concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade
12. The Payment of Wages Act, 1936 & its Central Rules/ Concerned State Rules if any
13. The Payment of Bonus Act, 1965 & its Central Rules/ Concerned State Rules if any
14. The Payment of Gratuity Act & its Central Rules/ Concerned State Rules if any
15. The Maternity Benefit Act, 1961 & its Rules
16. The Industrial Employment (Standing Orders) Act, 1946 & its Rules
17. The Employee's Compensation Act, 1923
18. The Industrial Dispute Act, 1947
19. The Trade Marks Act, 1999
20. Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act 2013.

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

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

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

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

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice 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, if any, are captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

For BMP & Co. LLP,
Company Secretaries

Sd/-
CS Pramod SM
Partner
FCS No.: 7834 CP. No.: 13784
UDIN: F007834E000350407
PR No: L2017KR003200

Place: Bengaluru
Date: May 22, 2023

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

ANNEXURE A

To,
The Members,
Sansera Engineering Limited
CIN: L34103KA1981PLC004542
Plant-7, No.143/A, Jigani Link Road
Bommasandra Industrial Area,
Anekal Taluk Bengaluru – 560105

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening 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. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, and uthorized representatives during the conduct of the audit and also on the review of quarterly compliance report issued by the respective departmental heads/ Company Secretary/Managing Director & CEO, taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.
8. We further report that the Compliance by the Company of applicable financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BMP & Co. LLP,
Company Secretaries

Sd/-
CS Pramod SM
Partner
FCS No.: 7834 CP. No.: 13784
UDIN: F007834E000350407
PR No: L2017KR003200

Place: Bengaluru
Date: May 22, 2023

FORM NO. AOC- 2

ANNEXURE 5

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

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at Arm's length basis.**

   Your Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during FY 2022-23.

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

SL. No.	Particulars	Details
i.	Name (s) of the related party & nature of relationship	Fitwel Tools and Forgings Private Limited (FTFPL), (Subsidiary). Sansera Sweden AB (Step-Down Subsidiary)
ii.	Nature of contracts/ arrangements/ transaction	Purchase/sale of Raw material/job work.
iii.	Duration of the contracts/arrangements/transaction	Based on Purchase order issued.
iv.	Salient terms of the contracts or arrangements or transaction including the value, if any	Standard terms (as detailed the purchase orders) in line with industry norms
v.	Justification for entering into such contracts or arrangements or transactions'	Business transactions
vi.	Date of approval by the Board	Not Applicable
vii.	Amount paid as advances, if any	NIL

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

ANNEXURE 6

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

Company's CSR policy

As an integral part of our commitment to society at large, the Company's CSR policy is aimed at demonstrating care for the community through its focus on education & skill Development, health & wellness, environmental sustainability, energy & water Conservation and encouraging sports activities. Also embedded in this objective is support to the underprivileged, disadvantaged/marginalized cross section of society by providing opportunities to improve their quality of life.

Our Corporate Social Responsibility (CSR) efforts have been primarily carried out by the Sansera Foundation which was incorporated on July 05, 2007. Sansera Foundation strives to achieve our charters through its CSR programs, grant programs, voluntary programs, and organizational development programs.

We identify challenges in environment, education, livelihood, and disability areas and provide a range of interventions that also build internal capacities. These capacities empower the beneficiaries to sustain themselves over a period of time. We look for initiatives that are bound to create multiple impacts across socio-economic realities of society and support them.

We especially believe in linking our employee volunteering initiatives with our CSR endeavors to ensure that our organizational responsibility initiatives and individual convictions are well integrated. We are also keen to include learning and appreciation of social sensitivity into our social responsibility as this is the foundation of our culture.

The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013. The CSR projects carried out in FY 2022-23 promotes education of underprivileged children, construction of sanitation facilities in rural schools, project related to environmental sustainability etc. have benefitted the communities across the country. The Company has adopted and taken note of amendments in CSR Regulations. Necessary action plan was also approved by the Company. Details of the CSR policy and projects or programs undertaken by the Company are provided below.

Endorse education & healthcare and support in infrastructure projects

To create necessary infrastructure and resources to enable promotion of primary education among children and promoting health care including preventive healthcare.

Social impact projects

To collaborate with communities to provide innovative off-grid solutions to improve access to electricity in the country, especially in rural areas for its development.

Support Environment projects

To actively support projects that help in the sustainable development of the environment.

All other areas/activities as may be prescribed under Schedule VII of the Act or the Rules, as amended from time to time.

2. COMPOSITION OF THE CSR COMMITTEE

Sl. No.	Name of Member	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 S. Sekhar Vasan	Chairperson	2	1
2	Mr F.R. Singhvi	Member	2	2
3	Mr Sylvain Bilaine*	Member	2	1
4	Mrs Revathy Ashok*	Member	2	1

**The CSR Committee of the Company was re-constituted by the Board of Directors at its meeting on May 23, 2022, wherein Mrs Revathy Ashok was appointed as member of CSR Committee in place of Mr Sylvain Bilaine.*

3. The details of composition of CSR committee, CSR Policy and CSR projects duly approved by the board is available on the Company's website: www.sansera.in.

ANNEXURE 6 (Contd.)

4. Provide the executive summary along with the web-link(s) 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. (a) Average net profit of the Company as per section 135(5): The average net profit for the last three audited financial years for the purpose of computation of CSR was ₹ 1,343.98 Mn

(b) Two percent of the average net profit of the Company as per section 135(5): ₹ 26.90 Mn

(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

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

(e) Total CSR obligation for the financial year 2022-23 (5b+5c-5d): ₹ 26.90 Mn

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 27.56 Mn

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: NA.

(d) Total amount spent for the Financial Year: ₹ 27.56 Mn

(e) CSR amount spent or unspent for the financial year: Nil

Total Amount Spent for the Financial Year. (₹ in Mn)	Amount Unspent (₹ in Mn)				
	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
26.90	-	-	-	-	-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Mn)
(i)	Two percent of average net profit of the Company as per section 135(5)	26.90
(ii)	Total amount spent for the Financial Year 2022-23	27.56
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial Years FY 2023-24	-

7. 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 ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹).	Date of transfer		
1	2021-22	-		-	-	-	-	
2	2020-21	85,00,000	85,00,000	4,40,000	-	-	80,60,000	-
3	2019-20*	NA	NA	NA	NA	NA	NA	

** The Company has complied with Section 135(6) and has disclosed in the Board's Report of the respective financial years accordingly prior to amendments in CSR Rules in January 22, 2021.*

ANNEXURE 6 (Contd.)

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If yes, enter the number of Capital assets created/ acquired : Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social

Responsibility amount spent in the Financial Year: Not Applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration if Applicable	Name	Registered address Number,

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

NA.

For Sansera Engineering Limited

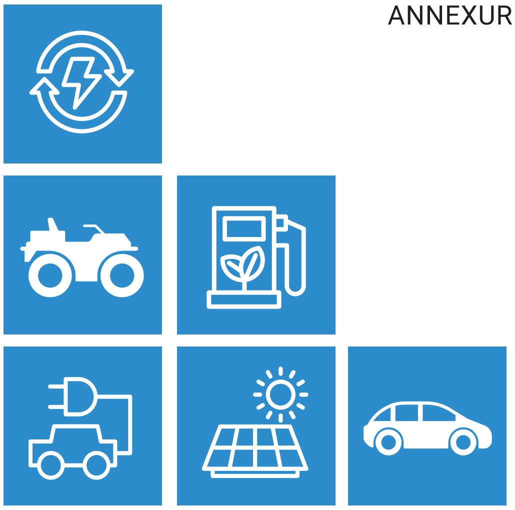
Sd/-
S Sekhar Vasan
Chairperson - CSR Committee
DIN:00361245

Sd/-
F R Singhvi
Joint Managing Director
DIN: 00233146

Date: May 22, 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

ANNEXURE7



SECTION A GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1	Corporate identity number (CIN) of the listed entity	L34103KA1981PLC004542
2	Name of the listed entity	Sansera Engineering Limited
3	Year of incorporation	1981
4	Registered office address	Plant-7, No.143/A, Jigani Link Road Bommasandra Industrial area, Anekal Taluk, Bengaluru – 560105, Karnataka, India
5	Corporate address	Plant-7, No.143/A, Jigani Link Road Bommasandra Industrial area, Anekal Taluk, Bengaluru – 560105, Karnataka, India
6	E-mail	rajesh.modi@sansera.in
7	Telephone	+91 80-27839081/82/83
8	Website	https://sansera.in/
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	NSE & BSE
11	Paid-up capital	₹ 10.586 Cr
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Rajesh Kumar Modi E-mail: rajesh.modi@sansera.in Telphone: +91 80 27839081/82/83
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone

II PRODUCTS / SERVICES

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

Description of main activity	Description of business activity	% of turnover of the entity
Manufacturing	Complex and critical precision-engineered components across automotive and non-automotive sectors	92%

15. Products/services sold by the entity (accounting for 90% of the entity's turnover):

Product/service	NIC code	% of total turnover contributed
Manufacturer of parts and accessories for motor vehicles	2,930	90%

III OPERATIONS

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

Location	Number of plants	Number of offices	Total
National	16	0	16
International	1	0	1

17. Markets served by the entity

a Number of locations

7 (1 international and 6 national)

Location	Number
National (Number of states)	All states
International (Number of states)	25+

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

24%

c A brief on types of customers

SEL manufactures a wide range of complex and critical precision-engineered components for the automotive sector. Some of the Company's largest customers include Bajaj, Honda, Royal Enfield, KTM and Daimler Group. The Company constantly engages in diversifying its product offerings for:

a) Technology-agnostic applications within the automotive sector such as suspension, chassis, driveline, braking systems. across both ICE and EV powertrain technologies.

b) Customers in non-automotive sectors – aerospace, defence, agriculture, industrial automation and stationary engines, among others.

IV EMPLOYEES

18 Details as at the end of financial year:

A Employees and workers (including differently abled):

S. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
	Permanent (D)	1,160	1,119	96.47%	41	3.53%
	Other than permanent (E)	3	3	100%	0	0.0%
	Total employees (D + E)	**1,163**	**1,122**	**96.47%**	**41**	**3.53%**
	Workers					
	Permanent (F)	933	928	99.46%	5	0.54%
	Other than permanent (G)	6,634	6,543	98.63%	91	1.37%
	Total workers (F + G)	**7,567**	**7,471**	**98.73%**	**96**	**1.27%**

B Differently abled employees and workers:

S. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently-abled employees					
	Permanent (D)	2	2	100%	0	0%
	Other than permanent (E)	0	0	0 %	0	0%
	Total employees (D + E)	**2**	**2**	**100%**	**0**	**0%**
	Differently-abled workers					
	Permanent (F)	6	6	100%	0	0%
	Other than permanent (G)	1	1	100%	0	0%
	Total employees (F+ G)	**7**	**7**	**100%**	**0**	**0%**

19 Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	6	1	16.67 %
Key Management Personnel	5	0	0 %

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY (2022-23) (April-March) (Turnover rate in current FY)			FY (2021-22) (Turnover rate in previous FY)			FY (2020-21) (Turnover rate in year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	23.6%	19.44%	23.46%	19.81%	15.09%	19.68%	14.99%	10%	14.87%
Permanent workers	1.19%	0%	1.19%	2.27%	0%	2.27%	0.55%	0%	0.55%

V HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

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

Name of the holding/ subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/ subsidiary/ associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the business responsibility initiatives of the listed entity? (Yes/No)
Fitwel Tools and Forgings Private Limited	Subsidiary	70	Yes
Sansera Engineering Limited Mauritius	Subsidiary	100	No
Sansera Sweden AB	Step down subsidiary	100	Yes

VI CSR DETAILS

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

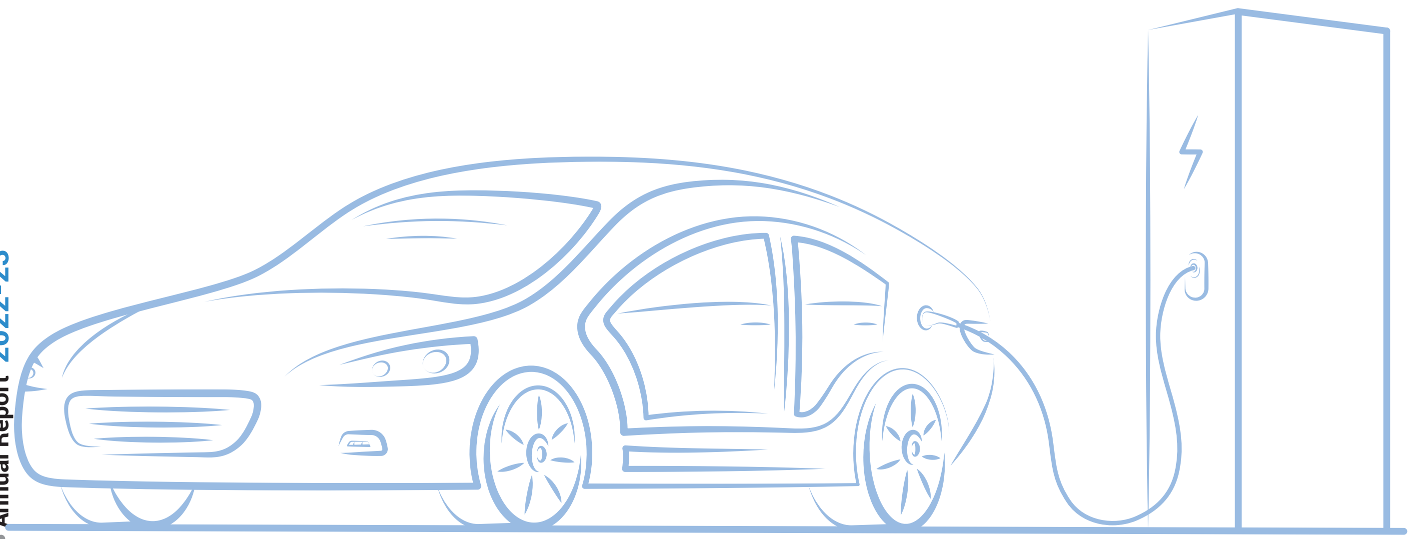
Yes

(ii) Turnover (in ₹)

2090.09 Cr

(iii) Net worth (in ₹)

1182.33 Cr



VII TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://sansera.in/wp-content/uploads/2022/07/Investors-Grievance-Redressal-and-Handling-Contact-details.pdf	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Yes https://sansera.in/wp-content/uploads/2022/07/Investors-Grievance-Redressal-and-Handling-Contact-details.pdf	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes https://sansera.in/wp-content/uploads/2022/07/Investors-Grievance-Redressal-and-Handling-Contact-details.pdf	15	Nil	A significant reduction in grievances was observed. Few IPO-related grievances were raised beyond FY 2021-22	419	Nil	Grievances primarily related to IPO related aspects
Employees and workers	Yes, the same is available on SEL's intranet	154	12	Grievances about shop floor conditions, welfare, and safety	151	2	Grievances about shop floor conditions, welfare, and safety
Customers	Yes https://sansera.in/wp-content/uploads/2022/07/Investors-Grievance-Redressal-and-Handling-Contact-details.pdf	100	Nil	Product quality-related	161	Nil	Product-quality related

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Value chain partners	Yes https://sansera.in/wp-content/uploads/2022/07/Investors-Grievance-Redressal-and-Handling-Contact-details.pdf	Nil	Nil	-	Nil	Nil	-
Government bodies	Yes, through legal fines or notices	14	0	General notices, show cause notices, fines, interest, and damages	9	0	General notices, show cause notice, fines, interest and damages

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

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

Risk Opportunity

Sl. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	GHG emissions	Risk	SEL understands that automotive parts manufacturing is a high-emission activity and is responsible for its emissions. The Company recognises the expectations of its stakeholders and has taken steps to evaluate its GHG emissions. The Company is cognizant that customers may demand commitments to reduce greenhouse gas (GHG) emissions or impose conditions related to emissions for conducting business. Investors focussed on environmental, social and governance (ESG) criteria may only invest in companies that meet their GHG reduction targets. Companies in the automotive industry may be required to implement emission reduction programmes due to India's current and future climate commitments. The Government may also establish stringent targets and is in the process of creating a carbon trading market. Failure to mitigate GHG emissions could lead to the loss of potential customers, disinterest from specific groups of investors, and increased costs to comply with regulatory requirements.	GHG emissions can be mitigated by: 1. Conducting energy audits and identifying areas of energy reduction 2. Increased sourcing of renewable energy. In the current financial year, 49% energy was from renewable sources	Negative financial implications could result in the form of capital expenditure or increase of renewable energy procurement and/or offsets in light of emission caps imposed by regulation.

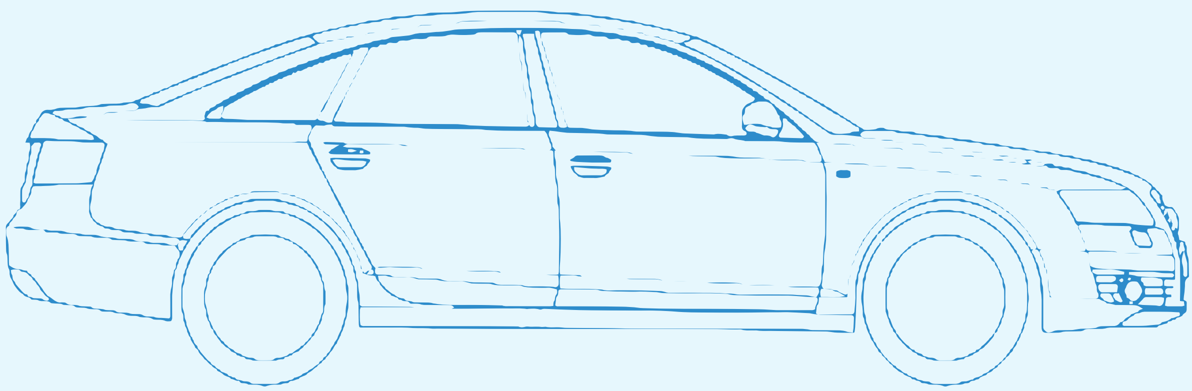
Sl. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Waste management		Improper hazardous waste management by waste management contractors presents risks to land, water bodies, flora and fauna. Waste recycling through the adoption of circular economy principles could present a potential opportunity for SEL and lead to a decrease in waste generation.	Ensuring hazardous waste is handled and disposed of by only authorised contractors of the State Pollution Control Board and follow circular economy initiatives to reduce scrap during production.	Negative financial implications could result in capital expenditures for recycling discarded scrap steel.
3	Energy management		SEL's manufacturing process requires a significant amount of energy and saving energy not only contributes to financial performance but also helps the Company reach its emissions reduction targets.	Conducting energy audits, identifying areas of energy reduction and implementing suitable measures for the same.	Negative financial implications could result in capital expenditure for the implementation of energy reduction initiatives. Positive implications for the Company's business could result from initiatives taken around energy management that attract customers aligned with sustainable businesses.
4	Product responsibility		The rapidly evolving electric vehicle (EV) market would create demand for newer components, while many of the existing components used in internal combustion engines (ICE) would decrease in demand. New products could also necessitate advanced tooling and machining methods to meet quality specifications.	Increase focus on the manufacturing of EV products. Ensuring product traceability as per customer guidelines.	Negative financial implications for the business could arise from failure to promptly consider innovation in the industry.
5	Occupational health and safety (OH&S)		OH&S directly affects individuals and the local community and has the potential to cause disruptions in operations. Risks to employees and workers arise in the form of physical hazards, chemical exposure, vehicle movement, ergonomic strain, respiratory risks and noise exposure. Risks to employees, workers and the neighbouring community are largely due to fire and explosion hazards.	Sansera has taken various measures to mitigate OH&S risks including: 1. Adoption of organisation wide Integrated Policy on environmental health, safety and quality management system 2. Trainings, internal audits for all SOPs on operational health and safety 3. Maintenance of HIRA (Hazard Identification and Risk Assessment) 4. All plants are certified for ISO 45001- 2018 5. Periodical medical checkup for all employees and workers 6. Monitoring of environmental parameters as per PCB standards	Negative financial implications could arise from impacts on business reputation. Employee morale and performance could also be impacted by an unhealthy or unsafe work environment, which could contribute to negative business performance.
6	Diversity, equity, inclusion (DEI)		DEI present significant opportunities for SEL to foster a more inclusive and equitable workplace, strengthen employee engagement, improve customer satisfaction, and build a positive brand reputation.	The Company is consciously working to improve female employee strength in different roles across the organisation.	Positive financial implications in the form of a more talented and motivated workforce.

Sl. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Sustainable supply chain		Ethical and social responsibility risks in the supply chain include issues, such as labour rights violations, human rights abuses, child labour, or unsafe working conditions within supplier facilities. SEL is making efforts to ensure sustainable practices throughout the supply chain, such as responsible sourcing of raw materials, waste management, and compliance with environmental regulation. Non-compliance can result in reputational damage and potential legal consequences.	SEL has taken various measures to mitigate risks arising in the supply chain including: 1. Adopting policies for responsible sourcing namely, Supplier Responsible Sourcing of Natural RM Policy, Sustainable Procurement Policy and the Company's principles to enhance sustainability performance in the supply chain and SEL's policy on Conflict Minerals 2. SEL's suppliers are required to sign commitments to the aforementioned policies (except SEL's policy on Conflict Materials) 3. System and sustainability assessments are conducted before onboarding suppliers	Negative financial implications could arise from impacts on business reputation.
8	Information security		Risks arise from being a target of cyberattacks, including ransomware, malware, and phishing attempts. These could lead to the exploitation of vulnerabilities in networks or software, to gain unauthorised access to the company's sensitive data or disrupt critical systems. Data breaches can occur due to external attacks, insider threats, or inadequate security measures, leading to unauthorised access, theft or exposure of confidential information.	SEL has deployed and implemented various technical tools and controls to mitigate Information Security risks, including but not limited to: 1. End point and servers protection: CrowdStrike Falcon Complete (EDR) – Protection against Ransomware, and Malware, among others. 2. Network perimeter: UTP (Unified Threat Protection) – Protection against external threat/intruders 3. Device control – includes bluetooth, an External USB Drive, and card readers, among others. 4. External sharing control for accessing OneDrive, Sharepoint 5. Email protection – Microsoft EOP (Exchange online protection), and Email Phishing, among others	Negative financial implications arising from the brand reputation of the Company.
9	Ethics & compliance		Business ethics encompasses various aspects, such as corporate governance, employee behaviour, labour relations, customer relationships and supply chain practices. Failing to uphold ethical standards in these areas can expose the organisation to various risks including legal, reputational, financial, and market-related risks. With the growing importance of environmental, social, and governance (ESG) themes, governance-related issues are receiving attention from potential investors and major customers. This necessitates the implementation of robust systems and processes to effectively manage and address business ethics-related concerns.	To mitigate business ethics risks, several measures are implemented, including the establishment of a Code of Conduct for the Board of Directors, Independent Directors, Senior Management and Employees. Additionally, policies addressing anti-corruption, anti-bribery and anti-money laundering are put in place. A whistle-blower policy is also implemented to encourage the reporting of unethical behaviour. These policies are supported by awareness training and systems for addressing grievances and resolving ethical concerns.	Negative financial implications may include the loss of customers or market share, financial losses resulting from legal liabilities or business ethics-related issues.
10	Transparency & disclosure		Risks related to transparency and disclosure are present in the timely communication of regulatory and stakeholder-oriented disclosures. Failure to disclose the Company's financial and ESG-related information in a transparent manner could lead to reputational risks and negative perceptions from stakeholders. Opportunities are present in factually correct, transparent and timely disclosures. An increase in publishing climate-related disclosures presents an opportunity for SEL to build trust and reputation with all stakeholders.	To mitigate risks related to transparency and disclosure, SEL has published its first BRSR for FY 2022-23 and is also planning a standalone sustainability report.	Both positive and negative financial implications arise from the brand reputation of the Company.

SECTION B MANAGEMENT AND PROCESS DISCLOSURES

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

	Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Web link of the policies, if available	SEL's policies on risk management, code of conduct, CSR, vigil mechanism and whistle-blower, nomination and remuneration, POSH, EOHS, quality, energy and sustainable procurement can be found at: https://sansera.in/investor-policies, https://sansera.in/general-policies, https://sansera.in/sexual-harrassment, and https://sansera.in/nomination-remuneration#								
2	Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	IATF 16949: 2016, OECD guidelines for multinational enterprises, UNGC guiding principles on business and human rights	ISO 50001: 2018, IATF/VDA/ ISO14001/ OHSMS 45001 ISO 9001: 2015	IATF 16949 :2016, ISO 14001, ISO 45001, ISO 50001:2018	_	_	ISO 50001:2018, ISO 14001	ISO 45001, ISO 14001	ISO 45001, ISO 14001, ISO 50001	-
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	SEL's ESG roadmap with specific commitments, goals and targets is currently being developed. After approval from the ESG Committee of the Board, selective disclosures would be made from the ESG roadmap.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	SEL's ESG roadmap with specific commitments, goals and targets is currently being developed. After approval from the ESG Committee of the Board, selective disclosures would be made from the ESG roadmap.								



Governance, leadership and oversight:

	Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	SEL is a responsible corporate that endeavours to create a positive impact on society and the environment through its core business. The Company has adopted an ESG policy that lays down the principles based on which ESG is implemented at the organisation. The ESG policy objectives include: 1. Ensuring compliance to all relevant local, Indian and global regulations with respect to SEL's multi-country operations. 2. Aiming to be consistently above or at par with industry standards and best practices on ESG in key industries, such as automotive, aerospace and medical devices, among others. The Company has constituted an ESG Committee of the Board and an ESG Steering Committee at the operating level to prepare a detailed ESG roadmap with specific targets and goals.								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	The Whistle-Blower Policy and Code of Conduct for Board and Senior Management Personnel are overseen by the Audit Committee of the Board of Directors of the Company. The Corporate Social Policy is overseen by the CSR Committee of the Board of Directors of the Company. The Prevention of Sexual Harassment policy is being overseen by the Internal Committee (IC) constituted under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Risk Management Committee, overseen by the Board, has been mandated to identify, evaluate and lay out appropriate mitigation strategies for various risks.								
9	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details	Yes, under the guidance of the Board of Directors, the ESG Committee maintains an ongoing evaluation of SEL's social, environmental, governance and economic obligations.								

10 Details of review of NGRBCs by the Company:

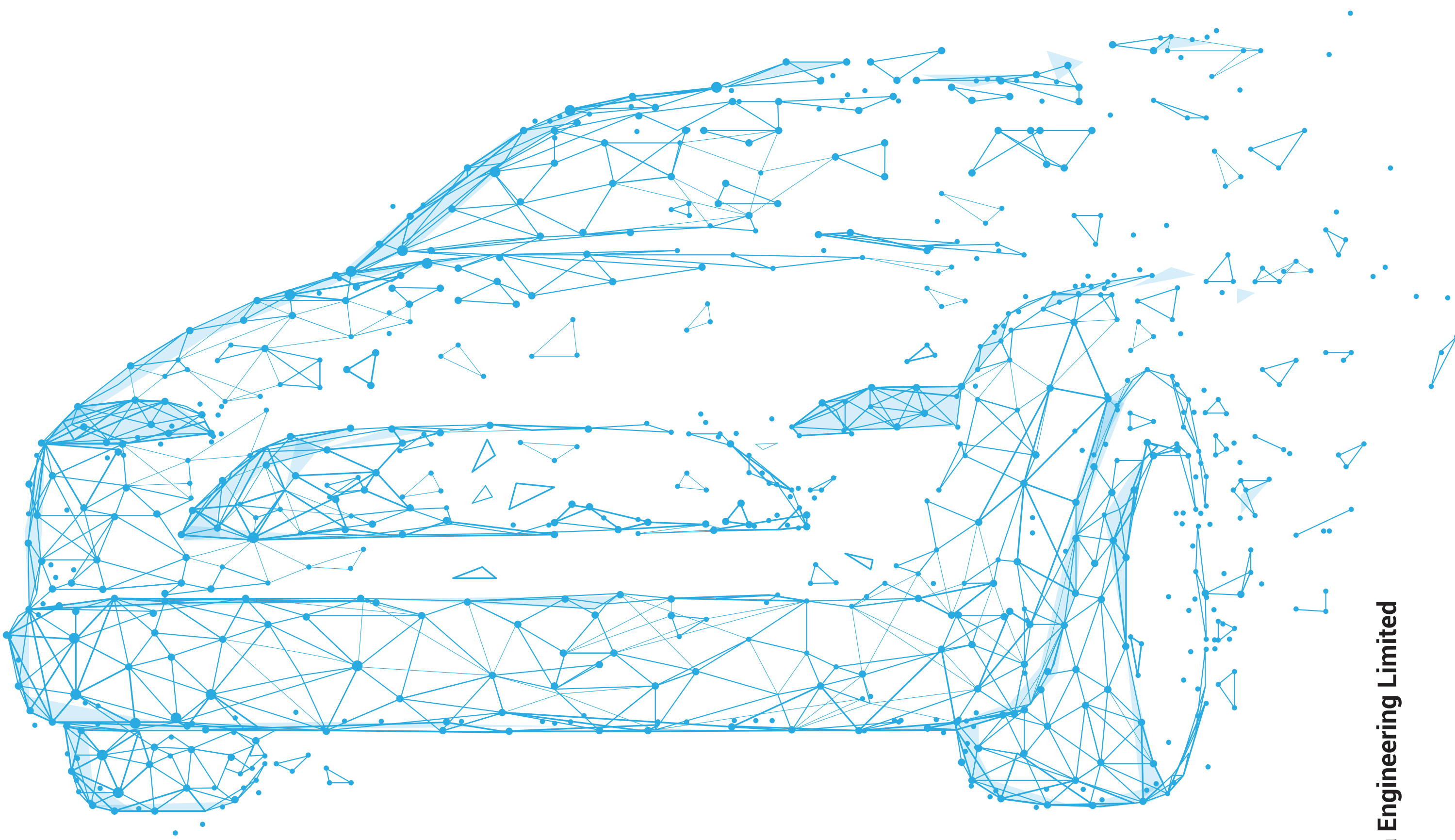
Subject for review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency (Annually/half yearly/quarterly/any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	An ESG governance structure has been formalised in FY 2022-2023. Prior to which, the Risk Management Committee identified major risks in the businesses and functions, which are systematically addressed through mitigating actions on a continuing basis.									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	SEL complies with all statutory requirements that are relevant to the principles and in the event of any non-compliances, the relevant committee investigates and rectifies the issues. The Company has implemented a statutory compliance monitoring tool, 'Ricago' for effective monitoring of statutory compliance.									Annually								

<table>
<tr><th></th><th></th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>11</td><td>Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</td><td colspan="9">Yes, as part of the ISO Systems certification process and ongoing periodical assessments, policies on quality, safety, health and the environment are subject to internal and external audits. Through the internal audit mechanism, other policies are periodically evaluated for their effectiveness.

M/s. TUV NORD is the external agency that conducts these assessments.</td></tr>
</table>

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

<table>
<tr><th>Question</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>The entity does not consider the Principles material to its business (Yes/No)</td><td colspan="9">NA</td></tr>
<tr><td>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</td><td colspan="9">NA</td></tr>
<tr><td>The entity does not have the financial or/human and technical resources available for the task (Yes/No)</td><td colspan="9">NA</td></tr>
<tr><td>It is planned to be done in the next financial year (Yes/No)</td><td colspan="9">Yes</td></tr>
<tr><td>Any other reason (please specify)</td><td colspan="9">NA</td></tr>
</table>



SECTION C PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

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

ESSENTIAL INDICATORS

1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year.

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	4	CSR Amendment Rules 2021, RPT Amendments, Risk Management and ESG Awareness	100%
Key Managerial Personnel	4	CSR Amendment Rules 2021, RPT Amendments, Risk Management and ESG Awareness	100%
Employees other than BoD and KMPs	1,647	Training on technical upskilling, OHS, employee well-being and personal growth, risk policy and sustainability	98.83%
Workers	968	Training on technical upskilling, OHS, employee well-being and personal growth, risk policy, sustainability and POSH	97.67%

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

	Monetary				
	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/fine	Nil	-	-	-	-
Settlement	Not applicable				
Compounding fee	Not applicable				

	Non-monetary			
	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment	Nil			

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

Case details	Name of the regulatory/enforcement agencies/judicial institutions

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

Yes, SEL prohibits and follows a zero-tolerance approach towards all forms of bribery and corruption. The Company upholds the values of fair competition, the free market and ethical business conduct, rejecting any contracts that involve illegal practices and maintaining a commitment to honesty and responsibility in all commercial endeavours through its 'Anti-Bribery Policy'.

Training on the policy is delivered by means, including web-based tools, electronic means, in groups or in one-on-one sessions, as appropriate.

Additionally, SEL has a Vigil Mechanism and Whistle-Blower Policy to deal with reporting and investigating issues related to anti-corruption and anti-bribery.

The Code of Conduct for Directors and Senior Management is also available for the top management to conduct themselves with integrity in matters pertaining to the business.

https://sansera.in/wp-content/uploads/2023/05/1.-Code-of-Conduct-for-Directors-and-Senior-Management.pdf

https://sansera.in/wp-content/uploads/2023/05/13.-Vigil-Mechanism-Whistle-Blower-Policy.pdf

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

There has been no adverse action taken by any authority to date.

Category	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)	Amount (In ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Directors	Nil	Nil	-	-	-
KMPs	Nil	Nil	-	-	-
Employees	Nil	Nil	-	-	-
Workers	Nil	Nil	-	-	-

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

Category	FY 2022-23 (Current financial year)		FY 2021-22 (Previous financial year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

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

Not applicable

LEADERSHIP INDICATORS

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

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
53	Training on technical and quality aspects, product safety and OHS.	81.99%

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

Yes, Directors, Key Managerial Personnel and Senior Management exercise professional judgement in their actions.

They are under an obligation to disclose associations that may lead to conflict of interest. Additionally, they avoid conducting businesses where relatives may have significant roles. It is their responsibility to protect SEL's assets and ensure their authorised use solely for business purposes.

They maintain strict confidentiality of unpublished price-sensitive information and refrain from seeking personal benefits or assisting others in doing so. These measures are outlined in the Code of Conduct to prevent conflicts of interest within the Board.

https://sansera.in/wp-content/uploads/2023/05/1.-Code-of-Conduct-for-Directors-and-Senior-Management.pdf

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

ESSENTIAL INDICATORS

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

Category	FY 2022-23 (Current financial year) (₹ mn)	FY 2021-22 (Previous financial year) (₹ mn)	Details of improvements in environmental and social impacts
R&D	-	-	-
CapEx	-	-	-

SEL does not track/tag capex as R&D. All capex procurement is for specific parts/customers. The Company does not monitor capex investments in specific technologies to register their environmental and social impact either.

2

Does the entity have procedures in place for sustainable sourcing? (Yes/No)	If yes, what percentage of inputs were sourced sustainably?
Yes, a supplier quality assurance manual is available.	67%

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:

Plastics (including packaging)

Plastic materials, such as packing bins/trays/covers are returned to and from customers and suppliers for reuse. Discarded plastic bins/cans, packing covers and used barrels are sent to the authorised vendors for recycling.

E-waste

E-waste is disposed of at authorised vendors for recycling.

Hazardous waste

Used oil is sent to an authorised vendor for recycling. Hazardous waste other than used oil is disposed of at authorised vendors for incineration and landfilling.

Other waste

Other waste, such as paper, corrugated boxes, boring scrap and garden waste is disposed of at the authorised vendors for recycling. Food waste is disposed of at pig farms.

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

Yes, EPR is applicable to the Company. Registration for EPR is currently still under process for approval.

Waste Collection is done as per the customer's schedule, where parts sent to customers/suppliers are in plastic bins. After the dispatch of parts, empty bins are collected by logistics along with a delivery challan and the bins are reused.

LEADERSHIP INDICATORS

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

SEL has not conducted any life cycle assessment for the products till date.

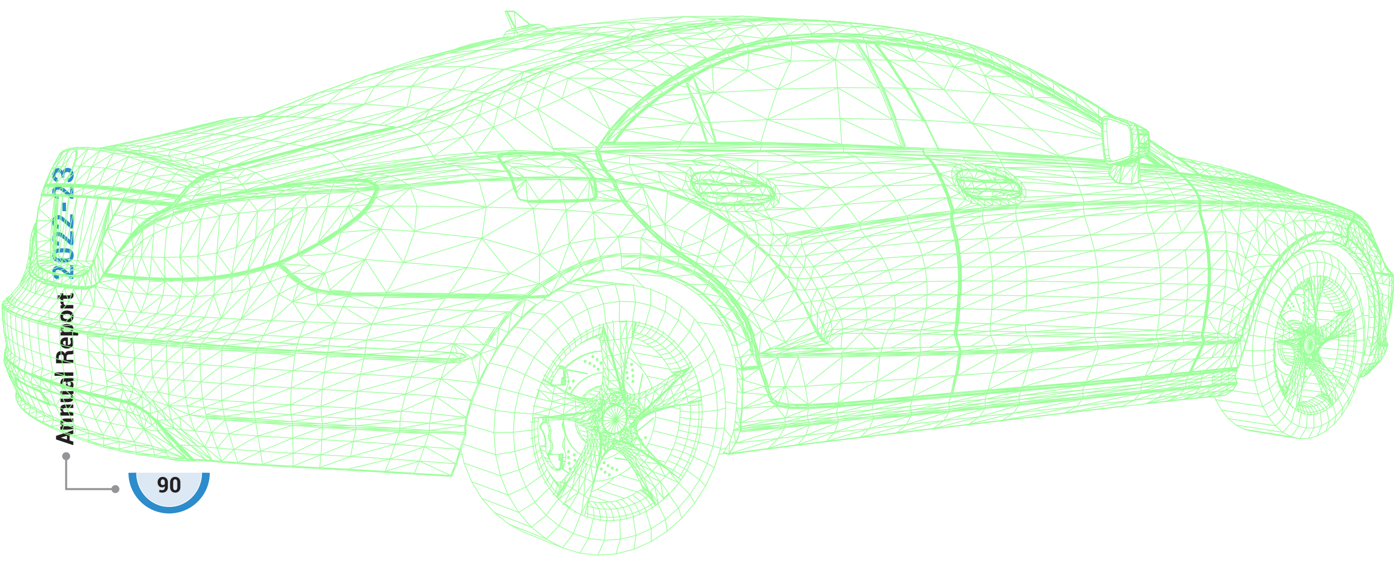
S. no.	NIC code	Name of product/ service	% of total turnover contributed	Boundary for which the life cycle Perspective/ assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No). If yes, provide the web-link.
Not applicable						

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

Name of product/service	Description of the risk/concern	Action taken
Not applicable		

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-22 (Current financial year)	FY 2021-22 (Previous financial year)
There was no recycled/reused material used for production.		



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

	FY 2022-23 (Current financial year)			FY 2021-22 (Previous financial year)		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely disposed
Plastics (including packaging)	0	126.9	0.3	0	83.9	1.3
E-waste	0	0	11.5	0	0.1	1.8
Hazardous waste	0	868.1	619.2	0	613	719.8
Other waste (e.g. paper, carboard), steel scrap	0	25,311	0	0	15,047	0

Sansera Foundation joined hands with Bommasandra Industrial Association (BIA) for municipal waste segregation and recycling, with the help of TrashCon, a technology-first company that is helping solve the problem of waste menace. Trash-con's patented technology is installed in BIA and is used for segregation of mixed solid waste, including paper, cardboard, food waste, sanitary napkins and water bottles, among other items. Currently, the machine is handling a capacity of 4 MT/day.

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

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

ESSENTIAL INDICATORS

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	%(E/A)	Number (E)	%(E/A)
Permanent employees											
Male	1,119	1,119	100%	1,119	100%	-	-	-	-	-	-
Female	41	41	100%	41	100%	41	100%	-	-	-	-
Total	**1,160**	**1,160**	**100%**	**1,160**	**100%**	**41**	**3.53%**	**-**	**-**	**-**	**-**
Other than permanent employees											
Male	3	3	100%	3	100%	-	-	-	-	-	-
Female	0	0	0%	0	0%	-	-	-	-	-	-
Total	**3**	**3**	**100%**	**3**	**100%**	**-**	**-**	**-**	**-**	**-**	**-**

1b Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	%(E/A)	Number (E)	%(E/A)
Permanent workers											
Male	928	928	100%	928	100%	-	-	-	-	-	-
Female	5	5	100%	5	100%	5	100%	-	-	-	-
Total	**933**	**933**	**100%**	**933**	**100%**	**5**	**0.54%**	**-**	**-**	**-**	**-**
Other than permanent workers											
Male	6,543	6,543	100%	6,543	100%	-	-	-	-	-	-
Female	91	91	100%	91	100%	91	100%	-	-	-	-
Total	**6,634**	**6,634**	**100%**	**6,634**	**100%**	**91**	**1.37%**	**-**	**-**	**-**	**-**

SEL does not provide paternity benefits or daycare facilities at this point in time. The Company is working towards opening a daycare facility for two plants - Plant 11 in Bidadi and Plant 6 in Pantnagar. The daycare at Bidadi Plant will be operational in 2-3 months' time. Plant 6 in Pantnagar is currently undergoing budgetary approval for daycare facilities.

2 Details of retirement benefits, for current and previous FY

Benefits	FY 2022-23 (Current financial year)			FY 2021-22 (Previous financial year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
PF Gratuity ESI	100%	100%	Y	100%	100%	Y

3 **Accessibility of workplaces**

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

SEL has provided facilities to ensure accessibility in the premises/offices for differently-abled employees and workers. for example meeting rooms allocated on the ground floor for accessibility, dedicated vehicle parking spaces are provided for easy access and wheelchair ramps are provided.

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

SEL provides equal employment opportunity without any discrimination on the grounds of age, colour, disability, marital status, nationality, race, religion, sex or sexual orientation. The Company has a Non-Discrimination Policy, which is available on its intranet.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

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

Category	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers / Other than permanent workers / Permanent employees / Other than permanent employees	Yes, SEL has a grievance redressal policy to receive and resolve grievances. If an employee/worker faces any difficulty that interferes with his/her performance, the concerned personnel can report about the same and seek redressal. 1. The employee/worker is expected to follow the appropriate process of informing/discussing with his/her immediate supervisor as the first step. 2. The aggrieved employee can submit the grievance in writing to the Department Head and HR Department in the event of the supervisor failing to resolve the grievance within a week. 3. The employee is allowed to approach the Management through the HR, only if it is not resolved by the Department Head and HR Department. 4. Grievance received through the Union committee is discussed periodically. 5. Grievances related to women employees are discussed separately, recorded and resolved appropriately.

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

Category	FY 2022-23 (Current financial year)			FY 2021-22 (Previous financial year)		
	Total employee/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total permanent employees						
Male	1,122	0	0%	982	0	0%
Female	41	0	0%	29	0	0%
Total permanent workers						
Male	928	808	87%	910	826	91%
Female	5	5	100%	5	5	100%

8 Details of training given to employees and workers:

Category	FY 2022-23 (Current financial year)					FY 2021-22 (Previous financial year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,184	1,009	85%	1,047	88%	905	586	65%	801	89%
Female	37	37	100%	33	89%	22	12	55%	13	59%
Total	**1,221**	**1,046**	**86%**	**1,080**	**88%**	**927**	**598**	**65%**	**814**	**88%**
Workers										
Male	6,931	6,555	95%	6,333	91%	6,497	5,569	86%	5,587	86%
Female	101	100	99%	99	98%	78	78	100%	71	91%
Total	**7,032**	**6,655**	**95%**	**6,432**	**91%**	**6,575**	**5,647**	**86%**	**5,658**	**86%**

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

Category	FY 2022-23 (Current financial year)			FY 2021-22 (Previous financial year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Total permanent employees						
Male	1,122	1,122	100%	982	982	100%
Female	41	41	100%	29	29	100%
Total	**1,163**	**1,163**	**100%**	**1,011**	**1,011**	**100%**
Total permanent workers						
Male	928	928	100%	910	910	100%
Female	5	5	100%	5	5	100%
Total	**933**	**933**	**100%**	**915**	**915**	**100%**

10 Health and safety management system:

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

Yes, the safety and health management system covers activities across most of SEL's manufacturing locations, offices, research laboratories and supply chain partners and ensures the protection of the environment and the health and safety of its employees, contractors, visitors and relevant stakeholders.

13 out of 17 plants are covered by ISO - 45001 (TUV NORD).

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

SEL has implemented a Hazard Identification and Risk Assessment (HIRA) system for identifying workplace hazards, undertaking risk assessments, implementing necessary controls as per the level of risk and eliminating or minimising the identified risks.

SEL identifies all the potential work-related incidents through the hazard identification process and conducts a likelihood assessment to estimate the frequency or probability of occurrence.

Risk reduction measures are implemented to prevent incidents (reduce the likelihood of their occurrence) or control incidents (limit the extent and duration of a hazardous event) and mitigate the adverse effects or consequences. In addition to this, the Company has prepared an Emergency Preparedness Plan, a Mock Drill Record Evaluation Checklist, a Risk assessment and OCP - Operation control procedure/Standards to minimise work-related hazards, among others.

SEL ensures HIRA for all activities and products and conducts HIRA studies on an annual basis or as and when required. The necessary guidelines are implemented in line with ISO 45001. The process owners are responsible for ensuring the necessary controls.

C Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, various mechanisms have been implemented to report work-related hazards as per ISO 45001:

a) Safety patrol

b) Risk assessment

c) Near miss report

A system is available for near miss reporting, reportable and non-reportable accidents. The incidents are reported using the respective formats to the Plant EHS Officer, who in turn reports to the Plant head and maintenance team. Corrective measures, if any, are then identified and implemented by the Plant EHS and maintenance team.

To mitigate work-related hazards, SEL conducts emergency mock drills and safety drills as well as engages in capacity building and awareness sessions to equip its employees and workers with safety protocols and risk management steps.

D Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, employees/workers of the entity have access to non-occupational medical and healthcare services. These include services for issues, such as road accidents on the way to office/home, medical insurance for employees and provision of Company ambulance facilities in case of any emergency (extended to families of the employees).

SEL ensures overall well-being of its employees and workers by providing health insurance, term insurance, accident insurance, regular health check-up and workshops for the mental well-being of employees.

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

Safety incident/number	Category	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
Lost Time Injury Frequency Rate (LTIFR) (per one mn-person hours worked)	Employees	0	0
	Workers	0.046	0.051
Total recordable work-related injuries	Employees	0	0
	Workers	1	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

Along with being a certified Great Place to Work (GPTW) workplace, SEL has adopted a management policy on quality, environment, occupational health and safety that depicts its commitment to prevent injury or any health hazard for all of its stakeholders.

1. Employees and workers are provided with suitable PPE, access to occupational health centres and periodic health examinations.
2. When performing work on specified machines, LOTO (Lockout Tagout) procedures have been reinforced for all maintenance staff to avoid unforeseen events and increase workforce productivity.
3. An action plan is prepared based on any accidents that may have occurred on the worksite and measures to avoid similar accidents in the future.
4. Training and awareness sessions are also conducted, such as fire safety, mock drills, NC handling, chemical safety, road safety, core & shaft operation, DWM, DOJO 8 steps training, 5 senses (relevant while working on the shopfloor), specific process operation modules on machining, forging, heat treatment, quality inspection, packaging, vehicle and trolley movement, among others.
5. Health and safety audits are conducted once a month to verify and identify any gaps in the environment and legal requirements of the plants.

13 Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current financial year)			FY 2021-22 (Previous financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	-	0	0	-
Health & safety	0	0	-	0	0	-

14 Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health & safety practices	EOHS internal system audit - 100% external third-party audit was conducted by M/s. TUV NORD - 100%
Working conditions	EOHS internal system audit - 100% external third-party audit was conducted by M/s. TUV NORD - 100%

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

All critical factors involved in an incident are determined through root cause analysis & investigation and corrective/ preventive actions are identified to prevent recurrence. Corrective action to be taken is identified and implemented by the process owners, Plant EHS and maintenance team.

On November 24, 2022, during a usual operation, the trimming operator was using the machine simultaneously with the hot padding loader. The hot padding loader was responsible for removing the cut pieces from the piercing area. Unfortunately, the trimming operator accidentally pressed the button, leading to an injury on their right-hand fingers and palm.

Root cause:

1. Miscommunication between the trimming operator and hot padding loader
2. The hot padding loader cleared the pierced cut piece, which was the responsibility of the trimming operator, without notifying them beforehand

Actions taken thereafter:

1. Light curtain sensors installed
2. Awareness training was given to the workers to adhere and follow the standard operating procedure

LEADERSHIP INDICATORS

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

Yes, SEL covers Group Term Life Insurance, Employee Deposit Linked Insurance (EDLI) and GPA for permanent employees and EDLI for temporary workmen.

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

The Company ensures remittance of all statutory dues, such as PF and ESI. SEL also verifies periodically on a monthly basis for contract employees. The Plant HR is responsible for this activity.

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

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
Employees	0	0	0	0
Workers	1	0	0	0

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

Yes, SEL provides ongoing training to ensure the employability of its employees and workers in the industry and not just within its own operations. In addition, the Company also extends the tenure of certain employees beyond retirement on a case by case basis.

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

% of value chain partners (by value of business done with such partners) that were assessed

Health & safety practices		Working conditions
	29%	

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

Working conditions and incident details are verified during supplier audits. Corrective actions are verified for the non-conformances raised during the audit through follow-up audits via virtual/onsite visits.

There have been no significant risks/concerns identified to date.

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

ESSENTIAL INDICATORS

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

Key stakeholders are determined depending on how the given stakeholder groups have an immediate impact on the operations and workings of the Company or how much of a material influence SEL's business decisions and results have on them.

The Company has identified employees, customers, investors, vendors, contractors, collaborators/technical partners, the local community and government/regulators as its key stakeholders.

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

S. no.	Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (Annually/half yearly/quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employees	No	Employee communication through emails, target setting through PMS, performance appraisal meetings, emails, SMS, WhatsApp groups, websites, publications, newsletters, display notices of policies at various locations, covered in training plan, SEL's intranet (IMS,ESS-employee self-service software) whereby employees can access policies, social media, such as LinkedIn, townhall meetings (monthly plant-wise), sunrise meetings, DWM - Daily work Management, safety committee meetings, POSH meetings, Grievance Committee meetings, canteen committee meetings.	Periodically	Long-term strategy plans, training & awareness, health, safety and engagement initiatives. Enhance employee volunteerism, safety trainings and awareness of regulatory updates.
2	Investors	No	Seminars, conferences, official communication channels, regulatory audits/inspections, environmental compliance, policy intervention, websites, government portals, sheel legal software for communication, Ricago software - legal and regulatory updates, compliance escalation software periodically updated, Updates from forums such as Chamber of Commerce - highlights on legal requirements, HR community groups.	Annually, periodically, quarterly	Investors prefer to invest in organisations that are socially and environmentally responsible.
3	Customers	No	Website, publications, mass media & digital communications, plant visits, dealer's meet, conferences, customer surveys, social media and events.	Periodically	Product quality and availability.

S. no.	Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (Annually/half yearly/quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
4	Suppliers & service providers	No	Plant visits, supplier audits, professional networks, workshops and trainings, supplier performance monitoring (monthly).	Periodically	Quality, timely delivery and payments, ISO and OSHA standards followed by supply chain.
5	Government and regulatory bodies	No	Seminars/conferences, official communication channels, regulatory audits/inspections, website, government portals and notices.	Periodically	Guiding in terms of understanding government schemes in the same area (if any) for increased effectiveness. Resolution of compliance-related queries if any.
6	Communities	Yes	Meets (of community/local authority and town council/committee/location head/SWOT council), community visits and projects, partnership with local charities, volunteerism, seminars/ conferences.	Periodically, need-based	Please refer to the following link for information about the Company's community engagements: https://sansera.in/sansera-foundation
7	Bankers	No	Annual reports, press releases, earnings call, investor meets, one-on-one calls and meetings, investor conferences.	Periodically, need- based	Financing-related investment.

LEADERSHIP INDICATORS

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

A board-level ESG committee has been formed by SEL. The ESG committee is in charge of informing the Board of changes as they occur and soliciting feedback from the Directors. Continuous stakeholder interaction helps the organisation align its operations with ESG, enabling it to better serve its stakeholders. This is complemented with an in-depth examination of relevant ESG issues by the committee.

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

Yes, SEL regularly communicates and collaborates with its key stakeholders, allowing them to work on their ESG topics and share transparent updates. They also conduct periodical evaluations to update policies based on regulations and stakeholder feedback. Feedback capture mechanisms such as safety committee meetings, grievance committee meetings, canteen committee meetings and POSH committee meetings were incorporated after suggestions were made by SEL's management team. All committee meetings follow a two-way communication protocol.

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

Please refer to the following link for information about SEL's community engagements:

https://sansera.in/sansera-foundation

SANSERA ideas@work

PRINCIPLE 5 Businesses should respect and promote human rights

ESSENTIAL INDICATORS

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

Category	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1,160	1,160	100%	995	995	100%
Other than permanent	3	3	100%	16	16	100%
Total Employees	1,163	1,163	100%	1,011	1,011	100%
Workers						
Permanent	933	933	100%	915	915	100%
Other than permanent	6,634	6,634	100%	6,386	6,386	100%
Total Workers	7,567	7,567	100%	7,301	7,301	100%

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

Category	FY 2022-23 Current financial year					FY 2021-22 Previous financial year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1,119	0	0%	1,119	100%	966	0	0%	966	100%
Female	41	0	0%	41	100%	29	0	0%	29	100%
Other than permanent										
Male	3	0	0%	3	100%	16	0	0%	16	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	1,163	0	0%	1,163	100%	1,011	0	0%	1,011	100%

Category	FY 2022-23 Current financial year					FY 2021-22 Previous financial year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent										
Male	928	0	0%	928	100%	910	0	0%	910	100%
Female	5	0	0%	5	100%	5	0	0%	5	100%
Other than permanent										
Male	6,543	0	0%	6,543	100%	6,386	0	0%	6,386	100%
Female	91	0	0%	91	100%	95	0	0%	95	100%
Total	6,634	0	0%	6,634	100%	6,481	0	0%	6,481	100%

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

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹)	Number	Median remuneration/ salary/wages of respective category (₹)
Board of Directors (BoD)	5	1,48,90,560	1	-
Key Managerial Personnel	5	1,65,40,000	0	-
Employees other than BoD and KMP	1,119	5,15,052	41	4,60,050
Workers	7,471	2,22,444	96	2,03,004

The board of directors receives a fixed commission and sitting fees, which cannot be considered remuneration. ₹ 14.89 mn is the median managerial remuneration for executive directors in the BoD.

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

   Yes, a grievance handling committee is present to address the same.

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

   If an employee faces any difficulty that interferes with his/her performance, the concerned employee can report the same and seek redressal. However, the employee is expected to follow the appropriate process of informing/discussing with his/her immediate supervisor as the first step.

   The aggrieved employee can submit the grievance in writing to the Department Head and HR department in the event of his/her supervisor failing to resolve the grievance within a week from the date of representation or if he/she is not satisfied with the decision of the supervisor.

   The employee is allowed to approach management through the HR department only if the grievance is not resolved by the Department Head and HR department. Preferably, the employee will be expected to provide prior information to their supervisor about their intent. The HR department will always be available to facilitate and resolve grievances.

   The Management will look into the grievances with due diligence, and the decision made thereon will be given in writing to the aggrieved employee within five working days.

   If the grievance is not satisfactorily resolved, the Head of HR, will invite the employee to a further meeting with a third-party or external consultant who has not been involved in the grievance procedure so far. The decision made thereon would be given in writing to the aggrieved employee in a week's time.

   Grievances received through the Union Committee will be discussed periodically based on requirements in the presence of the Management team and Union team.

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

	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child labour	Nil	Nil	-	Nil	Nil	-
Forced labour/involuntary labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights-related issues	Nil	Nil	-	Nil	Nil	-

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

SEL has a dedicated policy against any form of discrimination based on race, sex, nationality, religion, age, disability, sexual orientation, medical condition or language, as protected by the law.

Additionally, the Company has a Prevention of Sexual Harassment Policy (POSH) and Internal Committees (IC) at each location to address any issues related to sexual harassment at the workplace. The investigation process ensures strict confidentiality of the matter, the complainant and witnesses. In case the complainant feels targeted, he/she can inform the Internal Committees and the required action will be taken to ensure the complainant's safety.

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

Yes

9 **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/ involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

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

There were no significant risks/concerns arising from the human rights assessments.

LEADERSHIP INDICATORS

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

SEL is committed to providing a safe and positive work environment. The Company strives to uphold the basic principles of human rights in all its operations. This is in alignment with its codes and policies. The Company regularly sensitises its employees on the code of conduct, human rights and freedom to form associations through various training and awareness programmes.

2 **Details of the scope and coverage of any human rights due-diligence conducted**

No human rights due-diligence is conducted at this stage. However, SEL is looking into incorporating the same in the next financial year.

3 **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, for visitors with disabilities, the Company has a visitors office on the ground floor. Newer plants, like Plant 11 (Bidadi) are being designed with more consideration for differently-abled visitors.

4 **Details on assessment of value chain partners:**

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	29%
Discrimination at workplace	29%
Child labour	29%
Forced/ involuntary labour	29%

Category	% of value chain partners (by value of business done with such partners) that were assessed
Wages	29%

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

Working conditions and incident details are verified during supplier audits. Corrective actions are verified for the non-conformances raised during the audit through follow up audits by virtual/onsite visits.

There have been no significant risks/concerns identified to date.

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

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

Parameter	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
Total electricity consumption (A) (in GJ)	1,90,663	2,12,461
Total electricity generated internally from Turbine Generator (B) (in GJ)	0	0
Total electricity generation from renewable sources (C) (in GJ)	1,96,468	1,21,222
Total fuel consumption (D) (in GJ)	82,769	44,686
Total energy consumption (A+B+C+D) (in GJ)	4,69,900	3,78,369
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	22.48 GJ/ ₹ mn	21.68 GJ/ ₹ mn
Energy intensity (optional) – per tonne of production (GJ/T)	-	-
Note: Indicate if any independent assessment/evaluation/ assurance has been carried out by an external agency? **(Y/N)** If yes, name of the external agency.	No	

2 **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not applicable to SEL, as it is not a designated consumer.

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

Parameter	FY 2022-2023	FY 2021-2022
Water withdrawal by source (in kilolitres)		
i Surface water	0	0
ii Groundwater	67,170	80,165
iii Third party water	1,17,826	93,500
iv Seawater/desalinated water	0	0
v Other – Rainwater	18,938	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,03,934	1,73,665
Total volume of water consumption (in kilolitres)	1,83,596	1,56,301
Water intensity per rupee of turnover (Water consumed/turnover)	8.78 KL/₹ mn	8.96 KL/₹ mn
Water intensity **(optional)** – per tonne of production (KL/T)	85.27	90.82

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? **(Y/N)** If yes, name of the external agency.

No

4 **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation**

Yes, ETP and STP have been implemented in the plants. Out of 17 plants, 4 have ETP and STP and 15 have STP. Two non-manufacturing plants have a soak pit and septic tank. All plants do not discharge outside the plant boundary. Treated water is used for gardening purposes.

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

Parameter	Please specify unit	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
NOx	MT	2.22	1.94
SOx	MT	18.5	16.15
Particulate matter (PM)	SEL undertakes third-party lab testing for each of these air emission parameters, including NOx and SOx on a quarterly basis at all its locations to ensure the parameters are within permissible limits. This is done in addition to the Company's internal monitoring systems. The Company also submits the reports to the concerned authority and pollution board.		
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes

Madhav Associates approved by MoEF. MITCON Consultancy & Engineering Services Ltd. | Pune - MoEF approved lab

Universal analysis lab- NABL – TC5023 – Haryana

Win met technologies private limited – UP – MoEF approved lab

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	CO2 in MT	6,414	5,555
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	CO2 in MT	37,603	46,623
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO2e/₹ mn	2.106	2.99
Total Scope 1 and Scope 2 emission intensity **(optional)** – per ton of production	-	-	-

7 **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

SEL has taken steps to reduce their GHG emissions. This includes:

1. Installation of solar panels on the rooftop of 1200 KW capacity
2. Procurement of wind & solar energy which adds up to 54% of total consumption across all plants (80% in Karnataka plants)
3. Auto power cut-off of machinery and equipment during idle time
4. Usage of heat pump instead of electric heater for washing machine
5. Procurement of IE3 motors with 93% energy efficiency
6. Waste heat recovery from compressors used in washing machines
7. Aluminium Transair pipes used for compressed air distribution
8. Implementing Green Building concept for all the hangers and being IGBC certified

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

Parameter	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	127.82	72.7
E-waste (B)	11.56	5.9
Bio-medical waste (C)	0.01	0.013
Construction and demolition waste (D)	250	1,000
Battery waste (E)	7.5	17
Radioactive waste (F)	0	0
Other hazardous waste. Please specify, if any. (G)	1,487.3	1,274
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	24,571.32	16,220.4
Total (A+B + C + D + E + F + G + H)	**26,455.51**	**18,590.013**

Parameter	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i Recycled	5,018	6,459
ii Reused	0	0
iii Other recovery operations	0	0
Total	5,018	6,459
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
i. Incineration	317	339
ii. Landfill	116	141
iii. Other disposal methods	3,956	8,332
Total	4,389	8,812

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? **(Y/N)** If yes, name of the external agency.

No

9 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

SEL has established the following waste management practices:

1. Segregation of all the waste at source with colour coded bins
2. Separate storage locations for hazardous and non-hazardous waste. Both are stored via 3C method (covered, concrete container)
3. Maintained quantity register for generation and disposal (Form -3, 8 & 10)
4. SEL has a monitoring and measurement plan where there are initiatives like recollection of cotton waste and recollection of used oil using a centrifugal pump, re-use of plastic bins & cans are also undertaken. Continual improvements on reducing the usage of oils, acids etc. (Kaizens are done)
5. The procedure for waste management, as described in Environmental Occupational Health and Safety Procedure-20, 23A and 24 is followed

10 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

SEL does not have any plants around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests and coastal regulation zones).

S. no.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

11 **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

S. no.	Name and brief details of project	EIA notification no.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not applicable						

12 **Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, SEL is compliant with all the applicable environmental laws.

S. no.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Nil	-	-	-

LEADERSHIP INDICATORS

1 **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
From renewable sources		
Total electricity consumption (A)	1,96,468	1,21,222
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	1,96,468	1,21,222
From non-renewable sources		
Total electricity consumption (D)	1,90,663	2,12,461
Total fuel consumption (E)	82,769	44,686
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	2,73,432	2,57,147

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? **(Y/N)** If yes, name of the external agency.

No

2	Parameter	FY 2022-23	FY 2021-22
	Water discharge by destination and level of treatment (in kilolitres)		
(i)	To surface water		
	- No treatment	0	0
	- With treatment – please specify level of treatment	0	0
(ii)	To groundwater		
	- No treatment	0	0
	- With treatment – please specify level of treatment	0	0
(iii)	To seawater		
	No treatment	0	0
	With treatment – please specify level	0	0
(iv)	Sent to third parties		
	No treatment	0	0
	With treatment – please specify level	0	0
(v)	Others		
	No treatment	0	0
	With treatment – please specify level	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? **(Y/N)** If yes, name of the external agency.

Yes, Madhav Associates.

3 Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

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

i Name of the area

Not applicable

ii Nature of operations

Not applicable

iii Water withdrawal, consumption and discharge in the following format:

Not applicable

Parameter	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
Water withdrawal by source (in kilolitres)	0	0
To surface water	0	0
To groundwater	0	0
To seawater	0	0
Sent to third-parties	0	0
Others	0	0
Total volume of water withdrawal (in kilolitres)	0	0
Total volume of water consumption (in kilolitres)	0	0

Parameter		FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
Water intensity per rupee of turnover (Water consumed/turnover)		0	0
Water intensity **(optional)** – the relevant metric may be selected by the entity		0	0
Water discharge by destination and level of treatment (in kilolitres)		0	0
To surface water	No treatment	0	0
	With treatment – please specify level of treatment	0	0
To groundwater	No treatment	0	0
	With treatment – please specify level of treatment	0	0
To seawater	No treatment	0	0
	With treatment – please specify level of treatment	0	0
Sent to third-parties	No treatment	0	0
	With treatment – please specify level of treatment	0	0
Others	No treatment	0	0
	With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)		0	0

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? **(Y/N)** If yes, name of the external agency.

NA

4 Please provide details of total Scope 3 emissions & its intensity, in the following format

Parameter	Unit	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	-	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity **(optional)** – the relevant metric may be selected by the entity	-	-	-
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? **(Y/N)** If yes, name of the external agency	-	-	-

5 With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities

SEL does not have any plants around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests and coastal regulation zones, among others). The Company is in industrial areas/estates, as a result its impact on biodiversity is minimal.

6 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. no.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Efficient preventive maintenance measures for DG and furnaces	Periodical maintenance is carried out to avoid unwanted breakdowns	Increased efficiency
2	STP and ETP	STP - waste water is treated and used for gardening ETP - Effluents are treated and sent to an authorised agency and treated water is used for gardening	Reduced water consumption
3	Solar and wind energy usage	Solar and wind are power used for utility power consumptions	CO2 emission reduced (Scope 2)
4	Eco-friendly coolant used to reduce load on the ETPs	Eco-friendly-based coolant is used to increase the life and reduce the operating cost of the ETP	Reduced natural resource consumption

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

Yes, SEL has an effective Business Continuity Management System (BCMS) in place. The Company has put in place measures to maintain business continuity during disruptive incidents & unnatural events.

SEL ensures the implementation of an effective BCMS by:

1. Enterprise risk management framework and processes
2. Identification of risks and a proactive approach to treating impacts
3. Allocation of adequate resources and management energy required for business continuity management systems
4. Improvement of internal systems, capabilities and redundancies
5. Delineation of BCMS and Disaster Management Plans as per National Disaster Management Authority guidelines and keeping the organisation's constituents prepared to deal with such circumstances appropriately
6. Compliance with all relevant laws, regulations and international standards (ISO 22301) across its areas of operation
7. Communication of policy, training of key stakeholders, testing the readiness of the organisation and reviewing it periodically

8 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

SEL conducts system and sustainability assessments before onboarding a supplier. If the supplier is determined to be at high risk (significant impact to the environment), the supplier is not onboarded.

Through this process the Company endeavours to minimise the impact of the value chain on the environment.

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

29%

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

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

6

1 b List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to, in the following format

	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	The Automotive Component Manufacturers Association of India (ACMA)	National
2	Society of Indian Aerospace Technologies and Industries (SIATI)	National
3	Confederation of Indian Industry	National
4	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
5	Bidadi Industries Association (BIA)	State
6	Bangalore Chamber of Industry and Commerce	State

2 **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

No incidents related to anti-competitive conduct have occurred.

S. no.	Name of authority	Brief of the case	Corrective action taken
Not applicable			

LEADERSHIP INDICATORS

1 **Details of public policy positions advocated by the entity:**

S. no.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/half yearly/ quarterly/others – please specify)	Web link, if available
Not applicable					

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

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

S. no.	Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not applicable						

2 **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format**

S. no.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in ₹)
Not applicable						

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

Investor grievance contact details have been made available on SEL's website.

This is applicable to all stakeholders in the Company including communities. All grievances are resolved within a week. Furthermore, in person complaints made to the respective plants are directed to plant management for further steps and resolution.

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

	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
Directly sourced from MSMEs/small producers	5%	5%
Sourced directly from within the district and neighbouring districts	Within district - 2% Neighbouring district - 3%	Within district - 2% Neighbouring district - 3%

LEADERSHIP INDICATORS

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

Details of negative social impact identified	NA
Corrective action taken	NA

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

State	NA
Aspirational district	NA
Amount spent (in ₹)	NA

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

No

From which marginalized/vulnerable groups do you procure?

NA

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

NA

4 **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Sl. no.	Intellectual property based on traditional knowledge	Owned/acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

5 **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the case	Corrective action taken
Not applicable		

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

S. no.	CSR project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	School , education development programs (27 Government schools)	7,500	100% rural and semi urban people
2	Infrastructure development - Hebbagodi police station, School auditorium, Victoria Hospital - Canopy shelter	1,265	Government school - Below poverty line students - 100% utilised
3	Scholarship programs to students from PUC to Degree courses	160	Economically weaker sections - 100%
4	Education support at Vivek nagar slum dwelling Girl students (School fees, evening snacks)	430	Girl slum students - 430 out of 4000 students -10.75%
5	TB eradication Abhiyan (Nutrition support program) - Anekal Taluk	958	Economically weaker sections - 100% identified patients
6	Drinking water facilities - 2 units (Heelalige, Hale Chandapura)	4,000	Rural people > 20% of population at facility provided area
7	Blood donation camps through Sansera employees - 618 UNITS	2,472	100% (Thalassemia patients)

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

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

SEL has a B2B business model. The Company's Quality Team ensures that its customers receive quality products and is also responsive to cater to their grievances if need be.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Environmental and social parameters relevant to the product, safe and responsible usage, recycling and/or safe disposal are not being calculated as percentages of total turnover.
Safe and responsible usage	
Recycling and/or safe disposal	

3 Number of consumer complaints in respect of the following:

Category	FY 2022-23 (Current financial year)			FY 2021-22 (Previous financial year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

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

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, SEL places a strong emphasis on cyber security. While electronic communication is essential for effective work and business success, the Company carries risks to data protection and information security. The Company prioritises the protection of official documents and data from unauthorised access. When using the internet, it is important to avoid retrieving or forwarding any content that could incite racial hatred, glorify violence or contain offensive material. The Company is committed to maintaining a secure and responsible online environment for all employees.

The Company has an Information Technology Acceptable Use Policy and Privacy Policy, which are confidential; hence, the link cannot be provided.

6 **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

No incidents related to the same have occurred in the assessment year.

LEADERSHIP INDICATORS

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

This information is available on SEL's website.

https://sansera.in/

2 **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

NA

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

NA

4 **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

No

5 **Provide the following information relating to data breaches:**

a **Number of instances of data breaches along-with impact**

0

b **Percentage of data breaches involving personally identifiable information of customers**

0%

REPORT ON CORPORATE GOVERNANCE

ANNEXURE 8

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages fairness, transparency, professionalism, accountability, reliability, credibility, and equity in all facets of its operation and its interaction with its stakeholders.

Sansera governance practices reflect values, and its Code of Conduct provides a necessary framework in running the business with the highest standards, enabling the Company to fulfil its legal, financial, and ethical objectives towards its stakeholders. The Company as well as its subsidiaries have adopted a Code of Conduct for its directors and senior officers which encompasses an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. The Company discloses information regarding its financial position, performance and other vital matters with fairness and transparency on a timely manner, keeping in mind the regulatory requirements applicable to the Company.

I. BOARD OF DIRECTORS:

(A) COMPOSITION OF THE BOARD AND CATEGORY OF DIRECTORS ("BOARD")

The composition of the Board of Directors of the Company is governed by the provisions of the Companies Act, 2013, ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), wherever applicable and as amended from time to time.

As on March 31, 2023, the Company has six directors. Out of six directors two are Executive Director, one is Non-Executive Nominee Director and three are Non-Executive Independent Directors including one women director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act. The Directors of the Company are people of eminence having vast and varied experience in manufacturing, marketing, technology, finance, human resource and business administration.

The composition of the Board, directorship and Committee positions as on March 31, 2023 is as under:

Table 1: Composition of the Board of Directors

Name of Director	Category	Attendance Particulars			No. of Directorships and committee memberships/Chairmanships in Indian Companies as on March 31, 2023			Directorships in other listed entity (category of directorship)
		Number of Board Meetings		Last AGM	Number of Directorship(s) held in Indian Companies including the Company (i)	Committee membership(s) held in Indian Public Limited Companies including the Company (ii)*	Committee Chairmanships held in Indian Public Limited Companies including the Company (ii)	
		Held	Attended					
Mr S Sekhar Vasan (DIN: 00361245)	Executive	6	6	Yes	1	1	0	Nil
Mr F R Singhvi (DIN: 00233146)	Executive	6	6	Yes	1	0	0	Nil
Mr Raunak Gupta (DIN: 06624489)	Non-Executive Nominee	6	5	Yes	1	0	0	Nil
Mrs Revathy Ashok (DIN: 00057539)	Independent (ID)	6	6	Yes	6	6	2	1. AstraZeneca Pharma India Limited (ID) 2. Welspun Corp Limited (ID) 3. ADC India Communications Limited (ID) 4. Quess Corp Limited (ID) 5. ADC India Communications Limited (ID)

Name of Director	Category	Attendance Particulars			No. of Directorships and committee memberships/Chairmanships in Indian Companies as on March 31, 2023			Directorships in other listed entity (category of directorship)
		Number of Board Meetings		Last AGM	Number of Directorship(s) held in Indian Companies including the Company (i)	Committee membership(s) held in Indian Public Limited Companies including the Company (ii)*	Committee Chairmanships held in Indian Public Limited Companies including the Company (ii)	
		Held	Attended					
Mr Lakshminarayan M. (DIN: 00064750)	Independent (ID)	6	6	Yes	6	7	2	1. TVS Electronics Limited (ID) 2. ZF Commercial Vehicle Control Systems India Limited (ID) 3. Wendt India Limited (ID) 4. ASM Technologies Limited (ID) 5. Suprajit Engineering Limited (ID)
Mr Samir Purushottam Inamdar (DIN: 00481968)**	Independent (ID)	6	4	Yes	1	2	0	Nil
Mr Sylvain Bilaine (DIN:00128817) – refer note v below	Independent (ID)	6	1	No	1	0	0	Nil

Note:

i. Excludes Directorship in private limited companies, foreign companies, high value debt listed entities and Section 8 Companies.

ii. Includes only Audit & Stakeholders' Relationship Committees.

iii. None of the Directors are inter-se related to each other and none of the Non-Executive and Independent Directors hold any shares of the Company.

iv. None of the Directors is a member of more than ten (10) Committees or Chairperson of more than five (5) Committees across all Public Limited Companies based on confirmation received from the directors.

v. Mr Sylvain Bilaine ceased to be a director of the Company w.e.f. July 28, 2022, due to completion of his second term of office as an Independent Director of the Company.

* The details provided includes the membership count and the count in which the director is Chairman in the Audit & Stakeholders' Relationship Committee pursuant to FAQ issued by NSE vide its mail dated January 12, 2023.

**Mr Samir Purushottam Inamdar was appointed as Independent Director w.e.f. May 23, 2022 and his appointment was approved by members of the Company at the 40th AGM held on August 18, 2022.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Core Skills / Expertise / Competencies available with the Board

The Board of Directors has identified the following skills/expertise/competencies with reference to its business and industry that are fundamental for the effective functioning of the Company:

Sr. No.	Skill Area
1.	Strategic thinking, Planning and Management
2.	Entrepreneurial and Leadership skills
3.	Business Development
4.	Accounting, Legal and Financial Management expertise
5.	Global Exposure
6.	Automobile Industry Experience
7.	Board Services and Governance
8.	Regulatory Compliance and Stakeholder Management

The directors so appointed are from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

Name of the Director	Strategic Thinking, Planning and Management	Entrepreneurial and Leadership skills	Marketing and Branding	Accounting, Legal and Financial Management expertise	Global Exposure	Automobile Industry Experience	Board Service and Governance	Regulatory Compliance and Stakeholder Management
Mr S Sekhar Vasan	✓	✓	✓	✓	✓	✓	✓	✓
Mr F R Singhvi	✓	✓	✓	✓	✓	✓	✓	✓
Mr Raunak Gupta	✓	✓	✓	✓	✓	✓	✓	✓
Mrs Revathy Ashok	✓	✓	✓	✓	✓	✓	✓	✓
Mr Lakshminarayan Muthuswami	✓	✓	✓	✓	✓	✓	✓	✓
Mr Samir Purushottam Inamdar	✓	✓	✓	✓	✓	✓	✓	✓
*Mr Sylvain Bilaine	✓	✓	✓	✓	✓	✓	✓	✓

* Mr Sylvain Bilaine ceased to be a director of the Company w.e.f. July 28, 2022, due to completion of his second term of office as an Independent Director of the Company.

(B) INDEPENDENT DIRECTORS

The Independent Directors have submitted declarations under Regulation 25(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 including amendments, if any (hereinafter referred as Listing Regulations) stating that they meet the criteria of Independence as per Section 149(6) of the Companies Act, 2013 alongwith compliance under in Rule 6 (1) and (3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations. Based on the above declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence pursuant to Companies Act, 2013 and Listing Regulations and that they are independent of the Management.

In terms of provisions of the Act and the Listing Regulations, 2015, Mr Samir Purushottam Inamdar was appointed as Independent Director w.e.f. May 23, 2022 for a period of five years and his appointment was approved by members of the Company at the 40th AGM held on August 18, 2022 and Mr Sylvain Bilaine ceased to be director of the Company w.e.f. July 28, 2022, due to completion of his second term of office as an Independent Director of the Company.

The letter of appointment encompassing the terms and conditions of appointment, roles, duties and liabilities of Independent Directors is available on the website of the Company.

Board Meetings Procedures

The Board meets at least 4 (four) times in a year i.e., once every quarter to review the quarterly and year to date results along with other items on the agenda. The Board also meets as and when required to address specific issues concerning the business of the Company.

The Board meetings are governed by a structured agenda. The agenda along with the detailed explanatory notes, presentations and supporting material are circulated to the members of the Board in advance before each meeting to facilitate effective decision making. The Board members are also apprised on a regular basis, by the Chairman & Managing Director and Joint Managing Director on the overall performance of the Company and key developments and achievements.

The Board has complete access to any information within the Company which includes the information as specified in Schedule II, Part A to Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are updated about their roles and responsibilities in the Company. Any amendments in Listing Regulations are discussed with all directors with action points, if any required by the Company.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and steps taken by the Company to rectify instances of non-compliances, if any.

The Company in accordance with the provisions of Companies Act, 2013 and the Rules made thereunder provides facility to the Directors to attend the meetings through video conferencing mode in line with various notifications/ circular issued by the Ministry of Corporate Affairs and SEBI from time to time.

The proceedings of each of the meetings of the Board and its Committees are captured in accordance with the provisions of the Companies Act, 2013 including Secretarial Standards as applicable and the Companies (Meetings of the Board and its Powers) Rules, 2014.

During the Financial Year 2022-23, 6 (Six) Board meetings of the Company were held on May 23, 2022, August 05, 2022, August 28, 2022, November 07, 2022, February 06, 2023 and March 29, 2023. The details of attendance of each directors at the Board Meetings and at the last Annual General Meeting (AGM) are provided in Table 1 of this report.

Familiarization programs

Familiarization programs for all Independent Directors were conducted during the year under review as per the provisions of Regulation 25(7) and 46 of the Listing Regulations. Some of such programs were covered as a part of the Board meeting. The Company will continue to plan for programs which will keep all Independent directors updated on their roles, rights, responsibilities in the Company as an Independent Director.

The policy on Familiarization Programs and details of familiarization programs in terms of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are available on the website of the Company: www.sansera.in

Independent Directors Meeting

The Independent Directors Meeting in accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and the Rules made thereunder and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was held on March 27, 2023, without the presence of Non-Independent Directors and executive members of the management.

The Independent Directors in their meeting have assessed the quality, quantity and timeliness of flow of information between the management and the Board of Directors that is necessary for the board to effectively and reasonably perform their duties.

Performance Evaluation

The Nomination & Remuneration Committee of the Company, in accordance with the provisions of Companies Act, 2013 and the Rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 laid down the criteria for the Performance Evaluation of the Board, each Committee and every Director including Independent Directors and Chairman.

Accordingly, the performance evaluation of the Board, each Committee, every Director including Independent Directors and Chairman was carried out for the financial year on March 29, 2023. All the Directors were participative, interactive, and communicative during the evaluation process.

Criteria for Performance Evaluation of independent directors:

The criteria for evaluation of Independent Directors broadly covers director participation, managing relationships, knowledge and skill, personal attributes and independence.

Code of Conduct

The Company has stipulated a Code of Conduct for all Directors and the Senior employees of the Company ("the Code"). The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been placed on the Company's website:

The Code has been circulated to the Directors and all Senior employees of the Company and its compliance is affirmed by them for the financial year ended on March 31, 2023. A declaration signed by the Chairman & Managing Director of the Company is published in this Report.

II. COMMITTEES OF THE BOARD

The Board has constituted six (6) committees of the Board namely Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Environmental, Social and Governance Committee as per the Companies Act, 2013 and Listing Regulations.

The proceedings of the meetings are captured in the same manner as the Board meeting. The minutes of the Committee meetings were tabled at the Board meeting and the members of the Board are briefed on the important discussions and deliberations by the Chairperson of each Committee.

Audit Committee

The Audit Committee of Board of Directors of the Company has been constituted as per the provisions of Regulation 18 of Listing Regulations read with Section 177 of the Companies Act, 2013 including amendments, if any. All members of the Audit Committee are Independent Directors and are financially literate and have sound accounting and related financial management expertise. The Company Secretary acts as secretary to the Audit Committee.

The members of the Audit Committee met four (4) times during financial year 2022-23 i.e., on May 23, 2022, August 05, 2022, November 07, 2022 and February 06, 2023.

The maximum time gap between two consecutive meetings did not exceed 120 (One Hundred and Twenty) days. Also, the necessary quorum was present in all the above meetings.

The composition of the Committee and attendance of each member at the Audit Committee meetings held during the FY 2022-23 is as below:

Sl. Nos.	Name of the Member	Designation	Category	Nos. of meeting attended
1	Mrs Revathy Ashok	Chairperson	Independent	4
2	Mr Lakshminarayan Muthuswami	Member	Independent	4
3	Mr F R Singhvi*	Member	Executive	3
4	Mr Samir Purushottam Inamdar*	Member	Independent	1

*The Audit Committee of the Company was re-constituted by the Board of Directors at its meeting held on November 07, 2022, wherein Mr Samir Purushottam Inamdar, an Independent Director, was appointed as a member of Committee in place of Mr F R Singhvi. With this changes in composition, all members of the Audit Committee comprise of Independent Directors.

Terms of reference:

The terms of reference of the Audit Committee are in line with Section 177 of the Act and the Listing Regulations, including amendments, if any.

The powers of the Audit Committee are as follows:

1. To investigate activity within its terms of reference;
2. To seek information from any employees;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary; and
5. To have full access to the information contained in the records of the Company."

The Audit Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and result of operations.

b) Management letters/letters of internal control weaknesses issued by the statutory auditors.

c) Internal audit reports relating to internal control weaknesses.

d) The appointment, removal and terms of remuneration of the chief internal auditor.

e) Statement of deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and

(ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

Nomination and Remuneration Committee

The Company has duly constituted Nomination & Remuneration Committee as per the Regulation 19 of the Listing Regulations, read with Section 178 of the Companies Act, 2013 and the Rules made thereunder. All the members of the Committee are Non-Executive Directors including 2 Independent Directors. The Company Secretary acts as secretary to the Nomination and Remuneration Committee.

During the Financial Year 2022-23, two (2) meetings of the Committee were held on May 23, 2022 and August 05, 2022.

Sl. Nos.	Name of Member	Designation	Category	Nos. of meeting attended
1	Mrs Revathy Ashok	Chairperson	Independent	2
2	Mr Sylvain Bilaine*	Member	Independent	1
3	Mr Raunak Gupta	Member	Non-Executive Nominee	2
4	Mr Samir Purushottam Inamdar*	Member	Independent	1

*The Nomination and Remuneration Committee of the Company was re-constituted by the Board of Directors at its meeting held on May 23, 2022, wherein Mr Samir Purushottam Inamdar was appointed as member of Committee in place of Mr Sylvain Bilaine.

Terms of Reference:

The terms of reference of the Nomination & Remuneration Committee are in line with Section 178 of the Act and the Listing Regulations, including amendments, if any.

Remuneration Policy

i) The Remuneration Policy of the Company is based on the following criteria: Performance of the Company.

ii) Track record, potential and individual performance.

iii) External competitive environment and

iv) Balance between the fixed and incentive pay.

The Nomination & Remuneration Committee decides and take decisions on such policy based on various factors (both internal and external) , subject to approval of Board and shareholders of the Company, as may be required.

Remuneration of Directors:

The Directors have no pecuniary relationship with the Company other than receiving remuneration approved by the shareholders. Non-Executive Nominee Director is not entitled to any remuneration including sitting fee. Independent directors are entitled to sitting fee and fixed commission as approved by the shareholders.

The remuneration payable to the Managing Director and Senior Management Personnels including KMP are structured as fixed and variable components as per the Company's Policy.

Details of Remuneration paid for the FY 2022-23:

Executive Directors:

S. Nos.	Name	Amount (₹ in Mn)
1	S Sekhar Vasan	14.89
2	F R Singhvi	14.89

Non- Executive Independent Director

S. Nos.	Name	Sitting Fee (₹ in Mn)	Commission (₹ in Mn)
1	Mrs Revathy Ashok	0.25	1.20
2	Mr Lakshminarayan Muthuswami	0.26	1.20
3	Mr Sylvain Bilaine*	-	0.46
4	Mr Samir Purushottam Inamdar**	0.16	1.00

*Mr Sylvain Bilaine ceased to be a director of the Company w.e.f. July 28, 2022, on completion of his second term of office as an Independent Director of the Company. He was paid fixed remuneration accordingly for such period only.

**Mr Samir Purushottam Inamdar was appointed as Independent Director w.e.f. May 23, 2022 and accordingly remuneration was paid to him for such period only.

Stakeholders' Relationship Committee (SRC)

The Stakeholders' Relationship Committee of the Company has been duly constituted in line with the provisions of Regulation 20 of Listing Regulations read with Section 178(5) the Companies Act, 2013. The Committee looks into shareholders'/ investors' grievances including any other matters as may be decided by SRC.

During the financial year, four (4) meetings of the Committee was held on May 23, 2022, August 05, 2022, November 07, 2022 and January 31, 2023 respectively.

Mr Rajesh Kumar Modi is the Company Secretary & Compliance Officer of the Company.

Composition of SRC:

S. Nos.	Name of Member	Category	Designation	Nos of meetings attended
1	Mr Lakshminarayan Muthuswami	Independent	Chairperson	4
2	Mr S Sekhar Vasan	Executive	Member	3
3	Mr F R Singhvi*	Executive	Member	3
4	Mr Samir Purushottam Inamdar*	Independent	Member	1

*The Stakeholders' Relationship Committee of the Company was re-constituted by the Board of Directors at its meeting held on November 07, 2022, wherein Mr Samir Purushottam Inamdar, an Independent Director, was appointed as member of Committee in place of Mr F R Singhvi.

Terms of reference:

The terms of reference of the SRC are in line with Section 178(5) of the Act and the Listing Regulations, including amendments, if any.

Details of Shareholders'/Investors' Complaints:

The status of the shareholders' complaints received during the Financial Year 2022-23 are as follows:

Particulars/ Nature of complaints	Pending as on April 01, 2022	Received during the year	Disposed of during the year	Pending as of March 31, 2023
Related to IPO refund	0	15	15	0

The Company has obtained authentication on SEBI SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 to address and resolve redressal of investor grievances through SCORES.

Risk Management Committee (RMC)

The Company has duly constituted RMC pursuant to the provisions of Regulation 21 of Listing Regulations.

During the FY23, two (2) RMC meetings were held on August 05, 2022 and January 31, 2023.

Composition and Attendance of RMC:

Sl . Nos.	Name of Member	Designation	Category	Nos. of meeting Attended
1	Mr Samir Purushottam Inamdar*	Chairperson	Independent	2
2	Mrs Revathy Ashok*	Chairperson	Independent	-
3	Mr Raunak Gupta	Member	Non-Executive Nominee	1
4	Mr F R Singhvi*	Member	Executive	1
5	Mr Muthuswami Lakshminarayan*	Member	Independent	1

*The Risk Management Committee of the Company was re-constituted by the Board of Directors during the FY 2022-23 as provided below:

i. On May 23, 2022, Mr Samir Purushottam Inamdar was appointed as Chairperson of RMC in place of Mrs Revathy Ashok.

ii. On November 07, 2022, Mr Muthuswami Lakshminarayan was appointed as member of Committee in place of Mr F R Singhvi.

Terms of reference:

The terms of reference of the Risk Management Committee are in line with the Listing Regulations, including amendments, if any.

Corporate Social Responsibility Committee (CSR)

The Company has a duly constituted Corporate Social Responsibility (CSR) Committee in line with section 135 of the Companies Act, 2013 and the Rules made thereunder. During year two (2) CSR meetings were held on May 23, 2022 and January 31, 2023.

Composition and Attendance of CSR:

S. Nos.	Name of Member	Designation	Category	Number of meetings Attended
1	Mr S Sekhar Vasan	Chairperson	Executive	1
2	Mr Sylvain Bilaine*	Member	Independent	1
3	Mr F R Singhvi	Member	Executive	2
4	Mrs Revathy Ashok*	Member	Independent	1

*The CSR Committee of the Company was re-constituted by the Board of Directors at its meeting on May 23, 2022, wherein Mrs Revathy Ashok was appointed as a member of CSR Committee in place of Mr Sylvain Bilaine.

Terms of reference:

The terms of reference of the CSR are in line with Section 135 of the Act including applicable rules, if any.

Environmental, Social and Governance Committee (ESG)

The Board of Directors at its meeting held on November 07, 2022 had constituted Environmental, Social and Governance Committee (ESG) in line with Listing Regulations as per detail provided below:

S. Nos.	Name of Member	Designation	Category
1	Mrs Revathy Ashok	Chairperson	Independent
2	Mr Muthuswami Lakshminarayan	Member	Independent
3	Mr F R Singhvi	Member	Executive

Terms and references:

a. The Committee shall guide the Company and its group in developing and implementing the ESG Strategy, Initiatives and Policies for the Company.

b. The Committee shall review emerging risks and opportunities associated with ESG issues related to the Company that have the potential to impact reputation and business performance of the Company in consultation with the Risk Management Committee of the Board.

c. The Committee shall ensure that the Company is taking appropriate measures to implement actions to further its ESG Strategy.

d. The Committee shall review and oversee the development and implementation of targets, standards and metrics established by the management to assess and track the Company's ESG performance.

e. The Committee shall, from time to time as it deems appropriate, review and re-assess the adequacy of corporate governance structure and practices, including the Corporate Governance Guidelines, and recommend any proposed changes to the Board.

f. The Committee shall review any statutory requirements for Sustainability reporting including reporting under the Annual Report of the Company.

g. The Committee may review and guide for providing any voluntary public disclosure on ESG matters including any material sustainability reports.

h. The Committee shall review the performance and results of key ESG investor surveys and global benchmarks.

i. The Committee has the authority to obtain advice and assistance from internal or external experts, advisors in implementing best practices in the Company. The Committee shall have the authority to approve related fees and retention terms of the external experts/advisors.

j. The Committee may form and delegate authority to sub-committees or any official subject to the provisions of applicable laws, as may be deemed appropriate.

k. The Committee shall oversee the Company's engagement with stakeholders on ESG issues, including in response to any proposals or other concerns that have been submitted to the Company.

l. The Committee shall periodically report to the Board on ESG matters including Company's ESG strategy, initiatives, policies, performance, public disclosures, and engagement with stakeholders.

m. To perform such other duties, tasks and responsibilities relevant to the purpose of the ESG, the Committee as may from time to time be requested by the Board of Directors.

The quorum of the meeting shall be minimum 2 directors. No meeting was held during the year under review.

III. SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian Subsidiary as defined under Regulation 16(1)(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The minutes of the subsidiaries along with any significant transaction or arrangement entered into by any of its unlisted subsidiary companies, are placed before the Board on a quarterly basis for its noting. The Audit Committee reviews the financial statements including investments made by the unlisted subsidiary companies of the Company on a quarterly basis. A policy for determining "material subsidiaries" are available on the website of the Company.

IV. DISCLOSURES

A. Basis of related party transactions

Transactions with the Related Parties, as per the requirements of Indian Accounting Standard (Ind AS) and Listing regulations are disclosed in the notes to accounts to the Financial Statements. The related party transactions are placed before the Audit Committee meetings for its approval and review on a quarterly basis and the same are also filed with the stock exchanges on half yearly basis. The policy on related party transactions is available on the website of the Company.

B. Disclosure of accounting treatment

The Company has not followed any differential treatment from that prescribed under Accounting Standards, for the preparation of Financial Statements during the year under review.

C. Board disclosures – Risk management

The Company has laid down systems to inform Audit Committee and the Board about the risk assessment and minimization procedures. The risks and company's mitigation strategies are discussed and reviewed by the Board of Directors and Risk Management Committee on a regular basis, whenever required, to ensure effective controls.

D. Code of Conduct

The Board of Directors has approved a policy relating to Code of Conduct for its Board Members and Senior Management as required under Regulation 17 (5) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and the same is available on the Company's website.

E. Proceeds from public issues, rights issues, preferential issues etc.

No funds were raised by the Company through public issue/right issue/preferential issues etc. during the year under review.

F. Management

A detailed report on Management Discussion and Analysis is attached as **Annexure 1** in the Annual Report. During the year, there have been no material financial and commercial transactions made by the management, where they have personal interest that may have a potential conflict with the interest of the Company.

G. Sexual Harassment of Women at Workplace

The Company has in place a Prevention of Sexual Harassment Policy and an Internal Complaints Committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013.

The Company did not receive any complaint during the year under review.

H. Shareholders:

i. Means of Communication

Financial Results & Company's Website

The Company's quarterly and annual financial results and any presentation made to the analysts are posted on the Company's website (www.sansera.in). In accordance with the Listing Regulations, the quarterly financial results are generally published in one English newspaper i.e.; Business Standard/ or Financial Express and in one local newspaper Vishwavani / or Prajavani (Kannada) pursuant to Regulation 47 of the Listing Regulations. Financial Results and all material related information are also regularly provided to the Stock Exchanges as per the applicable provisions of Listing Regulations, 2015.

Investors Calls

Earnings conference calls are conducted after the announcement of quarterly/ half yearly/ annual financial results wherein the management updates the investors on the progress made by the Company and also answers their queries. The audio recording and call transcripts are uploaded on the websites of stock exchanges i.e., BSE and NSE and are also made available on the website of the Company.

Disclosure regarding appointment or re-appointment of Directors

Disclosure regarding Directors seeking appointment/ re-appointment in the 41st Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 are provided in the notes appended to the Notice of 41st Annual General Meeting.

The details of Stakeholders Relationship Committee are given in this report.

The details of Share Transfer Systems are given in this report.

I. Details of Non-Compliance

No penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the year under review.

J. Details of Compliance with Mandatory/Non-Mandatory requirements of the Listing Regulations

The Company has complied with the applicable provisions of the Listing Regulations and the disclosure relating to adoption of Non-mandatory / Discretionary requirements are detailed as under:

Disclosure relating to adoption of Discretionary Requirements:

(a) The Board: The Company has an Executive Chairman.

(b) Shareholders' Right: The Company does not mail the Unaudited Half-yearly Financial Results individually to its Shareholders. However, these are published in one English and one local newspaper and are also posted on the website of the Company.

(c) Modified Opinion(s) in Audit Report: NIL

(d) Reporting of Internal Auditor: The Internal Auditors report to the Audit Committee on a quarterly basis.

(e) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Mr S Sekhar Vasan is the Chairperson and the Managing Director of the Company. Mr B R Preetham is the Group CEO of the Company. Mr F R Singhvi is the Joint Managing Director of the Company.

K. Vigil Mechanism/ Whistle-blower Policy

The Company has adopted Whistle – blower Policy and has established necessary Vigil mechanism in line with Regulation 22 of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and the Companies Act, 2013, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The said policy is available on the Company's website.

L. CEO/CFO Certification

As required under the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, a certificate from CEO and CFO was placed at the Board meeting held on May 22, 2023.

M. There was no such instance during FY23 when the Board had not accepted any recommendation of any Committee of the Board.

N. Dividend Distribution Policy

The Company has adopted Dividend Distribution Policy pursuant to Regulation 43A of the Listing Regulations and the said policy is available on the Company's website.

O. Details of Compliance with non-mandatory requirements of the Listing Regulations and adoption of non-mandatory requirements

The Company has complied with all applicable mandatory requirements of Listing Regulations, 2015 and certain discretionary disclosures requirements were also undertaken.

P. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the listed entity at large.

There were no material significant related party transaction during the year under review. The policy on dealing with related party transactions has been disclosed on the Company's website.

Q. Commodity price risk or foreign exchange risk and hedging activities

The Company has managed the foreign exchange risk and the transactions have been hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in the Financial Statements.

R. List of all credit ratings obtained by the Company along with any revisions thereto, for all debt instruments of the Company or any fixed deposit program or any scheme or proposal of the Company involving mobilization of funds, whether in India or Abroad

ICRA Limited ("ICRA") and India Rating has reaffirmed the long-term rating as [ICRA]AA- (stable) and IND AA- (stable) during the year under review. The details of the ratings were uploaded on the websites of stock exchanges and on website of the Company.

S. Details of utilization of funds of Preferential Allotment/ QIP.

No funds were raised funds through Preferential Allotment/QIP during the year under review.

T. Certificate from Practicing Company Secretary

The Company has obtained a certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority in accordance with Listing Regulations and is enclosed at the end of this Report.

U. Fees paid to Statutory Auditors

For details regarding fees paid by the Company and its subsidiaries to the statutory auditors for the year under review are stated in the financial statements attached with this Report.

REPORT ON CORPORATE GOVERNANCE (Contd.)

V. Disclosure pertaining to 'Loans and advances in the nature of loans to firms/companies in which directors of the Company are interested'.

N.A.

W. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

N.A

V. GENERAL BODY MEETINGS

Details in respect of the last three (3) General Meetings of the Company are as mentioned below:

Financial Year	Date of AGM/EGM	Venue	Time	Special Resolutions items
2019-20	September 27, 2019 (Approval of audited accounts of March 31, 2020)	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bangalore 560105	11.30 am	-
	January 17, 2020	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bangalore 560105	11.30 am	- Creation of charge/ mortgage/security on the assets of the Company upto ₹ 750 Cr.
2020-21	December 24, 2020 (Approval of audited accounts of March 31, 2021)	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bangalore 560105	11.00 am	-
	August 31, 2020	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bangalore 560105	11.00 am	- Creation of charge/ mortgage/security on the assets of the Company upto ₹ 1,000/- Cr.
2021-22	August 31, 2021	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bangalore 560105.	10.30 am	- Adoption of Amended Sansera Engineering Limited Employee Stock Option Plan, 2015. - Adoption of Amended Sansera Engineering Limited Employee Stock Option Plan, 2018
	August 18, 2022 (Approval of audited accounts of March 31, 2022)	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bangalore 560105 through video conference facility	11:00 am	- Approval of certain articles of the Articles of Association of the Company* - Appointment of Mr Samir Purushottam Inamdar as Independent Director and fixing of remuneration - Ratification of Sansera Engineering Limited Employee Stock Option Plan 2018. - Ratification to extend benefits of Sansera Engineering Limited – Employee Stock Option Plan 2018 (ESOP 2018) to Employees of Subsidiary Company(ies) of the Company. - Creation of Charge on the Assets of the Company.

*The said resolution was not approved.

Special Resolution through Postal Ballot

No Special Resolution was passed through postal ballot in the year under review.

V. GENERAL SHAREHOLDER INFORMATION

1	Date of Incorporation	:	December 15, 1981	
2	Registration No./CIN No.	:	L34103KA1981PLC004542	
3	Registered Office/Address for Correspondence	:	Plant 7, No. 143/A, Bommasandra Industrial Area, Jigani Link Road, Bengaluru 560105. Tel No.: +91 80 27839081/82/83 Fax No.: +91 80 27839309 Email id: rajesh.modi@sansera.in Website: www.sansera.in	
4	Date, Time and Venue of 41st AGM	:	September 08, 2023 at 11.00 a.m. (IST) via Video Conferencing/ Other Audio-Visual Mean	
5	Book Closure Dates	:	September 02, 2023 to September 08, 2023 (both days inclusive)	
6	Dividend Payment Date	:	On or before September 20, 2023.	
7	Financial Year	:	April 01, 2022 to March 31, 2023	
8	Financial Calendar for 2023-24 (Tentative and subject to change)	:	Financial reporting for the first quarter ending June 30, 2023	1st week of August 2023
			Financial reporting for the second quarter ending September 30, 2023	2nd week of November 2023
			Financial reporting for the third quarter ending December 31, 2023	2nd week of February 2024
			Financial reporting for the year ending March 31, 2024	3rd week of May 2024
			Annual General Meeting for the Financial Year ending March 31, 2024	On or before September 2024
9	Listing on Stock Exchanges (Listed on September 24, 2021)	:	BSE Limited, Mumbai (BSE) Scrip Code: 543358	National Stock Exchange of India Limited. (NSE) Scrip Symbol: SANSERA
10	ISIN of the Company	:	INE953O01021	
11	Payment of Listing fee	:	Listing fee for the financial year 2023-24 has been paid to BSE and NSE within its due date.	
12	Registrar & Transfer Agent	:	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400083 Tel No. +91 22 4918 6000; Fax +91 22 4918 6060 email: rnt.helpdesk@linkintime.co.in Contact Person Name: Mr Mahesh Masurkar	
13	Dematerialization of Equity Share of the Company as on March 31, 2023	:	5,27,12,040 equity shares (i.e., 99.59%) of total equity as on March 31, 2023 are in demat form.	
14	Unclaimed Equity Dividend	:	There is no unclaimed dividend as on March 31, 2023.	

Share Transfer System

The Company's shares, being in the compulsory demat, are transferable through the depository system. However, shares held in physical form are processed by the Registrar & Share Transfer Agent in co-ordination with the Company. Securities of the listed companies can be transferred only in dematerialized form w.e.f. April 01, 2019. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, mandated all listed companies to issue securities in dematerialized form only, while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

The Company obtains on a yearly basis, a certificate from a Company Secretary in Practice confirming that the issue of share certificates for transfer, sub-division, consolidation etc., and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of SEBI Listing Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the SEBI Listing Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on a yearly basis.

Shareholding Pattern of the Company as of March 31, 2023.

S Nos.	Category	Number of Equity Shares	%
1	Promoters and Promoters Group	1,87,86,178	35.49
2	Foreign Venture Capital Investors	1,49,06,544	28.16
3	Mutual Funds	60,28,104	11.39
4	Foreign Portfolio Investors (Corporate)	52,63,567	9.95
5	Insurance Companies	28,86,974	5.45
6	Alternate Investment Funds – III	85,794	0.16
7	Clearing Members*	6,560	0.01
8	Other Bodies Corporate	2,79,097	0.53
9	Foreign Company	2,17,500	0.41
10	Hindu Undivided Family	1,38,675	0.26
11	Non-Resident Indians	1,80,772	0.34
12	Trusts	687	0.00
13	Body Corporate - LLP	21,295	0.04
14	Public	40,87,676	7.73
15	Key Managerial Personnel	40,117	0.08
	Total	**5,29,29,540**	**100.00**

* These shares are lying in pool account of NSDL and CDSL.

Distribution Schedule as on March 31, 2023

No. of Shares		No. of Shareholders	% of total	No. of Shares Held	% total
1	500	71,941	98.74	25,72,707	4.86
501	1000	466	0.64	3,44,389	0.65
1001	2000	205	0.28	3,01,929	0.57
2001	3000	72	0.10	1,82,217	0.34
3001	4000	28	0.04	96,852	0.18
4001	5000	25	0.03	1,12,062	0.21
5001	10000	42	0.06	2,98,674	0.57
10001	....	81	0.11	4,90,20,710	92.62
TOTAL		**72,860**	**100.00**	**5,29,29,540**	**100.00**

Details of shares held in Suspense Account:

Sl. No.	Nos of shareholders	Outstanding shares held in demat or unclaimed suspense account	Voting rights which are frozen	Remarks
1	1	20	20	These shares are related to IPO of the Company. The Company has issued many reminders to concerned shareholder to claim the shares lying in our suspense account, but no response has been received from the said shareholder till date.

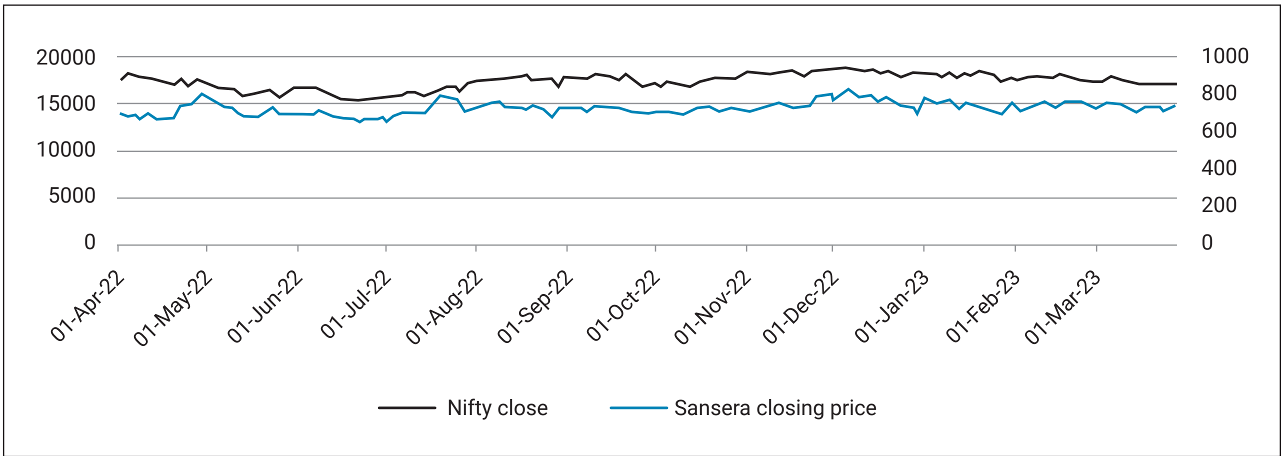
Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Nil

Market Price Data:

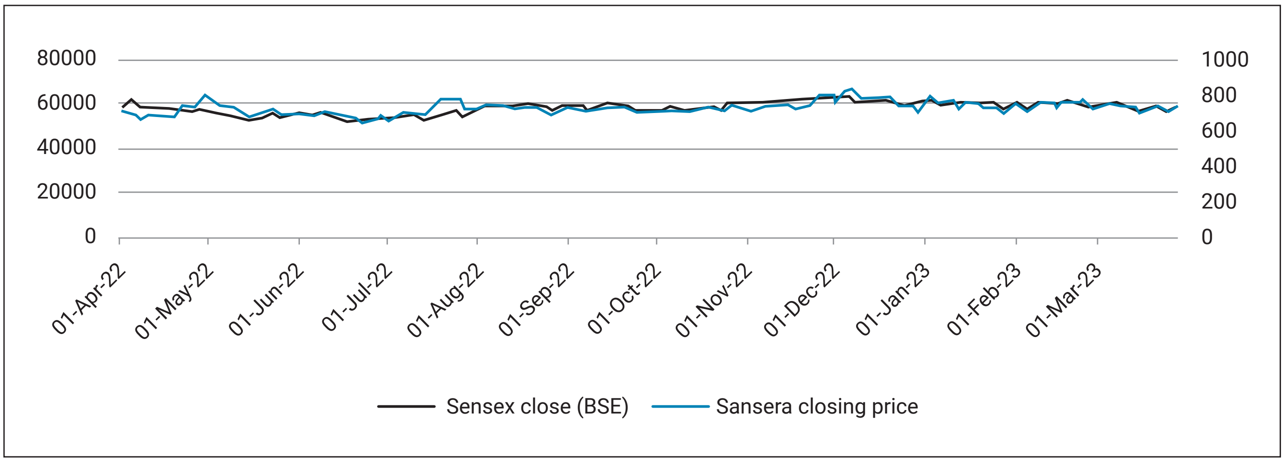
The monthly high and low quotations of the Company's equity shares traded on BSE and NSE during each month of the financial year ended March 31, 2023 are as follows:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2022	827.95	657.35	823.10	651.60
May 2022	808.90	661.65	808.00	662.00
June 2022	708.50	636.00	707.95	642.40
July 2022	800.00	654.00	800.00	654.10
August 2022	760.45	673.05	755.00	672.85
September 2022	751.75	673.23	760.40	673.25
October 2022	737.75	682.50	736.60	683.00
November 2022	811.75	706.20	813.60	700.25
December 2022	826.95	835.00	835.95	704.70
January 2023	793.00	697.05	789.00	697.10
February 2023	770.45	703.00	770.00	703.00
March 2023	753.05	703.85	750.00	705.15

Share performance chart of the Company in comparison to broad based indices



REPORT ON CORPORATE GOVERNANCE (Contd.)



Plant Locations:

The Company and its subsidiaries have 17 manufacturing facilities at various locations across India including one outside India in Sweden.

In India, the plants are located at Bengaluru, Tumkur, Manesar, Mehsana, Pune and Pantnagar. For more details on address of plants, please visit our website www.sansera.in

Address of Correspondence:

Mr Rajesh Kumar Modi
Company Secretary
Sansera Engineering Limited
Plant-7, No.143/A, Jigani Link Road,
Bommasandra Industrial Area,
Anekal Taluk, Bangalore-560105.
E-mail id: rajesh.modi@sansera.in
Phone: No.+91 80 27839081/ 82/ 83

For transfer/dematerialization of shares, change of address of members and other queries:

Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai 400083
email: rnt.helpdesk@linkintime.co.in
Tel No. +91 22 4918 6000; Fax +91 22 4918 6060
Contact Person Name: Mr Mahesh Masurka

VII. NON-COMPLIANCE OF REGULATIONS RELATING TO CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, IF ANY

All the requirements of Corporate Governance Report of sub paragraphs (2) to (10) Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been duly complied with.

VIII. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUBREGULATION (2) OF REGULATION 46.

The Company has complied with the Corporate Governance requirements specified in regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable.

Place: Bangalore
Date: May 22, 2023

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
Sansera Engineering Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sansera Engineering Limited having CIN L34103KA1981PLC004542 and having registered office at Plant-7, No.143/A, Jigani Link Road Bommasandra Industrial Area, Anekal Taluk, Bangalore-560105, Karnataka, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of Director	DIN	Designation
1.	Mr S Sekhar Vasan	00361245	Executive Director, (Chairman & Managing Director)
2.	Mr F R Singhvi	00233146	Executive Director, (Joint Managing Director)
3.	Mr Raunak Gupta	06624489	Non-Executive - Nominee Director
4.	Mrs Revathy Ashok	00057539	Non-Executive - Independent Director
5.	Mr Lakshminarayan Muthuswami	00064750	Non-Executive - Independent Director
6.	Mr Samir Purushottam Inamdar	00481968	Non-Executive - Independent Director

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 BMP & Co., LLP
Company Secretaries

Sd/-
Pramod S M
Partner
FCS: 7834 COP. 13784
UDIN: F007834E000350440
PR No. L2017KR003200

Place: Bengaluru
Date: May 22, 2023

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Sansera Engineering Limited

We have examined the compliance of conditions of Corporate Governance of Sansera Engineering Limited ("the Company"), for the purpose of certifying of the Corporate Governance under Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 01, 2022 up to March 31, 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of 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 the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance 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 BMP & Co., LLP
Company Secretaries

Sd/-
Pramod S M
Partner
FCS No. 7834 CP No.13784
UDIN: F007834E000350429
PR No. L2017KR003200

Place: Bengaluru
Date: May 22, 2023

DECLARATION REGARDING COMPLIANCE ON THE COMPANY'S CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

I, B. R. Preetham, Group Chief Executive Officer of Sansera Engineering Limited hereby confirm that the Company has adopted a Code of Conduct ("Code") for its Board Members and Senior Management Personnels, and the Code is available on the Company's website: www.sansera.in

I, further confirm that the Company has in respect of the financial year ended on March 31, 2023, received from its Board Members as well as Senior Management Personnels, a declaration of compliance with the Code of Conduct pursuant to Regulation 26(3) of the Listing Regulations.

B. R. Preetham
Group Chief Executive Officer

Place: Bengaluru
Date: May 22, 2023

CEO/ CFO CERTIFICATION

Certificate by the Chief Executive Officer and Chief Financial Officer as per Regulation 17(8) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015

The Board of Directors
Sansera Engineering Limited

We, B R Preetham, Group Chief Executive Officer and Vikas Goel, Chief Financial Officer of the Company, hereby certify to the Board that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of their knowledge and belief:

    1. 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 these 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 have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and 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 have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee.

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

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

    3. instances of significant fraud of which we are 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.

Place: Bengaluru	**B R Preetham**	**Vikas Goel**
Date: May 22, 2023	Group CEO	CFO

INDEPENDENT AUDITOR'S REPORT

To The Members of Sansera Engineering Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Sansera Engineering Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and Report on Corporate Governance but does not include the consolidated financial statements, standalone financial statements and our auditor's reports 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

   c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

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

   e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

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

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 37 to the standalone financial statements.

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

      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, as disclosed in the note 54(c) to the standalone financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever 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, as disclosed in the note 54(d) to the standalone financial statements, 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, 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,

INDEPENDENT AUDITOR'S REPORT (Contd.)

security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed 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. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 56 to the standalone financial statements, 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 proposed is in accordance with section 123 of the Act, as applicable.

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 Company w.e.f. April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Monisha Parikh
Partner
(Membership No.47840)
UDIN: 23047840BGUCKL8197

Place: Bengaluru
Date: May 22, 2023
MP/MS/SS/2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report 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 Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **Sansera Engineering Limited** ("the Company") as of 31 March 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 with reference to standalone financial statements 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 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 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

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

subject to the risk that the internal financial control with reference to standalone 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, to the best of our information and according to the explanations given to us the Company has, in all material respects, 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 31 March 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Monisha Parikh
Partner
(Membership No.47840)
UDIN: 23047840BGUCKL8197

Place: Bengaluru
Date: 22 May, 2023
MP/MS/SS/2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) In respect of property, plant and equipment and intangible assets:

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

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

(b) The Company has a program of verification of property, plant and equipment, including capital work in-progress and right-of-use assets, so to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of property	As at the Balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of Company
	Gross carrying value (₹ million)	Carrying value in the financial statements (₹ million)				
Plot No. 143-B-8, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099	0.62	0.62	Gearock Forge Private Limited	No	From April 01, 2017, effective date as per the approved scheme	The title deeds are in the name of an erstwhile subsidiary Company that was merged with the Company during the year 2017-18 under section 233 of the Companies Act, 2013 as per the Order received from the Ministry of Corporate Affairs. Not transferred in the name of the Company due to an ongoing dispute.
	0.66	0.66	Gearock Forge Private Limited	No	From April 01, 2017, effective date as per the approved scheme	
Site No. A1, Khata No. 344, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	0.24	0.24	Gearock Forge Private Limited	No	From April 01, 2017, effective date as per the approved scheme	
Plot No. 143-C-2, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	3.08	3.08	Gearock Forge Private Limited	No	From April 01, 2017, effective date as per the approved scheme	
	3.57	3.57	Gearock Forge Private Limited	No	From April 01, 2017, effective date as per the approved scheme	

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations directly received by us from security trustees. In respect of immovable properties that have been taken on lease and disclosed in the financial statements as right of use asset as at the balance sheet date, the lease agreements are duly executed in favour of the Company.

(d) The Company has not revalued any of its property, plant and equipment, including Right of use assets, and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets of the Company. In our opinion and according to the information and explanations given to us, the quarterly returns (comprising of stock statements, ageing analysis of debtors and creditors, current borrowings outstanding and sales) filed by the Company with such banks or financial institutions till the date of this report are in agreement with the unaudited books of account of the Company of the respective quarters (quarters ended June 30, 2022; September 30, 2022; December 31, 2022 and March 31, 2023). The Company is yet to submit the revised return for the quarter ended March 31, 2023 with the banks or financial institutions based on audited books of accounts of the Company for the year ended March 31, 2023.

(iii) The Company has not made investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid ## (₹ million)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2016-17	5.08*
			FY 2019-20	24.46**
		National Faceless Appeal Centre	FY 2018-19	7.23
The Finance Act 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal, Bengaluru	April 2007 to June 2017	23.27#
			January 2018	4.33
		Commissioner of Central Excise and Service Tax Appeal, Bengaluru	January 2007 to March 2011	1.28
			January 2017 to June 2017	0.82
Entry of Goods Act, 1979	Entry Tax	Karnataka Appellate Tribunal	April 2009 to March 2010	2.26

The amounts presented above are as per demand order including interest thereon

* Net of ₹1.28 million paid under protest

**Net of ₹6.11 million paid under protest

Net of ₹1.18 million paid under protest

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

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

(e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

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

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

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, 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 upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

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

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

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

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31 December 2022 and the final internal audit reports where issued after the balance sheet date covering the period 01 January 2023 to 31 March 2023 for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b) and (c) of the order is not applicable.

(b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi) (d) of the Order 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 of the Company during the year.

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

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Monisha Parikh
Partner
(Membership No.47840)
UDIN: 23047840BGUCKL8197

Place : Bengaluru
Date : 22 May, 2023
MP/MS/SS/2023

SANSERA
ideas@work

STANDALONE BALANCE SHEET

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
AS AT 31 MARCH 2023

(Amount in ₹ millions)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	3.a	11,800.84	10,265.53
Capital work-in-progress	3.b	650.78	1,080.64
Intangible assets	3.c	17.35	10.57
Right-of-use assets	3.d	280.56	327.09
Financial assets			
(i) Investments	4	980.04	980.04
(ii) Loans	5	5.86	12.67
(iii) Other financial assets	6	125.13	137.51
Current tax assets (net)	7.a	64.42	10.19
Other non-current assets	8	274.49	167.30
Total non-current assets		**14,199.47**	**12,991.54**
CURRENT ASSETS			
Inventories	9	3,258.27	2,346.31
Financial assets			
(i) Investments	10	6.73	5.97
(ii) Trade receivables	11	4,073.79	3,871.69
(iii) Cash and cash equivalents	12	350.99	273.32
(iv) Bank balances other than cash and cash equivalents	13	118.58	112.47
(v) Loans	14	29.63	23.78
(vi) Other financial assets	15	169.13	180.81
Other current assets	16	225.41	318.45
Total current assets		**8,232.53**	**7,132.80**
Total Assets		**22,432.00**	**20,124.34**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	17	105.86	104.31
Other equity	18	11,717.40	10,232.36
Total equity		**11,823.26**	**10,336.67**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	19	2,375.89	2,267.00
(ia) Lease liabilities	3.d	246.49	291.80
Provisions	20	-	55.01
Deferred tax liabilities (net)	21	665.12	615.00
Other non-current liabilities	22	487.40	509.82
Total non-current liabilities		**3,774.90**	**3,738.63**
CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	23	3,877.21	3,427.24
(ia) Lease liabilities	3.d	45.46	40.37
(ii) Trade payables	24		
- Total outstanding dues of micro enterprises and small enterprises		202.13	81.84
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,166.80	2,091.30
(iii) Others financial liabilities	25	174.43	119.94
Other current liabilities	26	343.75	173.73
Provisions	27	19.18	106.42
Current tax liabilities (net)	7.b	**4.88**	**8.20**
Total current liabilities		**6,833.84**	**6,049.04**
Total Equity and Liabilities		**22,432.00**	**20,124.34**

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.: 008072S)

Monisha Parikh
Partner
(Membership No. 47840)

Place : Bengaluru
Date : 22 May, 2023

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

F R Singhvi
Joint Managing Director
DIN: 00233146

B R Preetham
Chief Executive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place : Bengaluru
Date : 22 May, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS (INCLUDING OTHER COMPREHENSIVE INCOME)

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
FOR THE YEAR ENDED 31 MARCH 2023

(Amount in ₹ millions)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	28	20,900.95	17,450.04
Other income	29	187.30	170.87
Total Income		**21,088.25**	**17,620.91**
EXPENSES			
Cost of materials consumed	30	9,747.90	7,765.42
Changes in inventories of finished goods and work-in-progress	31	(661.14)	(206.11)
Conversion charges		741.74	610.17
Consumption of stores and spares		1,945.12	1,508.66
Power and fuel		879.48	777.62
Employee benefits expense	32	2,680.62	2,256.28
Finance costs	33	509.04	440.39
Depreciation and amortisation expenses	34	1,136.32	1,034.61
Other expenses	35	2,082.86	1,718.78
Total expenses		**19,061.94**	**15,905.82**
Profit before tax		**2,026.31**	**1,715.09**
Tax expense:	39		
Current tax		451.27	409.92
Tax relating to prior years		16.83	-
Deferred tax		56.21	23.60
Total tax expense		**524.31**	**433.52**
Profit for the year		**1,502.00**	**1,281.57**
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of the net defined benefit liability		(24.21)	25.78
Income tax relating to items that will not be reclassified to profit or loss		6.09	(6.49)
Other comprehensive income/(loss) for the year, net of income tax		**(18.12)**	**19.29**
Total Comprehensive Income for the year		**1,483.88**	**1,300.86**
Earnings per equity share (face value of ₹ 2 each)			
Basic (in ₹)	36	28.50	24.82
Diluted (in ₹)	36	27.92	23.93

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.: 008072S)

Monisha Parikh
Partner
(Membership No. 47840)

Place : Bengaluru
Date : 22 May, 2023

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

F R Singhvi
Joint Managing Director
DIN: 00233146

B R Preetham
Chief Executive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place : Bengaluru
Date : 22 May, 2023

STANDALONE STATEMENT OF CASH FLOWS

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
FOR THE YEAR ENDED 31 MARCH 2023

(Amount in ₹ millions)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities			
Profit before tax		2,026.31	1,715.09
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses	34	1,136.32	1,034.61
Income from government grants	29	(55.31)	(51.59)
Adjustment for rental concession		-	(4.12)
Interest Income	29	(11.26)	(13.41)
Fair value gain on financial instruments at fair value profit or loss	29	(0.76)	(0.39)
Gain on disposal of property, plant and equipment, net and Capital work-in-progress	29	(6.12)	(5.20)
Unrealised foreign exchange (gain)/loss, net		(65.00)	(15.05)
Employee stock compensation expense	32	58.72	76.60
Finance costs	33	509.04	440.39
Share of profit from investment in Limited Liability Partnership (LLP)	29	-	(4.17)
Operating cash flows before changes in operating assets and libilities		**3,591.94**	**3,172.76**
Changes in operating assets and libilities:			
Decrease/(increase) in trade receivables		(136.78)	(936.94)
Decrease/(increase) in other financial assets and other assets		99.27	(8.50)
Decrease/(increase) in inventories		(911.96)	(323.60)
Increase/(decrease) in trade payables		189.96	373.49
Increase/(decrease) in other liabilities		167.64	21.69
Increase/(decrease) in other provisions		(166.46)	(34.99)
Cash generated from operations		**2,833.61**	**2,263.91**
Income taxes paid, net		(525.65)	(402.95)
Net cash generated from operating activities (A)		**2,307.96**	**1,860.96**
Cash flows from investing activities			
Payments for property, plant and equipment		(2,244.44)	(2,423.10)
Purchase of intangible assets	3.c	(11.47)	(5.79)
Proceeds from disposal of property, plant and equipment		7.12	2.91
Proceeds from disposal of Capital work-in-progress		24.23	34.25
Receipt of government grant		6.56	-
Investment in Limited Liability Partnership (LLP)	b	-	(68.00)
Proceeds on redemption of investments in subsidiaries		-	101.60
Interest received	29	11.26	13.41
Share of profit from investment in Limited Liability Partnership (LLP)	29	-	4.17
Movement in fixed deposits, net	13	(6.24)	168.83
Net cash used in investing activities (B)		**(2,212.98)**	**(2,171.72)**
Cash flows from financing activities			
Proceeds/(repayments) of non-current borrowings:			
Proceeds		1,566.04	1,576.01
Repayments		(1,303.03)	(1,056.66)
Proceeds/(repayments) of current borrowings, net		315.20	329.37
Interest paid		(508.04)	(446.62)
Payment of principal portion of lease liabilities	3.d	(40.22)	(29.48)
Dividend payment		(105.26)	-
Proceeds from cross charges of ESOP expenses to Subsidiary		2.03	-
Proceeds from issue of equity share capital		47.21	81.54
Net cash (used in)/generated from financing activities (C)		**(26.07)**	**454.16**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**68.91**	**143.40**

STANDALONE STATEMENT OF CASH FLOWS
CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(Amount in ₹ millions)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash and cash equivalents at the beginning of the year	12	273.32	116.73
Effects of exchange gain on restatement of foreign currency cash and cash equivalents		8.76	13.19
Cash and cash equivalents at the end of the year (refer below)	12	**350.99**	**273.32**
For the purpose of statement of cash flows, cash and cash equivalents comprise the following:			
Cash on hand		0.67	0.81
Balance with banks - on current accounts		350.32	272.51
Cash and cash equivalents at the end of the year		**350.99**	**273.32**

See accompanying notes forming part of the standalone financial statements

Reconciliation between opening and closing balances in the standalone balance sheet for liabilities arising from financing activities:

Particulars	Opening balance	Cash flows		Non-cash movements		Closing balance
	April 01, 2022	Proceeds	Repayments	Additions (net)/Accruals	Fair value changes	31 March 2023
Non-current borrowings	3,308.90	1,566.04	(1,303.03)	-	(11.87)	3,560.04
Current borrowings *	2,385.34	315.20	-	-	(7.48)	2,693.06
Interest	8.70	-	(508.04)	509.04	4.12	13.82
Lease liabilities	332.17	-	(40.22)	-	-	291.95
Total liabilities from financing activities	**6,035.11**	**1,881.24**	**(1,851.29)**	**509.04**	**(15.23)**	**6,558.87**

Particulars	Opening balance	Cash flows		Non-cash movements		Closing balance
	01 April 2021	Proceeds	Repayments	Additions (net)/Accruals	Fair value changes	31 March 2022
Non-current borrowings	2,795.57	1,576.01	(1,056.66)	-	(6.02)	3,308.90
Current borrowings *	2,048.47	329.37	-	-	7.50	2,385.34
Interest	14.93	-	(446.62)	440.39	-	8.70
Lease liabilities	186.27	-	(29.48)	175.38	-	332.17
Total liabilities from financing activities	**5,045.24**	**1,905.38**	**(1,532.76)**	**615.77**	**1.48**	**6,035.11**

* Current borrowings are disclosed net of repayments/ proceeds.

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.: 008072S)

Monisha Parikh
Partner
(Membership No. 47840)

Place : Bengaluru
Date : 22 May, 2023

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

F R Singhvi
Joint Managing Director
DIN: 00233146

B R Preetham
Chief Executive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place : Bengaluru
Date : 22 May, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
FOR THE YEAR ENDED 31 MARCH 2023

A. Equity share capital

(Amount in ₹ millions)

Equity shares	No. of shares	Amount
Balance as at 01 April 2021	**4,69,36,500**	**93.87**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at 01 April 2021	**4,69,36,500**	**93.87**
Add: Shares issued on conversion Compulsorily Convertible Preference shares (CCPS) (refer note 17(ii))	44,41,350	8.88
Add: Shares issued on exercise of employee stock options (refer note 17(ii))	7,77,965	1.56
Balance as at 31 March 2022	**5,21,55,815**	**104.31**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at 31 March 2022	**5,21,55,815**	**104.31**
Add: Shares issued on exercise of employee stock options	7,73,725	1.55
Balance as at 31 March 2023	**5,29,29,540**	**105.86**

B. Instruments entirely equity in nature

(Amount in ₹ millions)

Compulsorily Convertible Preference Share	No. of shares	Amount
Balance as at 01 April 2021	**10,50,000**	**105.00**
Changes in Compulsorily Convertible Preference Share due to prior period errors	-	-
Restated balance as at 01 April 2021	**10,50,000**	**105.00**
Conversion of Compulsorily Convertible Preference shares (CCPS)	(10,50,000)	(105)
Balance as at 31 March 2022	**-**	**-**
Changes in Compulsorily Convertible Preference Share due to prior period errors	-	-
Restated balance as at 31 March 2022	**-**	**-**
Change in Compulsorily Convertible Preference Shares (CCPS)	**-**	**-**
Balance as at 31 March 2023	**-**	**-**

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

C. Other Equity

(Amount in ₹ millions)

Particulars	Reserves and Surplus						Total equity
	Capital reserve	Securities premium	Capital redemption reserve	Share options outstanding account	General reserve	Retained earnings	
Balance as at 01 April 2021	**8.00**	**1,216.76**	**0.55**	**182.00**	**135.51**	**7,132.69**	**8,675.51**
Conversion of A and B Series 0.0001% compulsorily convertible preference shares of ₹ 100 each	-	96.12	-	-	-	-	96.12
Compensation cost related to employee share based payment	-	-	-	76.60	-	-	76.60
Cross charges of ESOP expenses to Subsidiary	-	-	-	3.29	-	-	3.29
Transferred to securities premium	-	118.50	-	(38.52)	-	-	79.98
Profit for the year	-	-	-	-	-	1,281.57	1,281.57
Other Comprehensive Income:							
Remeasurement of the net defined benefit liability (Refer note below)	-	-	-	-	-	19.29	19.29
Balance as at 31 March 2022	**8.00**	**1,431.38**	**0.55**	**223.37**	**135.51**	**8,433.55**	**10,232.36**
Compensation cost related to employee share based payment	-	-	-	58.73	-	-	58.73
Cross charges of ESOP expenses to Subsidiary	-	-	-	2.03	-	-	2.03
Final dividend for the financial year ended 31 March 2023	-	-	-	-	-	(105.26)	(105.26)
Transferred to securities premium	-	134.06	-	(88.40)	-	-	45.66
Profit for the year	-	-	-	-	-	1,502.00	1,502.00
Other Comprehensive Income:							
Remeasurement of the net defined benefit liability (Refer note below)	-	-	-	-	-	(18.12)	(18.12)
Balance as at 31 March 2023	**8.00**	**1,565.44**	**0.55**	**195.73**	**135.51**	**9,812.17**	**11,717.40**

In accordance with Notification G.S.R 404(E), dated 06 April 2016, as included in amended Schedule III, the Company has recognised remeasurement of defined benefit plans amounting to ₹ (18.12) million (31 March 2022 ₹ 19.29 million) as a part of retained earnings.

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.: 008072S)

Monisha Parikh
Partner
(Membership No. 47840)

Place : Bengaluru
Date : 22 May 2023

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

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Joint Managing Director
DIN: 00233146

B R Preetham
Chief Executive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place : Bengaluru
Date : 22 May 2023

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

COMPANY OVERVIEW

Sansera Engineering Limited ("the Company") was incorporated on December 15, 1981 under the provisions of the Companies Act, 1956 with its registered office and principal place of business in Bengaluru, Karnataka. The Company is involved in the business of manufacture of auto components such as rocker arms, connecting rods, gear shifters, crank shafts, and aerospace components. It is also involved in providing services such as forging and other related services.

1. BASIS OF PREPARATION

A. STATEMENT OF COMPLIANCE

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

B. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These Standalone financial statements are presented in Indian Rupees (`), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

C. BASIS OF MEASUREMENT

The standalone financial statements have been prepared on the historical cost basis except for the following items:

- Derivative instruments at fair value;
- Net defined benefit (asset)/liability at fair value of plan assets less present value of defined benefit obligations;
- Current investments at fair value through statement of profit and loss and
- Share based payment transactions at fair value.

D. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 is included in the following notes:

- Note 2.1, 2.2, 3.a and 3.c - Depreciation and amortisation method and useful lives of items of property, plant and equipment and intangibles assets;
- Note 3.a and 3.c – Impairment of property, plant and equipment;
- Note 4 – Impairment of investment in subsidiaries;
- Note 39 – Recognition of deferred tax assets.
- Note 32 and 41– measurement of defined benefit obligations: key actuarial assumptions;
- Note 44 – Impairment of financial assets;
- Note 15, 25 and 44 – Derivative contracts at fair value;

E. MEASUREMENT OF FAIR VALUES

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The derivative contracts are valued using market approach, determined using forward exchange rates as at the balance sheet date.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Note 42 - Employee stock options; and
- Note 43 - Financial instruments;

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 PROPERTY, PLANT AND EQUIPMENT

i. Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the standalone statement of profit or loss.

Borrowing costs directly attributable to the acquisition/ construction of the qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognised as expense in the standalone statement of profit and loss in the period in which these are incurred.

ii. Depreciation methods, estimated useful lives and residual values

Depreciation is provided on a Straight Line Method ("SLM") over the useful life of property, plant and equipment as prescribed under Part C of Schedule II of the Companies Act, 2013. In case of second hand assets purchased, the useful life considered is based on the remaining useful life of such asset determined based on technical evaluation and its proposed use. Depreciation for assets purchased/sold during a period is proportionately charged. The useful lives for property, plant and equipment is as follows:

Asset category	Estimated useful life (in years)
Buildings	30
Plant and machinery	5-25
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Electrical installations	10
Computers (including software)	3-6

Freehold land is not depreciated.

2.2 INTANGIBLE ASSETS

Intangible assets purchased are measured at cost less accumulated amortisation and accumulated impairment, if any.

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 INTANGIBLE ASSETS (CONTINUED)

accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Intangible Assets Under Development.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised. The Company's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life. Intangible assets are amortised in the statement of profit and loss over their estimated useful lives of 3 years on a straight-line basis.

2.3 INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries are measured at cost less impairment loss, if any. Dividend income from subsidiaries is recognised when its right to receive the dividend is established.

2.4 INVENTORIES

Inventories are measured at the lower of cost and net realisable value (NRV). Cost comprises purchase price and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Raw materials, stores and spares	: on weighted average basis
Work in progress	: includes cost of conversion
Finished goods	: includes cost of conversion

i. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The comparison of cost and NRV is made on an item-by-item basis. Spare parts that meet the definition of asset are capitalised at their respective carrying amounts. The NRV of work-in-progress is determined with reference to NRV of related finished goods.

ii. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their NRV.

iii. Provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

2.5 REVENUE RECOGNITION

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligation in contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised upon transfer of control of goods or services to buyer in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

Sale of products is adjusted net of Goods and Service tax, returns, trade discounts, and volume rebates.

Service income is recognised when the related services are rendered unless significant future contingencies exist.

Export incentives are recognised in the statement of profit and loss when the right to receive credit as per the terms of the entitlement is established in respect of export made.

Dividend income is recognised in standalone statement of profit and loss on the date on which the right to receive payment is established.

Interest on the deployment of funds is recognised using the time-proportion method, based on underlying interest rates.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

2.6 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the standalone statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the standalone statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the standalone statement of profit and loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

2.7 GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to an expense item are recognised in the standalone statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented as a deduction in reporting the related expense. The presentation approach is applied consistently to all similar grants.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the standalone statement of profit and loss over the periods and in proportions in which depreciation expense on those assets is recognised.

Income from export incentives are recognised in the standalone statement of profit and loss when the right to receive credit as per the terms of the entitlement is established in respect of exports made and disclosed as other operating revenues.

Income from government incentives (other than export incentive) are recognised in the standalone statement of profit and loss when the right to receive credit as per the terms of the entitlement and disclosed as a reduction to the related expenses.

2.8 LEASES

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.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 LEASES (CONTINUED)

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and a charge or credit to the standalone statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

Lease payments associated with following leases are recognised as expense on straight-line basis:

(i) Low value leases; and

(ii) Leases which are short-term.

2.9 FINANCIAL INSTRUMENTS

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. 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 measured on initial recognition of financial asset or financial liability.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This includes other investments.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss (FVTPL). This includes all derivative assets and current investments.

Financial liabilities

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense and are recognised in standalone statement of profit and loss. Other financial liabilities are subsequently carried at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the standalone statement of profit and loss.

Derivative Instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative instruments are recorded at fair value on every reporting date with changes being accounted in standalone statement of profit and loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the standalone statement profit and loss.

2.10 IMPAIRMENT

i. Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 months ECL.

ii. Impairment of non - financial assets

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Company's non-financial assets, other than inventories and deferred tax assets, are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the standalone statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the standalone statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 EMPLOYEE BENEFITS

i. Defined benefit plan

Gratuity

The Company's gratuity plan is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plan is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The calculation of the Company's obligation is performed annually by an independent actuary using the projected unit credit method as at the balance sheet date. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognises actuarial gains and losses immediately in the standalone statement of profit and loss.

ii. Defined contribution plan

Provident fund

Provident fund is a post-employment benefit plan under which the Company makes specified monthly contribution towards Government administered provident fund scheme. Obligations for contributions to defined contribution plan are recognised as an employee benefit expense in the standalone statement of profit and loss during the period in which the related services are rendered by the employees.

iii. Share-based payment transactions

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the standalone statement of profit and loss with a corresponding increase in equity over the period that the employees unconditionally become entitled to the award. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

2.12 INCOME TAXES

Current income tax

Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current income tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.13 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the net profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

2.14 PROVISIONS AND CONTINGENCIES

A provision is recognised when an enterprise has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are determined by discounting the expected future cash flows to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e., contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

2.15 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby net profit/(loss) 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 from operating, investing and financing activities of the Company are segregated.

2.16 SEGMENT REPORTING

Based on the “management approach” as defined in Ind AS 108 - Operating Segments, Managing Directors of the Company has been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company’s performance and allocates resources based on single segment approach and accordingly, information has been presented.

2.17 RECENT ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

c) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

3.A PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹ millions)

Particulars	Owned Property, plant and equipment								Total
	Land # (1)	Buildings (2)	Plant and machinery* (3)	Furniture and fixtures (4)	Vehicles (5)	Office equipment (6)	Electrical installations (7)	Computers (8)	
Gross carrying amount									
Balance as at 01 April 2021	**443.34**	**1,162.95**	**10,132.95**	**39.73**	**118.49**	**41.69**	**491.24**	**76.91**	**12,507.30**
Reclassified to Intangible Assets	-	-	-	-	-	-	-	(28.27)	(28.27)
Additions	30.63	99.36	1,699.49	1.45	44.49	2.82	17.34	18.88	1,914.46
Disposals	-	-	(11.18)	-	(5.37)	-	-	(0.21)	(16.76)
Balance as at 31 March 2022	**473.97**	**1,262.31**	**11,821.26**	**41.18**	**157.61**	**44.51**	**508.58**	**67.31**	**14,376.73**
Additions	76.28	647.06	1,737.08	17.56	28.83	12.23	80.54	24.34	2,623.92
Disposals	-	-	(69.66)	(1.03)	(22.43)	(2.62)	-	(38.59)	(134.33)
Balance as at 31 March 2023	**550.25**	**1,909.37**	**13,488.68**	**57.71**	**164.01**	**54.12**	**589.12**	**53.06**	**16,866.32**
Accumulated depreciation									
Balance as at 01 April 2021	**-**	**163.18**	**2,634.78**	**19.35**	**61.03**	**26.32**	**196.37**	**54.04**	**3,155.07**
Reclassified to Intangible Assets	-	-	-	-	-	-	-	(20.81)	(20.81)
"Charge for the year"	-	44.25	851.22	3.76	18.28	8.55	46.48	11.49	984.03
Disposals	-	-	(2.33)	-	(4.60)	-	-	(0.16)	(7.09)
Balance as at 31 March 2022	**-**	**207.43**	**3,483.67**	**23.11**	**74.71**	**34.87**	**242.85**	**44.56**	**4,111.20**
Charge for the year	-	56.69	937.08	4.47	19.22	4.19	48.43	15.02	1,085.10
Disposals	-	-	(66.37)	(1.00)	(22.27)	(2.59)	-	(38.59)	(130.82)
Balance as at 31 March 2023	**-**	**264.12**	**4,354.38**	**26.58**	**71.66**	**36.47**	**291.28**	**20.99**	**5,065.48**
Carrying amounts (net)									
Balance as at 31 March 2023	**550.25**	**1,645.25**	**9,134.30**	**31.13**	**92.35**	**17.65**	**297.84**	**32.07**	**11,800.84**
Balance as at 31 March 2022	**473.97**	**1,054.88**	**8,337.59**	**18.07**	**82.90**	**9.64**	**265.73**	**22.75**	**10,265.53**

Notes:

(a) It includes land of 60,786.60 square meter allocated by Karnataka Industrial Area Development (KIADB) at Plot no. 48, 2nd Phase, Sector - 2, Bidadi Industrial Area for a period of 10 years w.e.f. 08 August 2014 to the Company on a lease cum sale basis.

(b) Karnataka Industrial Area Development Board (KIADB) has allotted land measuring 2,025 square meter at Plot no. 143-B-8 Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099, Karnataka on a lease cum sale basis for a period of 11 years w.e.f. 03 December, 1999 and 1,058 square meter at Plot no. 143-B-8-Part Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099, Karnataka on a lease cum sale basis for a period of 11 years w.e.f. 29 May 2001 with specified terms and conditions to be complied with by each party. KIADB has alleged / contended that as per the terms and conditions of Clause 2(r)(ii) of the Lease Cum Sale Agreement dated 17 January 2000, the original allottee should hold minimum 51% shares in the Company till the execution of the sale deed and in view of there being a violation of the said clause by Sansera Engineering Limited (Sansera), they have issued a demand notice No. KIADB / HO / Allot / Secy – 3/ 12680 / 6102 / 19-20 dated 29 July 2019 calling upon Sansera to remit an additional sum of ₹ 5,383,798. Challenging the said demand, Sansera has filed Writ Petition seeking quashing of the said demand and also directions to execute the sale deed.

Refer note 19 for details of charge over the Company's property, plant and equipment for the borrowings taken by the Company.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

3.a.(i) Title deeds of Immovable Property not held in the name of the Company:

Details of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

As at 31 March 2023 and 31 March 2022

(Amount in ₹ millions)

Relevant line item in the Balance sheet	Description of item of property	Parties to the Agreement	Gross carrying value	Title deeds held in the name of	If held jointly (Name and Company's Share)	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company (to also indicate if in dispute)
Property, plant and equipment	Plot No. 143-B-8, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	Karnataka Industrial Area Development Board	0.62	The title deeds are in the name of Gearock Forge Private Limited, an erstwhile subsidiary company that was merged with the Company during the year 2017-18 under Section 233 of the Companies Act, 2013 as per the order received from Ministry of Corporate Affairs.	Not Applicable	Not Applicable	From 01 April 2017, effective date as per the approved scheme.	Not transferred in the name of the Company due to the matter as mentioned in note 3.a above.
	Plot No. 143-B-8-Part, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	Karnataka Industrial Area Development Board	0.66		Not Applicable	Not Applicable		
	Site No. A1, Khata No. 344, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	H. Muniyappa	0.24		Not Applicable	Not Applicable		The Company is unable to transfer these lands because of ongoing dispute as mentioned in the above note.
	Plot No. 143-C-2, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	BVR Industries	3.08		Not Applicable	Not Applicable		
	Plot No. 143-C-2-Part, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	BVR Industries	3.57		Not Applicable	Not Applicable		

3.a.(ii) There are no proceedings which have been initiated during the year or pending against the Company as at 31 March 2023 for holding any benami property under Benami Transactions (Prohibition) Act, 1988.

3.a.(iii) There were no revaluation of property, plant and equipment during financial year 2022-23 and 2021-22

3.b CAPITAL WORK-IN PROGRESS (CWIP) AGING SCHEDULE

(Amount in ₹ millions)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in-progress					
As at 31 March 2023	571.67	59.58	10.61	8.92	**650.78**
As at 31 March 2022	1,024.99	40.73	3.78	11.14	**1,080.64**

The Company has a dedicated facility in Bengaluru for machine building and machine design with special purpose machines being manufactured in-house. Special purpose machines are customised machines deployed to automate industrial processes to ensure high productivity. Machinery component required for machine building process are included in capital work-in-progress.

There are no projects which are under suspension. With regard to the ongoing projects there are no projects where completion is overdue or has exceeded the cost as compared to its original plan, considering amendments as may be approved. The Projects in-progress for more than 3 years represent components which would be commonly used across various special purpose machines being manufactured in-house.

3.c INTANGIBLE ASSETS

(Amount in ₹ millions)

Particulars	Owned intangible assets	
	Computer software	Total
Gross carrying amount		
Balance as at 31 March 2021	**13.05**	**13.05**
Reclassified from Computers	28.27	28.27
Additions	5.79	5.79
Disposals	-	-
Balance as at 31 March 2022	**47.11**	**47.11**
Additions	11.47	11.47
Disposals	-	-
Balance as at 31 March 2023	**58.58**	**58.58**
Accumulated amortisation		
Balance as at 31 March 2021	**10.01**	**10.01**
Reclassified from Computers	20.81	20.81
Amortisation for the year	5.72	5.72
Disposals	-	-
Balance as at 31 March 2022	**36.54**	**36.54**
Amortisation for the year	4.69	4.69
Disposals	-	-
Balance as at 31 March 2023	**41.23**	**41.23**
Carrying amounts (net)		
Balance as at 31 March 2023	**17.35**	**17.35**
Balance as at 31 March 2022	**10.57**	**10.57**

3.d RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

i) Following are the changes in the carrying value of right-of-use assets:

(Amount in ₹ millions)

Particulars	Leasehold land	Buildings	Total
Balance as at 01 April 2021	**35.75**	**149.56**	**185.31**
Additions	133.24	60.05	193.29
Deletion	-	(6.65)	(6.65)
Depreciation	(6.96)	(37.90)	(44.86)

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(Amount in ₹ millions)

Particulars	Leasehold land	Buildings	Total
Balance as at 31 March 2022	**162.03**	**165.06**	**327.09**
Additions	-	-	-
Deletion	-	-	-
Depreciation	(6.96)	(39.57)	(46.53)
Balance as at 31 March 2023	**155.07**	**125.49**	**280.56**

ii) **The following is the movement in lease liabilities:**

(Amount in ₹ millions)

Particulars	Leasehold land	Buildings	Total
Balance as at 01 April 2021	**1.72**	**184.55**	**186.27**
Additions	133.24	52.91	186.15
Finance cost accrued during the year	10.39	17.27	27.66
Rental concession *	-	(0.44)	(0.44)
Deletions	-	(10.33)	(10.33)
Payments	(6.00)	(51.14)	(57.14)
Balance as at 31 March 2022	**139.35**	**192.82**	**332.17**
Additions	-	-	-
Finance cost accrued during the year	10.35	15.01	25.36
Rental concession *	-	-	-
Deletions	-	-	-
Payments	(12.00)	(53.58)	(65.58)
Balance as at 31 March 2023	**137.70**	**154.25**	**291.95**

iii) **The following is the break-up of current and non-current lease liabilities:**

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Current lease liabilities	45.46	40.37
Non-current lease liabilities	246.49	291.80
Total	**291.95**	**332.17**

iv) **The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:**

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	67.16	65.73
One to five years	165.89	202.27
More than five years	224.16	254.75
Total lease liabilities	**457.21**	**522.75**
Less: Implicit interest	165.26	190.58
Lease liabilities included in the Balance sheet	**291.95**	**332.17**

v) **Amount recognised in the statement of profit and loss**

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Depreciation on Right-of-use assets	46.53	44.86
Interest on lease liabilities	25.36	27.66
Low value lease (included with rent, classified under other expenses)	4.76	4.18

vi) Amount recognised in the statement of cash flow

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash outflows for leases		
Interest portion of lease liabilities	25.36	27.66
Principal portion of lease liabilities	40.22	29.48
Total	**65.58**	**57.14**

*The Company has applied the practical expedient to all eligible rent concessions and subsequently for the year ended 31 March 2022 an amount of ₹ 0.44 million had been recognised in the standalone statement of profit and loss.

4 INVESTMENTS (NON-CURRENT)

a Investments in subsidiaries (Carried at cost)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Unquoted		
Investment in equity instruments		
Fitwel Tools and Forgings Private Limited	201.65	201.65
(248,872 (31 March 2022: 248,872) equity shares of ₹10 each fully paid up)		
Sansera Engineering Pvt. Ltd.,, Mauritius		
(10,000 (31 March 2022: 10,000) equity shares of Euro 10 each fully paid up)	6.88	6.88
Investment in preference shares		
Sansera Engineering Pvt. Ltd.,, Mauritius		
490,000 (31 March 2022: 490,000) optionally redeemable preference shares of Euro 10 each fully paid up	337.02	337.02
30,000 Series A (31 March 2022: 30,000) optionally redeemable preference shares of Euro 10 each fully paid up	22.56	22.56
30,000 Series B (31 March 2022: 30,000) optionally redeemable preference shares of Euro 10 each fully paid up	10.68	10.68
380,000 Series C (31 March 2022: 380,000) optionally redeemable preference shares of Euro 10 each fully paid up	296.32	296.32
Total (a)	**875.11**	**875.11**

Note: The Optionally Redeemable Preference Shares held by the Company can be converted into equity shares in Sansera Engineering Pvt. Ltd., Mauritius at a fixed ratio of 1:1 at the option of Sansera Engineering Pvt. Ltd., Mauritius.

b Other Investment-Unquoted (Measured at fair value through other comprehensive income)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Partner contribution		
Clean Max Vega Power LLP	104.93	104.93
26% (31 March 2022: 26%)		
Total (b)	**104.93**	**104.93**

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

Name of the Partners	As at 31 March 2023		As at 31 March 2022	
	Monetary Value of Contribution	Contribution Ratio	Monetary Value of Contribution	Contribution Ratio
Clean Max Enviro Energy Solutions Private Limited	265.98	65.90%	265.98	65.90%
Sansera Engineering Limited	104.93	26.00%	104.93	26.00%
CleanMax Renewable Trust	32.67	8.10%	32.67	8.10%
Kuldeep Jain #	-	0.00%	-	0.00%
Total Capital	**403.58**	**100.00%**	**403.58**	**100.00%**
Total (a+b)			**980.04**	**980.04**

₹ 10 (31 March 2022: ₹ 10) not presented above due to rounding off to nearest ₹ in million.

Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	980.04	980.04
Aggregate amount of impairment in investments	-	-

5 LOANS (NON-CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loans to employees	5.86	12.67
Total	**5.86**	**12.67**

The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, Key Management Personnel and the Related Parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, other than as disclosed in Note 14.

6 OTHER FINANCIAL ASSETS (NON-CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposit - Unsecured, considered good	121.73	134.24
Bank deposits with more than 12 months maturity *	3.40	3.27
Total	**125.13**	**137.51**

*Represents deposits pledged against bank guarantees and letter of credits provided by the bank.

7.A CURRENT TAX ASSETS (NET)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance tax including tax deducted at source, net of provision for tax	64.42	10.19
Total	**64.42**	**10.19**

7.B CURRENT TAX LIABILITIES (NET)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for tax, net of advance tax including tax deducted at source	4.88	8.20
Total	**4.88**	**8.20**

8 OTHER NON-CURRENT ASSETS

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital advances	265.12	164.16
Duty paid under protest	9.37	3.14
Total	**274.49**	**167.30**

9 INVENTORIES *(VALUED AT LOWER OF COST AND NET REALISABLE VALUE)*

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials *	973.69	734.10
Work-in-progress	1,234.59	948.40
Finished goods **	817.92	442.97
Stores and spares	232.07	220.84
Total	**3,258.27**	**2,346.31**

* Includes stock of assembled components.

** Includes stock in transit of ₹ 414.11 million (31 March 2022 : ₹ 159.20 million).

a) Amount of inventories recognized as an expense is ₹ 16.64 million (Financial year 2021-22: ₹ 0.76 million)

b) Write-down of the inventories to net realisable value amounted to ₹ 4.14 million (Financial year 2021-22: ₹ 0.76 million). These were recognized as an expense during the year and included in note 30 and 31 in the standalone statement of profit and loss.

The mode of valuation of inventories has been stated in note 2.4

10 CURRENT INVESTMENTS

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Quoted equity shares		
Equity shares at fair value through statement of profit and loss		
800 (31 March 2022: 800) equity shares of ₹10 each fully paid up of Maruti Suzuki India Limited	6.73	5.97
Total	**6.73**	**5.97**
Aggregate amount of quoted investments	6.73	5.97
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in investments	-	-

11 TRADE RECEIVABLES

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Considered good - Secured.	-	-
Considered good - Unsecured *	4,159.76	3,898.89
That have an increase in Credit Risk that is significant	-	-
Credit Impaired	-	-
Total	**4,159.76**	**3,898.89**
Less: Allowance for credit losses	(85.97)	(27.20)
Trade receivables	**4,073.79**	**3,871.69**

* Includes receivables from related parties refer note 40.

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 44.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix, The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

Ageing	Expected Credit loss (%)
within the credit period	0.01%
1-90 days past due	0.54%
91-180 days past due	2.56%
181-270 days past due	11.98%
271-360 days past due	37.59%
More than 360 days past due	100.00%

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not Due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 March 2023							
(i) Undisputed Trade receivables - considered good	2,632.94	1,254.40	246.36	24.36	1.70	-	**4,159.76**
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**2,632.94**	**1,254.40**	**246.36**	**24.36**	**1.70**	**-**	**4,159.76**
Less: Allowance for credit losses							(85.97)
Trade receivables							**4,073.79**
As at 31 March 2022							
(i) Undisputed Trade receivables - considered good	2,666.35	1,136.52	82.68	9.34	2.00	2.00	**3,898.89**
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**2,666.35**	**1,136.52**	**82.68**	**9.34**	**2.00**	**2.00**	**3,898.89**
Less: Allowance for credit losses							(27.20)
Trade receivables							**3,871.69**

12 CASH AND CASH EQUIVALENTS

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks		
in current accounts	350.32	272.51
Cash on hand	0.67	0.81
Total	**350.99**	**273.32**

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Bank deposits within 12 months maturity *	118.58	112.47
Total	**118.58**	**112.47**

*Includes certain deposits amounting to ₹ 40.45 million as at 31 March 2023 (31 March 2022: ₹ 37.84 million) pledged against bank guarantees and letter of credits provided by the bank.

14 LOANS (CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loans to Key Managerial Personnel (Refer note 40)	-	3.88
Loans to employees	29.63	19.90
Total	**29.63**	**23.78**

15 OTHER FINANCIAL ASSETS (CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Amounts recoverable from shareholders (IPO related) (Refer note 40)	-	3.47
Unbilled revenue*	133.55	148.54
Derivative contracts at fair value	-	6.13
Others	35.58	22.67
Total	**169.13**	**180.81**

* Unbilled revenue represents revenue recognised in excess of invoicing towards price increases, where there is an unconditional right to receive cash, and only act of invoicing is pending.

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16 OTHER CURRENT ASSETS

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Duty drawback receivables	27.67	45.99
Advance to suppliers	110.91	87.60
Balances with government authorities	-	127.23
Fund balance related to compensated absences	2.16	-
Prepayments	84.67	57.63
Total	**225.41**	**318.45**

17 EQUITY SHARE CAPITAL

(Amount in ₹ millions except no. of shares)

(i) Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
Equity shares		
62,500,000 (31 March 2022: 62,500,000) equity shares of ₹ 2 each (31 March 2022: ₹ 2 each)	125.00	125.00
Total	**125.00**	**125.00**
Issued, subscribed and paid up share capital		
Equity shares		
52,929,540 (31 March 2022: 52,155,815) equity shares of ₹ 2 each (31 March 2022: ₹ 2 each)	105.86	104.31
Total	**105.86**	**104.31**

(ii) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Number of shares outstanding at the beginning of the year	5,21,55,815	104.31	4,69,36,500	93.87
Add: Shares issued on conversion of Compulsorily Convertible Preference Shares (CCPS)	-	-	44,41,350	8.88
Add: Shares issued on exercise of employee stock options	7,73,725	1.55	7,77,965	1.56
Number of shares outstanding at the end of the year	**5,29,29,540**	**105.86**	**5,21,55,815**	**104.31**

(iii) Rights, preferences and restrictions attached to equity shares.

The Company has a single class of equity shares. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the Shareholders' meeting. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders or in line with the terms of the shareholders agreement as the case may be.

Promoters' contribution and lock-in: Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of the 20% of the fully diluted post-Offer Equity Share capital of the Company held by Promoters shall be locked in for a period of three years as minimum Promoters' contribution ("Minimum Promoters' Contribution") from the date of Allotment and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

Share capital locked-in for one year: In terms of the Regulation 17 of the SEBI ICDR Regulations, in addition to the Equity Shares proposed to be locked-in as part of the Minimum Promoters' Contribution, the entire pre-Offer Equity Share capital of the Company will be locked-in for a period of one year from the date of Allotment except the Equity Shares held by Client Ebene Limited and CVCIGP II Employee Ebene Limited who are SEBI registered FVCIs; and Equity Shares held by the employees of the Company (whether currently an employee or not) which have been or will be allotted to them under ESOP 2015 and ESOP 2018 scheme.

(iv) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Client Ebene Limited	95,54,842	19.11	95,54,842	19.11
CVCIGPII Employee Ebene Limited	53,51,702	10.70	53,51,702	10.70
Total	**1,49,06,544**	**29.81**	**1,49,06,544**	**29.81**

(v) List of persons holding more than 5 % shares in equity shares of the Company

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Client Ebene Limited	95,54,842	18.05%	95,54,842	18.32%
CVCIGPII Employee Ebene Limited	53,51,702	10.11%	53,51,702	10.26%
S Sekhar Vasan	1,02,49,531	19.36%	1,02,49,531	19.65%
Unni Rajagopal K	28,45,549	5.38%	28,45,549	5.46%
F R Singhvi *	27,95,549	5.28%	27,95,549	5.36%

* Pursuant to the provisions of a memorandum of understanding executed between F R Singhvi and the Singhvi Family Shareholders, dated May 15, 2013, F R Singhvi is acting in trust in relation to 1,658,624 Equity Shares held by the Singhvi Family Shareholders.

(vi) As at 31 March 2023, the Company has reserved 1,767,312 shares (31 March 2022: 2,541,037 shares) for issuance towards outstanding employee stock option available for exercise. Refer note 42.

(vii) (a) There have been no shares allotted as fully paid up pursuant to contract without payment being received in cash during five years immediately preceding 31 March 2023, except with effect from July 27, 2018, on approval of shareholders, one equity share of ₹ 100 each was sub-divided into 50 equity shares of ₹ 2 each resulting into 3,237,000 number of shares. Subsequently, the Company had issued 43,699,500 bonus shares in the proportion of 27:2.

(b) There are no shares bought back during 5 years immediately preceding 31 March 2023.

(viii) Shareholding of Promoters in equity shares of the Company

Promoter name	Shares held by promoters at the end of the year		% Change during the year
	No. of Shares	% of total shares	
S Sekhar Vasan	1,02,49,531	19.36%	0.00%
Unni Rajagopal K	28,45,549	5.38%	0.00%
D Devaraj	21,76,374	4.11%	0.00%
F R Singhvi *	27,95,549	5.28%	0.00%
D. Devaraj - HUF	6,69,175	1.26%	0.00%
P Singhvi charitable trust	50,000	0.09%	0.00%
Total	**1,87,86,178**	**35.48%**	

* Pursuant to the provisions of a memorandum of understanding executed between F R Singhvi and the Singhvi Family Shareholders, dated May 15, 2013, F R Singhvi is acting in trust in relation to 1,658,624 Equity Shares held by the Singhvi Family Shareholders.

The promoters of the Company are S Sekhar Vasan, F R Singhvi, Unni Rajagopal K and D Devaraj. Promoters' contribution and lock-in: Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of the 20% of the fully diluted

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post-Offer Equity Share capital of the Company held by Promoters shall be locked in for a period of three years as minimum Promoters' contribution ("Minimum Promoters' Contribution") from the date of Allotment on September 21, 2021 and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment on September 21, 2021.

Share capital locked-in for one year: In terms of the Regulation 17 of the SEBI ICDR Regulations, in addition to the Equity Shares proposed to be locked-in as part of the Minimum Promoters' Contribution, the entire pre-Offer Equity Share capital of the Company will be locked-in for a period of one year from the date of Allotment except the Equity Shares held by Client Ebene Limited and CVCIGP II Employee Ebene Limited who are SEBI registered FVCIs; and Equity Shares held by the employees of the Company (whether currently an employee or not) which have been or will be allotted to them under ESOP 2015 and ESOP 2018 schemes.

Instruments entirely equity in nature

(Amount in ₹ millions except no. of shares)

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
Preference shares		
Series A 300,000 (31 March 2022: 300,000), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	30.00	30.00
Series B 750,000 (31 March 2022: 750,000), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	75.00	75.00
Total	**105.00**	**105.00**
Issued, subscribed and paid up		
Preference shares		
Series A nil (31 March 2022: 300,000), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	-	-
Series B nil (31 March 2022: 750,000), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	-	-
Total	**-**	**-**

i. Reconciliation of the number of preference shares outstanding at the beginning and at the end of the year

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Series A Compulsorily Convertible Preference shares (CCPS)				
Number of shares outstanding at the beginning of the year	-	-	3,00,000	30.00
Add: Issued/(Converted) during the year	-	-	(3,00,000)	(30.00)
Number of shares outstanding at the end of the year	-	-	-	-
Series B Compulsorily Convertible Preference shares (CCPS)				
Number of shares outstanding at the beginning of the year	-	-	7,50,000	75.00
Add: Issued/(Converted) during the year	-	-	(7,50,000)	(75.00)
Number of shares outstanding at the end of the year	-	-	-	-

18 OTHER EQUITY

Summary of other equity balances*

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Reserves and surplus		
Capital redemption reserve	0.55	0.55
Capital reserve	8.00	8.00
Securities premium	1,565.44	1,431.38
General reserve	135.51	135.51
Retained earnings	9,812.17	8,433.55
Share options outstanding account	195.73	223.37
Total	**11,717.40**	**10,232.36**

* Refer statement of changes in equity for detailed movement in other equity balances.

Nature and purpose of other equity:

Capital redemption reserve

The capital redemption reserve is created out of undistributed profits for purchase of its own shares.

Capital reserve

Capital reserve of ₹ 2.39 million refers to the subsidy received from the Government of Karnataka, Department of Industries and Commerce in the year 1999. This subsidy was received as the Company was a small scale industry in that particular year. It further includes ₹ 5.61 million as share of pre-acquisition profit of a subsidiary at the time of acquisition by the Company accounted as capital reserve.

Securities premium

Securities premium account comprises premium on issue of shares. The reserve is utilised in accordance with specific provision of the Companies Act, 2013.

General reserve

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 general reserve will not be reclassified subsequently to standalone statement of profit and loss.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in the statement of profit and loss with corresponding credit to share options outstanding account.

19 BORROWINGS (NON-CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured at amortised cost		
Term loans from banks	2,327.26	2,028.01
Term loans from other financial institutions	48.63	238.99
Total	**2,375.89**	**2,267.00**

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

The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

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Repayment and interest terms

Term loans from banks:

(Amount in ₹ millions)

Repayment and interest terms	Name of the Lender	Security	As at 31 March 2023	As at 31 March 2022
Repayable in 20 equal quarterly instalments of ₹20.00 million per quarter starting from August 2017 and to be settled by August 2022. The loan carries interest rate of 2% p.a.	Citi Bank	Secured by first pari-passu charge on entire plant and machinery, both present and future, certain immovable properties and secured by second pari-passu charge on current assets, i.e., inventories and trade receivables, both present and future.	-	47.56
Repayable in 20 equal quarterly instalments of ₹11.11 million per quarter starting from April 2017 and to be settled by July 2022. Loan carries interest rate of 7.85% p.a. - 7.9% p.a.	HSBC Bank	Secured by first pari-passu charge on entire plant and machinery, both present and future, certain properties (land and buildings) and secured by second pari-passu charge on current assets, both present and future.	-	19.44
Repayable in 18 equal quarterly instalments of ₹13.89 million per quarter starting from September 2017 and to be settled by November 2022. Loan carries interest rate of 7.65% p.a. - 8% p.a.			-	36.11
Repayable in 18 equal quarterly instalments of ₹13.89 million per quarter starting from January 2019 and to be settled by July 2023. Loan carries interest rate of 7.95% p.a. - 8.4% p.a.			19.44	75.00
Repayable in 20 equal quarterly instalments of ₹21 million per quarter starting from March 2019 and to be settled by August 2023. The loan carries interest rate of 8.95% p.a.	HDFC Bank	Secured by first pari-passu charge on movable fixed assets, certain immovable fixed assets (land and buildings) and secured by second pari-passu charge on current assets, viz. inventories and receivables, both present and future.	42.00	126.00
Repayable in 20 equal quarterly instalments of ₹20 million per quarter starting from September 2019 and to be settled by June 2024. The loan carries a interest rate of 8.75% p.a.			100.00	180.00
Repayable in 20 equal quarterly instalments of ₹25 million per quarter starting from January 2021 and to be settled by October 2025. The loan carries a interest of 7.65% p.a.			275.00	375.00
Repayable in 20 equal quarterly instalments of ₹39.28 million per quarter starting from June 2023 and to be settled by December 2027. The loan carries a interest rate of 9.26% and 8.82.% p.a.			657.14	500.00

(Amount in ₹ millions)

Repayment and interest terms	Name of the Lender	Security	As at 31 March 2023	As at 31 March 2022
Repayable in 16 equal quartely instalments of ₹62.50 million starting from October 2021 and to be settled by July 2025. The loan carries a interest rate of 8.90% p.a.	Axis Bank	Secured by first pari-passu charge on entire movable fixed assets, both present and future, certain immovable properties and secured by second pari-passu charge on entire current assets, both present and future.	623.33	874.16
Repayable in 54 equal monthly instalments of ₹18.5 million starting from August 2022 and to be settled by January 2027. The loan carries a interest rate of 8.05% p.a.	State Bank of India	Secured by first pari-passu charge on entire movable fixed assets, certain immovable properties and secured by second pari-passu charge on entire current assets, including inventories and receivables, both present and future.	851.94	633.91
Repayable in 54 equal monthly instalments of ₹18.5 million starting from March 2023 and to be settled by January 2027. The loan carries a interest rate of 8.15% p.a.			851.00	-
Total			**3,419.85**	**2,867.18**
Less: Current maturities (Refer note 23)			(1,092.59)	(839.17)
Non-current			**2,327.26**	**2,028.01**

Term loans from other financial institutions:

(Amount in ₹ millions)

Repayment and interest terms	Name of the Lender	Security	As at 31 March 2023	As at 31 March 2022
Repayable in 20 equal quarterly instalments of ₹20.00 million per quarter starting from July 2018 and to be settled by April 2024 (pre-closed during the year). The loan carries interest rate of 9% p.a.	Citicorp Finance (India) Limited	Secured by first pari-passu charge on entire plant and machinery, both present and future, certain immovable properties and secured by second pari-passu charge on current assets, i.e., inventories and trade receivables, both present and future.	-	180.00
Repayable in 54 equal monthly instalments of ₹6.72 million starting from April 2019 and to be settled by September 2023. The loan carries interest rate of 8.9% p.a.	Bajaj Finance Limited	Secured by first pari-passu charge on entire movable fixed assets, certain immovable properties and secured by second pari-passu charge on current assets, both present and future.	39.84	113.63
Repayable in 48 equal monthly instalments of ₹4.88 million starting from February 2021 and to be settled by January 2025. The loan carries interest rate of 8.9% p.a.			100.35	148.09
Total			**140.19**	**441.72**
Less: Current maturities (Refer note 23)			(91.56)	(202.73)
Non-current			**48.63**	**238.99**

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20 PROVISIONS (NON-CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity (Refer note 41)	-	55.01
Total	**-**	**55.01**

21 DEFERRED TAX LIABILITIES (NET)

(Amount in ₹ millions)

Particulars		As at 31 March 2023	As at 31 March 2022
Deferred tax assets			
Provision for employee benefits		4.28	40.63
Security deposit		3.14	3.73
Allowance for credit losses		21.64	6.85
Derivative contracts at fair value		3.11	-
Right-of-use assets, net of lease liabilities (Ind AS 116)		11.43	9.84
Others		2.63	2.63
Total	**(a)**	**46.23**	**63.68**
Deferred tax liabilities			
Property, plant and equipment		708.85	665.52
On fair valuation of quoted investments		1.69	1.50
Derivative contracts at fair value		-	11.62
Others		0.81	0.04
Total	**(b)**	**711.35**	**678.68**
Deferred tax liabilities (Net)	**(c) = (b)-(a)**	**665.12**	**615.00**

22 OTHER NON-CURRENT LIABILITIES

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred government grant	487.40	509.82
Total	**487.40**	**509.82**

Movement in deferred government grant (Current and Non-current)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	563.92	514.60
Add: Grants received during the year	35.27	100.91
Less: Income recognised in the standalone statement of profit and loss	(55.31)	(51.59)
Closing balance	**543.88**	**563.92**
Less: Amounts expected to be recognised in the next 12 months (Refer note 26) - current	(56.48)	(54.10)
Net Closing balance, non-current	**487.40**	**509.82**

The Government grant related to property, plant and equipment is recognised as income over the useful life, in proportion to the depreciation of the related asset under note 29 -Other income.

23 BORROWINGS (CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans from banks - Secured - at amortised cost		
Cash credit	31.70	-
Working capital loan	955.32	890.98
Packing credit	1,706.04	1,494.36
Current maturities of long-term debt	1,184.15	1,041.90
Total	**3,877.21**	**3,427.24**

Cash credit, working capital loan, packing credit loan from banks and others amounting to ₹ 2,693.06 million as at 31 March 2023 (31 March 2022: ₹ 2,385.34 million) are secured by hypothecation of current assets, movable fixed assets and certain immovable properties of the Company.

Working capital loan carries interest rate ranging from 5.65% p.a. to 8.6% p.a., Cash credit carries interest rate ranging from 7.1% p.a. to 8.6% p.a. and Packing credit carries interest rate ranging from 4.3% p.a. to 7.30% p.a.

The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the unaudited books of accounts. The Company is yet to submit the revised return for the quarter ended March 31, 2023 with the banks or financial institutions based on audited books of accounts of the Company for the year ended March 31, 2023.

*The Company's exposure to currency and liquidity risk related to other current financial liabilities are disclosed in note 44.

24 TRADE PAYABLES

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note 47)*	202.13	81.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,166.80	2,091.30
Total	**2,368.93**	**2,173.14**

* includes amount payable to related parties.

The Company's exposure to currency and liquidity risk related to trade payables are disclosed in note 44.

Trade Payables ageing schedule

Particulars		Outstanding for following periods from due date of payment					
	Accured	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
Micro, small and medium enterprises - Undisputed	-	135.59	66.53	0.01	-	-	202.13
Others--Undisputed	423.60	919.72	820.89	1.97	0.05	0.57	2,166.80
Total	**423.60**	**1,055.31**	**887.42**	**1.98**	**0.05**	**0.57**	**2,368.93**
As at 31 March 2022							
Micro, small and medium enterprises - Undisputed	-	80.73	1.11	-	-	-	81.84
Others - Undisputed	465.74	1,540.17	75.92	7.28	0.39	1.80	2,091.30
Total	**465.74**	**1,620.90**	**77.03**	**7.28**	**0.39**	**1.80**	**2,173.14**

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25 OTHER CURRENT FINANCIAL LIABILITIES

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued	13.82	8.70
Capital creditors *	148.26	111.24
Derivative contracts at fair value	12.35	-
Total	**174.43**	**119.94**

* Capital creditors include dues to micro and small enterprises of ₹ 61.20 million (31 March 2022: ₹ 28.03 million) (Refer note 47).

26 OTHER CURRENT LIABILITIES

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customers	129.76	56.83
Statutory liabilities	49.95	62.80
Balances payable to government authorities	107.56	-
Deferred government grant	56.48	54.10
Total	**343.75**	**173.73**

27 PROVISIONS (CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity (Refer note 41)	19.18	25.90
Provision for compensated absences	-	80.52
Total	**19.18**	**106.42**

28 REVENUE FROM OPERATIONS

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	19,427.43	16,232.60
Sale of services	29.33	38.82
Sub-total	**19,456.76**	**16,271.42**
Other operating revenues:		
Scrap sales	1,163.44	842.78
Tooling income	181.38	254.30
Export incentive benefit	99.37	81.54
Total	**20,900.95**	**17,450.04**

A. Disaggregation of revenue from contracts with customers

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products		
India	14,706.06	11,009.36
Europe	2,407.51	2,776.42
USA	1,530.62	1,724.91
Other foreign countries	783.24	721.91
Sub-total	**19,427.43**	**16,232.60**
Sale of services		
India	29.33	38.82
Tooling income		
India	63.18	149.32
Europe	105.67	55.75
USA	9.31	49.23
Other foreign countries	3.22	-
Sub-total	**181.38**	**254.30**
Total revenue from contracts with customers:		
India	14,798.57	11,197.50
Europe	2,513.18	2,832.17
USA	1,539.93	1,774.14
Other foreign countries	786.46	721.91
Total revenue from contract with customers	**19,638.14**	**16,525.72**

B. Reconciling the amount of revenue recognised with contract and total revenue:

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total revenue from contract with customers	19,638.14	16,525.72
Adjustments:		
Other operating revenues:		
Export incentive benefit	99.37	81.54
Scrap sales	1,163.44	842.78
Total	**20,900.95**	**17,450.04**

C. Timing of revenue recognition

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Good transferred at a point in time	19,456.76	16,271.42
Service transferred over time	181.38	254.30
Total revenue from contract with customers	**19,638.14**	**16,525.72**

D. Contract balances

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables	4,073.79	3,871.69
Contract assets (Unbilled revenue)	133.55	148.54
Contract liabilities (Advance from customers)	129.76	56.83

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E. The Company's revenue from its major products are as follows:

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Connecting rods	6,979.93	6,287.37
Crank shaft assembly	3,859.24	2,995.98
Rocker arms	3,510.11	3,383.71
Others*	5,078.15	3,565.54
Total revenue from sale of products	**19,427.43**	**16,232.60**

* Individual items of these are less than 10% of sale of products.

Revenue from sale of products from top three customers of the Company, who individually exceed 10% of total sales, is 43.40% (as at 31 March 2022 - three customers is 44.18%).

F. Contract liabilities

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	56.83	25.37
Revenue recognised during the year	(56.83)	(25.37)
Contract liabilities recognised during the year	129.76	56.83
Balance at the end of the year	**129.76**	**56.83**

Contract liabilities include advances received from customer towards supplies.

29 OTHER INCOME

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income	11.26	13.41
Fair value gain on financial instruments at fair value profit or loss	0.76	0.39
Gain on disposal of property, plant and equipments, net and capital work in progess	6.12	5.20
Gain on foreign currency transactions, net	74.33	59.87
Income from government grants	55.31	51.59
Other non-operating income	39.52	36.24
Share of profit from investment in Limited Liability Partnership (LLP)	-	4.17
Total	**187.30**	**170.87**

30 COST OF MATERIALS CONSUMED

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw materials at the beginning of the year	734.10	584.55
Add: Purchases	9,987.49	7,914.97
Less: Raw materials at the end of the year	973.69	734.10
Total	**9,747.90**	**7,765.42**

31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance		
Finished goods	442.97	347.33
Work-in-progress	948.40	837.93
Total	**1,391.37**	**1,185.26**
Closing balance		
Finished goods	817.92	442.97
Work-in-progress	1,234.59	948.40
Total	**2,052.51**	**1,391.37**
Changes in inventories of finished goods and work-in-progress	**(661.14)**	**(206.11)**

32 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	2,134.67	1,782.03
Contribution to provident and other funds (Refer note 41)	142.18	124.43
Employee stock compensation expense (Refer note 42)	58.73	76.60
Staff welfare expenses	345.04	273.22
Total	**2,680.62**	**2,256.28**

33 FINANCE COSTS

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on		
- Banks and Financial institutions borrowing	435.67	368.93
- Others	36.64	37.07
Exchange differences regarded as an adjustment to borrowing costs	11.37	6.73
Interest on obligations under lease	25.36	27.66
Total	**509.04**	**440.39**

34 DEPRECIATION AND AMORTISATION EXPENSES

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment	1,085.10	984.03
Depreciation of right-of-use assets	46.53	44.86
Amortisation of intangible assets	4.69	5.72
Total	**1,136.32**	**1,034.61**

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35 OTHER EXPENSES

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contract labour charges	1,067.64	884.50
Freight outward	237.09	220.38
Legal and professional (Refer note 38 and note 40)	103.76	73.68
Rates and taxes	48.66	83.10
Repairs and maintenance		
Buildings	189.69	131.29
Computers	66.87	54.78
Vehicles	36.72	31.89
Rent	4.76	4.18
Traveling and conveyance	73.19	31.17
Insurance	44.38	53.60
Printing and stationery	10.32	6.81
Communication expenses	5.78	5.59
Security charges	58.06	45.72
Selling and advertisement	7.99	5.31
Corporate social responsibility (Refer note 48)	27.56	33.98
Bank charges	24.36	19.42
Allowance for credit losses	58.77	9.02
Miscellaneous	17.26	24.36
Total	**2,082.86**	**1,718.78**

36 EARNINGS PER SHARE (EPS)

Basic earnings per share is calculated by dividing the profit for the year available to the shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the profit for the year available to the shareholders of the Company by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares. The details are as follows:

(Amount in ₹ millions except no. of shares)

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
Profit available to shareholders for calculation of basic and diluted earnings per share	A	1,502.00	1,281.57
Nominal value of equity shares (₹ per share)		2.00	2.00
Weighted average number of equity shares for calculation of basic earnings per share	B	5,27,01,825	5,16,27,573
Basic earnings per share (in ₹)	**A/B**	**28.50**	**24.82**
Weighted average number of equity shares for calculation of diluted earnings per share	C	5,37,98,745	5,35,45,027
Diluted earnings per share (in ₹)	**A/C**	**27.92**	**23.93**

Computation of weighted average number of shares

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Weighted average number of equity shares	5,21,55,815	5,13,77,850
Weighted average number of Shares issued under Employee Stock Option	5,46,010	2,49,723
Weighted average number of equity shares for calculation of basic earnings per share	**5,27,01,825**	**5,16,27,573**
Add: Impact of potentially dilutive equity shares:		
Weighted average number of Shares issued under Employee Stock Option	10,96,920	19,17,454
Weighted average number of equity shares for calculation of diluted earnings per share	**5,37,98,745**	**5,35,45,027**

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

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Contingent liabilities #		
Claims against the Company not acknowledged as debts:		
Excise duty, entry tax and service tax matters (Refer note A(i))	33.82	49.07
Income tax matters (Refer note A(ii))	44.18	6.36
Customer claims **	67.17	-
Other matters @@	20.00	-
Corporate guarantee for credit facility (Refer note B)	-	227.13
Commitments ##		
Estimated amount of contracts remaining to be executed on capital account and not provided for	515.24	740.90
Corporate guarantee for credit facility (Refer note B)	309.30	-
Investment in MMRFIC Technology Private Limited (MMRFIC) (Refer note 53)	200.00	-

Note A: Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for wherever required and disclosed as contingent liabilities where applicable, in these standalone financial statements. The Company does not expect the outcomes of these proceedings to have a materially adverse effect on its financial position.

(i) Relating to demand for service tax on labour charges, refund granted on service tax paid under reverse charge mechanism (RCM), disallowance of Excise duty rebate etc.,

(ii) Relating to disallowance of certain expenses, additional depreciation and non-consideration of MAT (Minimum Alternate Tax) credit.

** The Company supplied Shifter Forks to American Axle (AAM). American Axle reported failure of the product Shifter Fork and filed a suit with South Carolina Civil Court. The Company appointed a legal firm to handle the civil suit. The management is confident of a favorable outcome and expects the settlement to be not exceeding the amount provided for (₹ 15 million). The Company is expecting a mediation process to settle the matter during financial year ending 31 March 2024.

Note B: The Company has proposed to provide corporate guarantee/standby letter of credit for the Credit facilities of EURO 3.6 Million (31 March 2022 - EURO 5 Million) equivalent to maximum amount approx ₹ 321.99 million, granted to Sansera Sweden AB by the Citi bank NA.

The Honourable Supreme Court of India, in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Company has made a provision of ₹ 0.58 million for provident fund contribution pursuant to the judgement in the year 2018-2019 from the date of Order of the Honourable Supreme Court of India. The Company will

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

37 CONTINGENT LIABILITIES AND COMMITMENTS *(TO THE EXTENT NOT PROVIDED FOR) (CONTD.)*

evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

As disclosed in note 4.b, the Company has invested in Clean Max Vega Power LLP (i.e., power producer) and entered into an energy supply agreement for a period of 25 years with lock in period of 5 years. Pursuant to such energy supply agreement, the Company has committed to purchase atleast 51% of the total power produced by the power producer.

'@@ The Karnataka State Pollution Control Board ("KSPCB") issued a demand order dated February 17, 2020 ("Demand Order") to the Company, demanding an amount of ₹10.00 million on the grounds that Plant 12 was not compliant with the provisions of the Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 and rules framed under Environment (Protection) Act, 1986 in relation to noise pollution and LPG storage. Our Company filed a reply dated February 27, 2020 refuting all allegations made pursuant to the Demand Order specifying that the Company is in compliance with all pollution regulations and laws and requesting for an opportunity to be heard in person. This matter is currently pending.

The Uttarakhand Pollution Control Board ("UKPCB") issued a demand order dated March 12, 2020 ("Demand Order") to the Company, demanding an amount of ₹10.00 million on the grounds that Plant 6 was not compliant with regulations in relation to discharge of pollutants, issued by the UKPCB and the order of the National Green Tribunal dated November 14, 2019 ("NGT Order"). The Company filed a writ petition dated May 15, 2020 ("Writ Petition") before the High Court of Uttarakhand to quash the Demand Order. The High Court of Uttarakhand pursuant to order dated May 18, 2020 read with order dated July 6, 2020 noted that the NGT Order has been stayed by the Supreme Court of India, and stayed recovery of the compensation demanded pursuant to the Demand Order until the Supreme Court of India completes adjudication in the matter related to the NGT Order. Further, the High Court of Uttarakhand has directed the Company to apprise the UKPCB of all measure undertaken to control pollutions. Hon'ble Supreme Court have vacated the stay in February 2022. Consequently, Uttarakhand Pollution Control Board is expected to issue fresh notice of recovery of Environment Compensation by June 2023.

The Company does not have any other material commitments.

38 AUDITOR'S REMUNERATION (INCLUDED IN LEGAL AND PROFESSIONAL, NET OF TAXES)

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Statutory audit fees	4.00	4.00
Limited review fees	2.50	1.45
Tax audit fees	0.38	0.30
Certifications	0.59	0.15
Reimbursement of expenses	0.30	-
Total	**7.77**	**5.90**

39 TAX EXPENSE

A. Amounts recognised in standalone statement of profit and loss

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax (a)		
Current year	451.27	409.92
Changes in estimates related to prior years	16.83	-
Deferred tax (b)		
Attributable to -		
Origination and reversal of temporary differences	56.21	23.60

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Income tax expense reported in the standalone statement of profit and loss (a+b)	**524.31**	**433.52**
Amounts recognised in other comprehensive income		
Deferred taxes		
Remeasurements of the defined benefit plans	(6.09)	6.49
Income tax reported in other comprehensive income	**(6.09)**	**6.49**
B. Bifurcation of the income tax recognised in other comprehensive income into		
Items that will not be reclassified to profit or loss	(6.09)	6.49
Items that will be reclassified to profit or loss	-	-
Total	**(6.09)**	**6.49**

C. Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

	31 March 2023	31 March 2022
Profit before tax	**2,026.31**	**1,715.09**
Effective tax rate	25.17%	25.17%
Computed expected tax expense	510.02	431.69
Effect of:		
Non-deductible expenses	9.28	8.57
Tax exempt income	-	(4.76)
Prior year tax	16.83	-
Others	(11.82)	(1.98)
Income tax expense	**524.31**	**433.52**

D. Movement in temporary differences

Particulars	Balance as at April 01, 2022 Net deferred tax asset/ (liabilities)	Recognised in profit and loss during 2022-23	Recognised in OCI during 2022-23	Balance as at 31 March 2023 Net deferred tax asset/ (liabilities)
Property, plant and equipment	(665.52)	(43.33)	-	(708.85)
Provision for employee benefits	40.63	(42.44)	6.09	4.28
Security deposit	3.73	(0.59)	-	3.14
Allowance for credit losses	6.85	14.79	-	21.64
Right-of-use assets, net of lease liabilities (Ind AS 116)	9.84	1.59	-	11.43
On fair valuation of quoted investments	(1.50)	(0.19)	-	(1.69)
Derivative contracts at fair value	(11.62)	14.73	-	3.11
Others	2.59	(0.77)	-	1.82
Total	**(615.00)**	**(56.21)**	**6.09**	**(665.12)**

Particulars	Balance as at 01 April 2021 Net deferred tax asset/ (liabilities)	Recognised in profit and loss during 2021-22	Recognised in OCI during 2021-22	Balance as at 31 March 2022 Net deferred tax asset/ (liabilities)
Property, plant and equipment	(647.19)	(18.33)	-	(665.52)
Provision for employee benefits	55.93	(9.22)	(6.49)	40.63

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Particulars	Balance as at 01 April 2021 Net deferred tax asset/ (liabilities)	Recognised in profit and loss during 2021-22	Recognised in OCI during 2021-22	Balance as at 31 March 2022 Net deferred tax asset/ (liabilities)
Security deposit	1.06	2.67	-	3.73
Allowance for credit losses	4.58	2.27	-	6.85
Right-of-use assets, net of lease liabilities (Ind AS 116)	8.81	1.03	-	9.84
On fair valuation of quoted investments	(1.40)	(0.10)	-	(1.50)
Derivative contracts at fair value	(9.70)	(1.92)	-	(11.62)
Others	2.59	-	-	2.59
Total	**(585.32)**	**(23.60)**	**(6.49)**	**(615.00)**

40 RELATED PARTIES DISCLOSURES

A. Significant Shareholders

Client Ebene Limited

CVCIGPII Employee Ebene Limited

B. Subsidiary companies

Fitwel Tools and Forgings Private Limited

Sansera Engineering Pvt. Ltd., Mauritius

Sansera Sweden AB

C. Trust in which the Director is a trustee

Sansera Foundation

D. Key managerial personnel

S Sekhar Vasan - Chairman and Managing Director

F R Singhvi - Joint Managing Director

B R Preetham - Chief Executive Officer

Vikas Goel - Chief Financial Officer

Rajesh Kumar Modi - Company Secretary and Compliance officer

Muthuswamy Lakshminarayan - Independent Director

Revathy Ashok - Independent Director

Samir Purushottam Inamdar- Independent Director (With effect from May 23, 2022)

Bilaine Sylvain - Independent Director (upto July 28, 2022)

E. Close members of key managerial personnel's family

Lalitha Singhvi

Praveen Singhvi

Lata Singhvi

Jayaraj Singhvi

Tara Singhvi

Indira Singhvi

F. Entity controlled by close members of key managerial personnel's family

Eff N'Bee Hospitality Private Limited

G. The following is the summary of related party transactions:

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Expenditure towards Corporate Social Responsibility (CSR)		
Sansera Foundation	27.50	33.98
Sale of raw materials		
Fitwel Tools and Forgings Private Limited	2.97	-
Purchase of raw materials		
Fitwel Tools and Forgings Private Limited	0.11	3.81
Purchase of services		
Fitwel Tools and Forgings Private Limited	2.19	-
Purchase of products		
Fitwel Tools and Forgings Private Limited	596.66	528.15
Staff welfare cost		
Eff N'Bee Hospitality Private Limited	0.21	-
Purchase of Property, Plant and Equipment		
Fitwel Tools and Forgings Private Limited	7.12	-
Sale of Property, Plant and Equipment		
Eff N'Bee Hospitality Private Ltd	1.84	-
Sale of Capital work-in-progess		
Sansera Sweden AB	24.23	34.25
Sale of tools		
Sansera Sweden AB	6.90	3.29
Reimbursement of expenses (received)		
Sansera Sweden AB	-	4.47
Employee stock option Cost		
Fitwel Tools and Forgings Private Limited	2.03	3.29
IPO expenses incurred (reimbursed by the shareholders) #		
S. Sekhar Vasan	4.24	59.52
F R Singhvi	0.41	5.79
Lalitha Singhvi	0.13	1.77
Praveen Singhvi	0.13	1.79
Lata Singhvi	0.13	1.79
Jayaraj Singhvi	0.13	1.79
Tara Singhvi	0.13	1.79
Indira Singhvi	0.13	1.79
Unni Rajagopal K	1.18	16.52
Devappa Devaraj	1.18	16.52
Client Ebene Limited	17.77	95.45
CVCIGP II Employee Ebene Limited	9.95	53.46

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Managerial Remuneration*		
S Sekhar Vasan	14.89	14.89
F R Singhvi	14.89	14.89
B R Preetham	16.94	16.39
Vikas Goel	16.54	16.31
Rajesh Kumar Modi	4.35	4.30
Legal and Professional Charges- Fixed Commission		
Muthuswamy Lakshminarayan	1.20	1.20
Revathy Ashok	1.20	1.20
Samir Purushottam Inamdar	1.00	-
Bilaine Sylvain	0.46	1.20
Legal and Professional Charges- Sitting fees		
Muthuswamy Lakshminarayan	0.26	0.30
Revathy Ashok	0.25	0.33
Bilaine Sylvain	-	0.19
Samir Purushottam Inamdar	0.16	-
Conversion of Compulsorily Convertible Preference Shares (CCPS)		
Client Ebene Limited	-	5.69
CVCIGPII Employee Ebene Limited	-	3.19
Redemption of Preference shares		
Sansera Engineering Pvt. Ltd., Mauritius	-	82.69

H. The balances receivable from and payable to related parties are:

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables		
Fitwel Tools and Forgings Private Limited	2.50	1.74
Eff N'Bee Hospitality Private Limited	0.13	-
Other Recoverables		
Fitwel Tools and Forgings Private Limited	-	3.29
Trade receivables		
Sansera Sweden AB	6.50	2.70
Corporate guarantee for credit facility		
Sansera Sweden AB**	309.30	227.13
IPO expenses recoverable from shareholders #		
S. Sekhar Vasan	-	0.42
F R Singhvi	-	0.05
Lalitha Singhvi	-	0.01
Praveen Singhvi	-	0.01
Lata Singhvi	-	0.01
Jayaraj Singhvi	-	0.01
Tara Singhvi	-	0.01
Indira Singhvi	-	0.01
Unni Rajagopal K	-	0.12
Devappa Devaraj	-	0.11
Client Ebene Limited	-	1.74

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
CVCIGP II Employee Ebene Limited	-	0.97
Loans to key managerial personnel		
B. R Preetham	-	3.88
Payable to Directors		
S. Sekhar Vasan	12.85	12.86
Receivable from Director		
F R Singhvi	-	0.36

*Excludes contribution to employee retirement/post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.

** Represents the amount utilized by Sansera Sweden AB against the corporate guaratee proposed to be provided/ provided by the Company. As at March 31, 2023 the proposed Corporate Guarantee is under review by the Citi bank NA.

The Company's equity shares were listed on National Stock Exchange (""NSE"") and on BSE Limited (""BSE"") on 24 September 2021, by completing the Initial Public Offering (IPO) of 17,244,328 equity shares of face value of ₹ 2 each at an issue price of ₹ 744 per equity share, consisting of an offer for sale of 17,244,328 equity shares by the selling shareholders.

For the purpose of IPO, during the current financial year, the Company has incurred a cost of ₹ 35.51 million (31 March 2022: ₹ 257.98 million). As per the arrangement with the related selling shareholders, the aforesaid expenditure is borne by the respective selling shareholders. Outstanding cost recoverable as at 31 March 2023 is Nil (31 March 2022: ₹ 3.47 million).

Terms and conditions:

All transactions with related parties are unsecured.

41 EMPLOYEE BENEFIT PLANS

A Defined contribution plan

The Company has defined contribution plan. Contributions are made to the Provident fund for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employer contribution to Provident fund, including admin charges	90.69	74.68
Employer contribution to Employee state insurance scheme	17.21	13.18
Employer contribution to Labour Welfare fund	0.22	0.19

B Defined benefit plans

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement (Age of 58 years) or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the Fund.

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The following table sets out the status of the gratuity plan as required under Ind AS 19 "Employee benefits":

a) Reconciliation of present value of defined benefit obligations

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Defined benefit obligations at the beginning of the year	340.60	322.11
Current service cost	28.23	26.24
Interest Expense	24.51	21.73
Benefits paid	(6.86)	(10.46)
Actuarial (gains) / losses recognised in Other Comprehensive Income:		
Changes in financial assumptions	(11.05)	(14.67)
Experience adjustments	34.84	(4.35)
Defined benefit obligations at the end of the year	**410.27**	**340.60**

b) Reconciliation of present value of plan assets

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Plan assets at the beginning of the year	259.69	171.79
Interest income	18.68	11.59
Contributions paid into the plan	120.00	80.01
Return on plan assets recognised in other comprehensive income	(0.42)	6.76
Benefits paid	(6.86)	(10.46)
Plan assets at the end of the year	**391.09**	**259.69**

Actual return on plan assets

Return on plan assets: The long term estimate of the expected rate of return on plan assets has been arrived at based on prevailing yields on those assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Net defined benefit liability (a-b)	**19.18**	**80.91**
Non-current	-	55.01
Current	19.18	25.90
Total	**19.18**	**80.91**

c) Expenses recognised in the standalone statement of profit and loss

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	28.23	26.24
Interest expense	24.51	21.73
Interest income	(18.68)	(11.59)
Total	**34.06**	**36.38**

d) Remeasurements recognised in Other Comprehensive Income (OCI)

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain)/loss on account of experience adjustments	34.84	(4.35)
Actuarial (gain)/loss arising from change in financial assumptions	(11.05)	(14.67)
Return on plan assets recognised in other comprehensive income	0.42	(6.76)
Total	**24.21**	**(25.78)**
Total cost recognised in the statement of profit and loss, including other comprehensive income (c+d)	**58.27**	**10.60**

e) Actuarial assumptions

The following table sets out the status of the Gratuity scheme and the amount recognised in the financial statements as per the Actuarial Valuation done by an Independent Actuary. These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
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.
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.

In respect of the above plans, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2023 by an independent 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.

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

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.50%	7.20%
Salary increase*	5.00%	5.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Retirement age	58 years	58 years
Withdrawal rate	4.00%	4.00%

* The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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f) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	376.38	(449.09)	311.02	(374.66)
Future salary growth (1% movement)	449.68	(375.31)	375.07	(310.17)
Withdrawal rate (1% movement)	416.40	(403.48)	345.44	(335.21)
Mortality Rate (1% movement)	410.48	(410.06)	340.76	(340.43)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The expected future contribution and estimated future benefit payments from the fund are as follows:

(Amount in ₹ millions)

Expected cash flows over the next (valued on undiscounted basis):	For the year ended 31 March 2023	For the year ended 31 March 2022
1 year	31.76	25.90
2 to 5 years	126.36	97.16
6 to 10 years	196.68	151.86
More than 10 years	536.41	476.41

g) Asset liability matching strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

h) The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

42 EMPLOYEE STOCK OPTIONS

The Company has share option schemes for the permanent employees of the Company and its subsidiaries. In accordance with the terms of the plan, as approved by shareholders, permanent employees may be granted options to purchase equity shares.

Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry as per ESOP Schemes.

(a) Sansera Employee Stock Option Plan 2015

On March 12, 2015, the Board of Directors of the Company approved "Sansera Employee Stock Option Plan 2015" ("the Plan") for grant of stock options to the employees of the Company and its subsidiaries which was further ratified by the shareholders on April 13, 2015 Further, the ESOP 2015 has been amended pursuant to resolutions passed by the Shareholders on August 03, 2018, June 02, 2021 and August 31, 2021, respectively. The vested options can be exercised by the option holder and the shares can be allotted by the Board/Committee as specified in the Plan. The plans are as follows:

Programme 1: Key management group

Options under this programme are granted to certain employees at an exercise price of ₹ 0.14 per option. The entire stock options are completely vested.

The following reconciles the outstanding share options granted under employee share option plan at beginning and at the end of financial year:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Options	Weighted average exercise price in ₹	Number of Options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	9,98,775	0.14	11,73,775	0.14
Granted during the year	-	-	-	-
Exercised during the year	4,25,000	0.14	1,75,000	0.14
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	**5,73,775**	**0.14**	**9,98,775**	**0.14**
Vested at the end of the year	**5,73,775**	**0.14**	**9,98,775**	**0.14**
Exercisable at the end of the year	**5,73,775**	**0.14**	**9,98,775**	**0.14**

Programme 2: Certain identified employees

Options under this programme are granted to certain employees at an exercise price of ₹ 135.20 per option. Stock options issued carries different vesting periods, it ranges from 25 to 100 percent vesting of total options granted by the end of every one year from the grant date. All stock options shall be fully vested by the end of 4 years from the grant date.

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Options	Weighted average exercise price in ₹	Number of Options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	7,33,935	135.20	11,88,275	135.20
Granted during the year*	-	-	1,48,625	135.20
Exercised during the year	3,48,725	135.20	6,02,965	135.20
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Surrendered during the year	-	-	-	-
Outstanding at the end of the year	**3,85,210**	**135.20**	**7,33,935**	**135.20**
Vested at the end of the year	**3,85,210**	**135.20**	**7,33,935**	**135.20**
Exercisable at the end of the year	**3,85,210**	**135.20**	**7,33,935**	**135.20**

* The options granted during the year have been vested over the period of one year from the date of grant.

During the year ended 31 March 2023, shares were exercised on 23 May 2022, 28 September 2022 and 28 February 2023. The share price on the date of exercise was ₹ 733.90, ₹ 711.80 and ₹ 728.5 respectively.

Measurement of fair values

Black-Scholes Option Pricing Model is used to value the fair value of the stock options. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	Share option plans		
	Programme 1: Key Management Group	Programme 2: Certain Identified Employees	Programme 2: Certain Identified Employees
Grant date	29 April 2015	29 April 2015	01 April 2021
Fair value at grant date	103.39	55.25	273.21

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Particulars	Share option plans		
	Programme 1: Key Management Group	Programme 2: Certain Identified Employees	Programme 2: Certain Identified Employees
Share price at grant date	103.48	103.48	396.60
Exercise price	0.14	135.20	135.20
Expected volatility (weighted average volatility)	49.20%	49.20%	31.30%
Method used to determine expected volatility	Expected volatility has been calculated based on volatility of the comparable company stock prices.		
Expected term (in years)	6.50	6.50	2.00
Risk free interest rate	7.90%	7.90%	4.52%

(b) Sansera Employee Stock Option Plan 2018

The Company, pursuant to resolution passed by its shareholders dated August 08, 2018 has adopted "Sansera Employee Stock Option Plan 2018" ("the Plan"). Further, the ESOP 2018 has been amended pursuant to resolutions passed by the Board of Directors on 19 April 2021 and 22 August 2021 and Shareholders on 02 June 2021 and 31 August 2021. The aggregate number of options, which may be issued under ESOP 2018, shall be decided by the Nomination and Remuneration Committee and shall not exceed such number of options which represents 2.50% shareholding in the Company on a fully diluted basis as on the date of this plan. The plans are as follows:

Options under this programme are granted to certain employees at an exercise price of ₹ 744 per option. Stock options issued carry different vesting periods. It ranges from 25 to 100 percent vesting of total options granted by the end of every one year from the grant date. All stock options shall be fully vested by the end of 4 years from the grant date.

The following reconciles the outstanding share options granted under employee share option plan at beginning and at the end of financial year:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Options	Weighted average exercise price in ₹	Number of Options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	8,08,327	744.00	-	-
Granted during the year	-	-	8,08,327	744.00
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	**8,08,327**	**744.00**	**8,08,327**	**744.00**
Vested at the end of the year	**2,02,082**	**744.00**	**-**	**-**
Exercisable at the end of the year	**2,02,082**	**744.00**	**-**	**-**

Measurement of fair values

Black-Scholes Option Pricing Model is used to value the fair value of the stock options. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	Share option plan
Grant date	22-Sep-21
Fair value at grant date (Average)	200.72
Share price at grant date	744.00
Exercise price	744.00
Expected volatility (weighted average volatility) (Average)	26.68%
Expected term (in years) (Average)	3.50
Method used to determine expected volatility	The expected volatility has been calculated based on historic volatility Auto Index
Risk free interest rate (Average)	5.02%

** The employees of the Subsidiary are eligible for shares under Employee Stock Option Plans of Sansera Engineering Limited. The Company has cross-charged an amount of ₹ 2.03 million for year ended 31 March 2023 (31 March 2022: ₹ 3.29 million) as cost of such stock options.

43 FINANCIAL INSTRUMENTS

Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

(Amount in ₹ millions)

Particulars	Carrying amount	Fair value		
	31 March 2023	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investment in equity shares	111.66	6.73	-	104.93
Total	**111.66**	**6.73**	**-**	**104.93**
Financial assets measured at amortised cost				
Loans	35.49	-	-	-
Other non-current financial assets	125.13	-	-	-
Trade receivables	4,073.79	-	-	-
Cash and cash equivalents	350.99	-	-	-
Bank balances other than cash and cash equivalents above	118.58	-	-	-
Other current financial assets	169.13	-	-	-
Total	**4,873.11**	**-**	**-**	**-**
Financial liabilities measured at fair value				
Derivative liability	12.35	-	12.35	-
Total	**12.35**	**-**	**12.35**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	2,375.89	-	-	-
Current borrowings	3,877.21	-	-	-
Lease liabilities	291.95	-	-	-
Trade payables	2,368.93	-	-	-
Other financial liabilities	162.08	-	-	-
Total	**9,076.06**	**-**	**-**	**-**

(Amount in ₹ millions)

Particulars	Carrying amount	Fair value		
	31 March 2022	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investment in equity	110.90	5.97	-	104.93
Derivative contracts at fair value	6.13	-	6.13	-
Total	**117.03**	**5.97**	**6.13**	**104.93**
Financial assets measured at amortised cost				
Loans	36.45	-	-	-
Other non-current financial assets	137.51	-	-	-
Trade receivables	3,871.69	-	-	-
Cash and cash equivalents	273.32	-	-	-

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(Amount in ₹ millions)

Particulars	Carrying amount	Fair value		
	31 March 2022	Level 1	Level 2	Level 3
Bank balances other than cash and cash equivalents above	112.47	-	-	-
Other current financial assets	174.68	-	-	-
Total	**4,606.12**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	2,267.00	-	-	-
Current borrowings	3,427.24	-	-	-
Lease liabilities	332.17	-	-	-
Trade payables	2,173.14	-	-	-
Other financial liabilities	119.94	-	-	-
Total	**8,319.49**	**-**	**-**	**-**

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The derivative contracts are valued using market approach, determined using forward exchange rates as at the balance sheet date.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company has not disclosed the fair value of financial instruments such as other non-current financial assets, trade receivables, cash and cash equivalents, bank balances, other current financial assets, loans, borrowings, other non-current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Investments in subsidiaries are not appearing as financial asset in the table above, being accounted under Ind AS 27, Separate Financial Statements.

The majority of costs and incomes are denominated in local currencies, which is not impacted by currency exchange fluctuations. Some of the contracts with key export customers may not allow for price adjustments in the event of unfavourable currency exchange rate developments. Global footprint exposes the Company to certain currency exchange risks, arising primarily from foreign currency receivables, import of raw materials and capital goods for operations, export of goods and non-Indian rupee denominated borrowings. The Company hedges significant portion of the net foreign exchange exposure through forward contracts and non-Indian rupee denominated loans.

44 FINANCIAL RISK MANAGEMENT

The Company is exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework

The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and others, foreign exchange transactions and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In respect of trade receivables the Company performs credit assessment for customers on an annual basis and recognises credit risk on the basis of lifetime expected losses. (Refer note 11).

The top 5 customers generated revenues of 56.17% during the year (31 March 2022 : 57.12%), wherein 3 customers (31 March 2022: 3 customers) individually represented more than 10% of the revenue from sale of products for the year. Further, 3 customers accounted for more than 36% of the receivables as at 31 March 2023.

Security deposits, Other financial assets and Loans:

Expected credit loss for Security deposits, Other financial assets and Loans is as follows:

Particulars	Year ended	Assets of the Company	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss: Financial assets for which credit risk has not increased significantly since initial recognition	31 March 2023	Security deposits	121.73	0%	-	121.73
		Other financial assets	169.13	0%	-	169.13
		Loans	35.49	0%	-	35.49

Cash and cash equivalents (including bank balances, fixed deposits and margin money with banks):

Credit risk on cash and cash equivalents is limited as the Company generally transacts with banks and others with high credit ratings assigned by international and domestic credit rating agencies.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The working capital position of the Company is given below :

As at 31 March 2023, the Company had a working capital of ₹ 1,398.69 million including cash and cash equivalents and bank balances of ₹ 469.57 million and current investments of ₹ 6.73 million. As at 31 March 2022, the Company had a working capital of ₹ 1,083.76 million including cash and cash equivalents and bank balances of ₹ 385.79 million and current investments of ₹ 5.97 million.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

Particulars	As at 31 March 2023				
	Carrying amount	Total	Less than 1 year	1-2 years	Above 2 years
Non-current borrowings including current maturities	3,560.04	3,560.04	1,184.15	1,019.77	1,356.12
Current borrowings	2,693.06	2,693.06	2,693.06	-	-

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Particulars	As at 31 March 2023				
	Carrying amount	Total	Less than 1 year	1-2 years	Above 2 years
Trade payables	2,368.93	2,368.93	2,368.93	-	-
Other financial liabilities	174.43	174.43	174.43	-	-
Lease liabilities	291.95	291.95	45.46	37.66	208.83

Particulars	As at 31 March 2022				
	Carrying amount	Total	Less than 1 year	1-2 years	Above 2 years
Non-current borrowings including current maturities	3,308.90	3,308.90	1,041.89	985.36	1,281.65
Current borrowings	2,385.34	2,385.34	2,385.34	-	-
Trade payables	2,173.14	2,173.14	2,173.14	-	-
Other financial liabilities	119.94	119.94	119.94	-	-
Lease liabilities	332.17	332.17	40.37	45.46	246.34

(iv) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises interest rate risk and currency rate risk. Financial instruments affected by market risk include loans, borrowings and payables. The Company's activities expose it to a variety of financial risks, including effects of changes in foreign currency exchange rates and interest rate movement.

(v) 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 change in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows :

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed rate instruments:		
Financial liabilities	-	227.56
Variable rate instruments:		
Financial liabilities	6,253.10	5,466.68
Total	**6,253.10**	**5,694.24**

Interest rate sensitivity:

Sensitivity analysis for fixed-rate instruments

There is no impact on the profit or loss on account of fixed rate instruments.

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the year was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Effect on profit before tax	
		31 March 2023	31 March 2022
Increase of 100 basis points	₹	62.53	54.67
Decrease in 100 basis points	₹	(62.53)	(54.67)

(vi) Foreign currency risk

The Company is exposed to currency risk on certain transactions that are denominated in a currency other than the entity's functional currency, hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Foreign currency (FC) 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 evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments. The information on derivative instruments is as follows.

(Amount in ₹ millions)

Particulars	Currency Hedged	As at 31 March 2023		As at 31 March 2022	
		Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Forward contract (to hedge net receivables)	USD	13.15	1,080.54	10.93	828.05
No. of Contracts		20		21	
Forward contract (to hedge net receivables)	EUR	2.06	184.25	4.65	391.20
No. of Contracts		5		10	
Forward contract (to hedge net receivables)	EURUSD	5.50	491.93	-	-
No. of Contracts		11		-	
Forward contract (to hedge borrowing)	USD	2.00	164.34	-	-
No. of Contracts		2		-	
Forward contract (to hedge borrowing)	EURUSD	2.50	223.61	-	-
No. of Contracts		4		-	

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities when revenue and expense is denominated in a foreign currency.

The following table presents foreign currency risk from financial instruments as of:

(Amount in ₹ millions)

Particulars	Currency	As at 31 March 2023		As at 31 March 2022	
		Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Trade receivables	USD	9.67	794.58	19.28	1,461.28
	EUR	12.33	1,102.83	10.56	889.36
Other receivables	USD	0.35	28.76	-	-
Cash and cash equivalents	USD	1.17	96.14	0.76	57.60
	EUR	1.48	132.37	0.26	21.90
Trade payables	USD	1.02	83.81	0.36	27.29
	EUR	1.20	107.33	0.67	56.43
	GBP	*	0.03	*	0.32
	CHF	0.01	0.90	0.01	0.82
Borrowings	USD	-	-	9.29	704.11

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Sensitivity analysis

Particulars	Percentage movement	Effect on profit before tax		Effect on equity	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2023					
USD	8%	66.85	(66.85)	50.02	(50.02)
EUR	6%	67.67	(67.67)	50.64	(50.64)
CHF	9%	0.08	(0.08)	-	-
31 March 2022					
USD	4%	31.50	(31.50)	23.57	(23.57)
EURO	2%	17.10	(17.10)	12.80	(12.80)
CHF	6%	0.05	(0.05)	-	-

* GBP 258.32 (31 March 2022 GBP 3,226) not presented above due to rounding off to nearest million.

45 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the standalone financial statements.

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Gross debt*	6,558.87	6,035.11
Less : Cash and cash equivalents and other bank balances	469.57	385.79
Net debt (A)	**6,089.30**	**5,649.32**
Total equity (B)**	**11,823.26**	**10,336.67**
Debt ratio (A / B)	**0.52**	**0.55**

* Gross debt includes non-current borrowings, current borrowings, current maturities of long term debts, lease liabilities and accrued interest .

** Total equity includes Equity share capital, instruments entirely equity in nature and other equity.

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

46 RATIOS

Particulars	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	% Variance	Reason for Variance
(a) Current Ratio	Current assets	Current liabilities	1.20	1.18	1.69%	Not Applicable
(b) Debt-Equity ratio	Total debt	Shareholders' equity	0.55	0.58	(5.17%)	Not Applicable
(c) Debt Service Coverage Ratio	Earnings available for debt service	Debt service	1.75	1.75	-	Not Applicable
(d) Return on Equity Ratio	Net profits after taxes – Preference dividend	Average shareholders equity	13.56%	13.34%	0.22%	Not Applicable
(e) Inventory turnover ratio	Cost of goods sold	Average inventory	4.90	5.19	(5.59%)	Not Applicable
(f) Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	5.26	5.14	2.33%	Not Applicable
(g) Trade payables turnover ratio	Net credit purchases	Average trade payables	7.43	6.77	9.75%	Not Applicable
(h) Net capital turnover ratio	Revenue from operations	Working capital	14.94%	16.10%	(1.16%)	Not Applicable
(i) Net profit ratio	Net profit after tax	Revenue from operations	7.19%	7.34%	(0.15%)	Not Applicable
(j) Return on Capital employed	EBIT	Capital employed	13.33%	12.70%	0.63%	Not Applicable
(k) Return on investment	Income generated from investments	Average investments	5.03%	6.52%	(1.49%)	Not Applicable

Notes:

(1) Total Debt includes non-current borrowings, current borrowings, current maturities of non-current borrowings, lease liabilities and accrued interest

(2) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest - other adjustments like gain on sale of fixed assets, income from government grant and dividend income/share of profit from investment

(3) Debt service = Interest and Lease Payments + Principal Repayments

(4) Cost of Goods Sold = Cost of materials consumed + Changes in inventories of finished goods and work-in-progress + Conversion charges + Power and fuel + Contract labour charges

(5) Net credit purchases consist of gross credit purchases minus purchase return (includes purchase of raw material, conversion charges, power and fuel, stores and spares)

(6) Working capital = Current assets - Current liabilities

(7) EBIT = Earnings before interest and taxes.

(8) Capital Employed = Tangible net worth + Borrowings + Deferred tax liabilities

(9) Income generated from investment consists of dividend/share of profit from investment and interest income generated from various investments.

(10) Average investments include average of investments in fixed deposits and Other Investments (Unquoted).

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

47 DUES TO MICRO, SMALL AND ENTERPRISES

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year: *		
– Principal	252.92	106.07
– Interest	0.34	3.80
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act. #	6.27	2.49
The amount of interest accrued and remaining unpaid at the end of each accounting year.	10.41	3.80
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

* Includes amount payable to capital creditors amounting to ₹ 61.20 million (31 March 2022: ₹ 28.03 million)

The Company has not received any claim for interest from any supplier as at the balance sheet date.

48 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds are allocated to the activities which are specified in Schedule VII of the Companies Act, 2013.

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Amount required to be spent by the Company during the year	26.90	27.12
(ii) Amount of expenditure incurred	27.56	33.98
a) Construction/acquisition of any asset	9.23	11.67
b) On purpose other than (a) above	18.33	22.31
(iii) Shortfall at the end of the year *	-	-
(iv) Total of previous years' shortfall	-	-

(v) Reason for shortfall : For the year ended 31 March 2023 the Company has spent required amount under CSR.

(vi) Nature of CSR activities: Promotion of education of underprivileged children, construction of sanitation facilities in rural schools, project related to environmental sustainability etc.

(vii) Details of related party transactions: Trust in which the Director is a trustee. Refer note 40

* The unspent amount was transferred to unspent CSR account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

49 SEGMENT REPORTING

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of automobile/aerospace components, which in the context of Ind AS 108 'Segment Information' represents single reportable business segment. The entire operations are governed by the same set of risk and returns. Accordingly, these operations represent a single segment. The revenues, total expenses and net profit as per the standalone statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment.

(i) Geographical information

Geographic segmentation is based on business sourced from specific geographic regions. Other foreign countries comprises all other places except India, Europe and USA:

(a) Revenue from operations

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
India	16,061.38	12,121.82
Europe	2,513.18	2,832.17
USA	1,539.93	1,774.14
Other foreign countries	786.46	721.91
Total	**20,900.95**	**17,450.04**

(b) Non-current assets

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
India	13,024.02	11,851.13
Total	**13,024.02**	**11,851.13**
Reconciling items:		
Non-current financial assets	1,111.03	1,130.22
Income tax assets	64.42	10.19
Total non-current assets	**14,199.47**	**12,991.54**

50 DETAILS OF NON-CURRENT INVESTMENTS PURCHASED AND SOLD UNDER SECTION 186(4) OF THE COMPANIES ACT 2013.

Investments in equity and preference instruments

Subsidiaries	Face value per share	As at April 01, 2022	Purchased during the year	Redemption during the year	As at 31 March 2023
Fitwel Tools and Forgings Private Limited (Equity Shares)	₹ 10	201.65	-	-	201.65
		(248,872)*			(248,872)*
Sansera Engineering Pvt. Ltd., Mauritius (Equity Shares)	Euro 10	6.88	-	-	6.88
		(10,000)*			(10,000)*
Sansera Engineering Pvt. Ltd., Mauritius (Preference Shares)	Euro 10	666.58	-	-	666.58
		(930,000)*		-	(930,000)*

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

Subsidiaries	Face value per share	As at 01 April 2021	Purchased during the year	Redemption during the year	As at 31 March 2022
Fitwel Tools and Forgings Private Limited (Equity Shares)	₹ 10	201.65	-	-	201.65
		(248,872)*			(248,872)*
Sansera Engineering Pvt. Ltd., Mauritius (Equity Shares)	Euro 10	6.88	-	-	6.88
		(10,000)*			(10,000)*
Sansera Engineering Pvt. Ltd., Mauritius (Preference Shares)	Euro 10	749.27	-	82.69	666.58
		(1,040,000)*		(110,000)*	(930,000)*

* The figures in parenthesis represents number of shares.

51 The Company has considered various internal and external sources consisting of feedback from the customers and the market trends, up to the date of approval of the standalone financial statements in determining the impact, if any, arising from the pandemic on various elements of its standalone financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on its current estimates, the Company expects to recover the carrying value of its financial and non-financial assets, including tangible assets and meet its financial obligations in the normal course of business. The eventual outcome of the possible impact of the pandemic may be different from that estimated as on the date of approval of these standalone financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its standalone financial statements.

52 ADDITIONAL REGULATORY INFORMATION:

a) There are no transactions or balances with Companies which have been removed from the Register of Companies (Struck off Companies), during the year ended/as at 31 March 2023.

b) The Company has not traded/invested in Cryptocurrency/Virtual currency.

c) 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:

   (i) 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

   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

d) 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

   (i) 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

   (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

e) The Company has no 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).

53 On 29 March 2023, the Company had entered into a definitive agreement for a strategic investment in MMRFIC Technology Private Limited (MMRFIC). As per the terms of the agreement, the Company would make an investment of ₹ 200 million in 149,250 Compulsorily Convertible Preference Shares (CCPS) of ₹ 100 each with a premium of ₹ 1,240 per CCPS; and 17 Equity Shares of Re.1 each with a premium of ₹ 599 per Equity Share, for an approximate 21% stake in MMRFIC and has right to invest and increase stake up to 51% at a predefined valuation formula. Subsequent to the year end, the Company has made an investment of ₹ 50 million.

54 During the year ended 31 March 2023, on account of final dividend for financial year 2021-22, the Company has incurred a net cash outflow of ₹ 105.26 million.

The Board of Directors, in their meeting held on 22 May 2023, recommended a final dividend of ₹ 2.5 per equity share for the financial year ended 31 March 2023. This payment is subject to the approval of shareholders in the AGM of the Company and if approved, would result in a net cash outflow of approximately ₹ 132.36 million.

55 The Board of Directors of the Company have approved these standalone financial statements of the Company in their meeting held on 22 May 2023.

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

B R Preetham
Chief Executive Officer

F R Singhvi
Joint Managing Director
DIN: 00233146

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place : Bengaluru
Date : 22 May 2023

INDEPENDENT AUDITOR'S REPORT

To The Members of Sansera Engineering Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Sansera Engineering Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, 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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the Other Matters section 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 the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and the Report on Corporate Governance but does not include the consolidated financial statements, standalone financial statements and our auditor's reports 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, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by other auditors.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or 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.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 Parent has 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities in the consolidated financial statements, which have been audited other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of two subsidiaries included in the consolidated financial statements whose financial statements / financial information reflect total assets of ₹ 2,423.52 million as at 31 March 2023, total revenues of ₹ 1,464.88 million and net cash inflows of ₹ 60.04 million for the year ended 31 March 2023, as considered in the consolidated financial statements. These financial statements/ financial information have been audited, as applicable, by other auditors whose reports have 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 these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements.

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 the reports of other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section 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 consolidated financial 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.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

    e) On the basis of the written representations received from the directors of the Parent as on 31 March 2023 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of the subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31 March 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary company, which is incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent and its subsidiary company, incorporated in India, to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 37 to the consolidated financial statements;

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

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

iv) (a) The respective Managements of the Parent and its subsidiary which is a company incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 51(c) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or its subsidiary 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiary, which is a company incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 51(d) to the consolidated financial statements, no funds have been received by the Parent its subsidiary, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or its 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.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor's 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) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

INDEPENDENT AUDITOR'S REPORT (Contd.)

As stated in note 53 to the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

The subsidiary which is a company incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

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 with effect from 01 April, 2023 to the Parent and its subsidiary, which is a company incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

i) With respect to matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of section 143(11) of the Act, according to the information and explanations given to us, and based on the reports issued by us for the Parent and its subsidiary included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.008072S)

Monisha Parikh
(Partner)
(Membership No.47840)
UDIN: 23047840BGUCKM8311

Place : Bengaluru
Date : 22 May, 2023
MP/MS/SS/2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to consolidated financial statements of **Sansera Engineering Limited** (hereinafter referred to as "Parent") and its subsidiary company incorporated in India as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Parent and its subsidiary which is company incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary company, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 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 internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary company, which is incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements,

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 to the best of our information and according to the explanations given to us, the Parent and its subsidiary company, which are companies incorporated in India, have, in all material respects, 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 31 March 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.008072S)

Monisha Parikh
(Partner)
(Membership No.47840)
UDIN: 23047840BGUCKM8311

Place : Bengaluru
Date : 22 May 2023
MP/MS/SS/2023

SANSERA
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CONSOLIDATED BALANCE SHEET

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
AS AT 31 MARCH 2023

(Amount in ₹ millions)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	3.a	12,691.41	11,040.79
Capital work-in-progress	3.b	756.61	1,224.25
Goodwill	3.e	347.07	352.25
Other Intangible assets	3.c	24.54	23.96
Right-of-use assets	3.d	873.12	977.27
Financial assets			
(i) Investments	4	104.93	104.93
(ii) Loans	5	8.99	15.72
(iii) Other financial assets	6	279.03	287.95
Current tax assets (net)	7.a	85.08	28.30
Other non-current assets	8	313.72	209.33
Total non-current assets		**15,484.50**	**14,264.75**
CURRENT ASSETS			
Inventories	9	3,709.63	2,776.03
Financial assets			
(i) Investments	10	6.73	5.97
(ii) Trade receivables	11	4,327.31	4,085.64
(iii) Cash and cash equivalents	12	495.58	383.44
(iv) Bank balances other than cash and cash equivalents	13	120.83	119.84
(v) Loans	14	32.45	25.15
(vi) Other financial assets	15	188.63	201.69
Other current assets	16	262.97	347.18
Total current assets		**9,144.13**	**7,944.94**
Total Assets		**24,628.63**	**22,209.69**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	17	105.86	104.31
Other equity	18	11,573.48	10,129.51
Total equity attributable to owners of the Company		11,679.34	10,233.82
Non-controlling interests		140.34	119.34
Total equity		**11,819.68**	**10,353.16**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	19	2,630.25	2,335.04
(ia) Lease liabilities	3.d	821.32	910.63
Provisions	20	28.92	82.23
Deferred tax liabilities (net)	21	688.60	641.93
Other non-current liabilities	22	487.40	509.82
Total non-current liabilities		**4,656.49**	**4,479.65**
CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	23	4,490.86	4,116.40
(ia) Lease liabilities	3.d	99.81	102.51
(ii) Trade payables	24		
- Total outstanding dues of micro enterprises and small enterprises		202.72	77.54
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,724.06	2,575.43
(iii) Other financial liabilities	25	188.60	121.83
Other current liabilities	26	415.68	263.55
Provisions	27	25.73	111.14
Current tax liabilities (net)	7.b	5.00	8.48
Total current liabilities		**8,152.46**	**7,376.88**
Total Equity and Liabilities		**24,628.63**	**22,209.69**

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.: 008072S)

Monisha Parikh
Partner
(Membership No. 47840)

Place : Bengaluru
Date : 22 May 2023

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

F R Singhvi
Joint Managing Director
DIN: 00233146

B R Preetham
Chief Executive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place : Bengaluru
Date : 22 May 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (INCLUDING OTHER COMPREHENSIVE INCOME)

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
FOR THE YEAR ENDED 31 MARCH 2023

(Amount in ₹ millions)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	28	23,383.03	19,890.32
Other income	29	178.10	154.93
Total Income		**23,561.13**	**20,045.25**
EXPENSES			
Cost of materials consumed	30	10,863.04	8,871.08
Changes in inventories of finished goods and work-in-progress	31	(688.46)	(230.08)
Conversion charges		803.90	650.14
Consumption of stores and spares		2,145.09	1,691.54
Power and fuel		1,038.03	913.17
Employee benefits expense	32	3,179.61	2,773.58
Finance costs	33	615.10	510.13
Depreciation and amortisation expenses	34	1,300.80	1,197.03
Other expenses	35	2,271.70	1,884.98
Total expenses		**21,528.81**	**18,261.57**
Profit before tax		**2,032.32**	**1,783.68**
Tax expense:	38		
Current tax		476.73	427.85
Tax relating to prior years		18.86	7.65
Deferred tax		53.31	29.29
Total tax expense		**548.90**	**464.79**
Profit for the year		**1,483.42**	**1,318.89**
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of the net defined benefit liability		(26.40)	25.64
Income tax relating to items that will not be reclassified to profit or loss		6.70	(6.45)
Net other comprehensive income/(loss) not to be reclassified subsequently to profit or loss		**(19.70)**	**19.19**
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		0.12	(45.14)
Income tax relating to items that will be reclassified to profit or loss		(0.03)	11.36
Net other comprehensive income/(loss) to be reclassified subsequently to profit or loss		**0.09**	**(33.78)**
Other comprehensive income/(loss) for the year, net of income tax		**(19.61)**	**(14.59)**
Total Comprehensive Income for the year		**1,463.81**	**1,304.30**
Profit attributable to :			
Owners of the Company		1,461.95	1,304.52
Non-controlling interests		21.47	14.37
Total profit for the year		**1,483.42**	**1,318.89**
Other comprehensive income/(loss) attributable to:			
Owners of the Company		(19.14)	(14.56)
Non-controlling interests		(0.47)	(0.03)
Total other comprehensive income/(loss)		**(19.61)**	**(14.59)**
Total comprehensive income attributable to:			
Owners of the Company		1,442.81	1,289.96
Non-controlling interests		21.00	14.34
Total Comprehensive Income for the year		**1,463.81**	**1,304.30**
Earnings per equity share (face value of ₹ 2 each)			
Basic (in ₹)	36	27.74	25.27
Diluted (in ₹)	36	27.17	24.36

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.: 008072S)

Monisha Parikh
Partner
(Membership No. 47840)

Place : Bengaluru
Date : 22 May 2023

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

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Joint Managing Director
DIN: 00233146

B R Preetham
Chief Executive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place : Bengaluru
Date : 22 May 2023

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CONSOLIDATED STATEMENT OF CASH FLOWS

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
FOR THE YEAR ENDED 31 MARCH 2023

(Amount in ₹ millions)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities			
Profit before tax		2,032.32	1,783.68
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses	34	1,300.80	1,197.03
Income from government grants	29	(55.31)	(52.01)
Adjustment for rental concession and derecognition of lease		-	(4.12)
Interest income	29	(16.34)	(14.42)
Fair value gain on financial instruments at fair value through profit or loss	29	(0.76)	(0.39)
Gain on disposal of property, plant and equipment, net	29	(3.45)	(1.88)
Unrealised foreign exchange (gain)/loss, net		(48.26)	3.86
Employee stock compensation expense	32	60.76	79.89
Finance costs	33	615.10	510.13
Share of profit from investment in Limited Liability Partnership (LLP)	29	-	(4.17)
Operating cash flows before changes in operating assets and liabilities		**3,884.86**	**3,497.60**
Changes in operating assets and liabilities:			
Decrease/(increase) in trade receivables		(176.35)	(934.58)
Decrease/(increase) in other financial assets and other assets		92.48	(52.46)
Decrease/(increase) in inventories		(933.60)	(290.34)
Increase/(decrease) in trade payables		267.98	322.30
Increase/(decrease) in other liabilities		149.75	49.25
Increase/(decrease) in provisions		(165.12)	(31.92)
Cash generated from operations		**3,120.00**	**2,559.85**
Income taxes paid, net		(555.82)	(429.20)
Net cash generated from operating activities (A)		**2,564.18**	**2,130.65**
Cash flows from investing activities			
Payments for property, plant and equipment		(2,420.23)	(2,668.28)
Purchase of intangible assets	3.c	(11.81)	(6.81)
Proceeds from disposal of property, plant and equipment		7.12	4.79
Receipt of government grant		6.56	-
Investment in Limited Liability Partnership (LLP)	4	-	(68.00)
Interest received	29	16.34	14.42
Share of profit from investment in Limited Liability Partnership (LLP)	29	-	4.17
Movement in fixed deposits, net	13	(6.77)	166.58
Net cash used in investing activities (B)		**(2,408.79)**	**(2,553.13)**
Cash flows from financing activities			
Proceeds/(repayments) of non-current borrowings:			
Proceeds		1,708.79	1,606.01
Repayments		(1,380.88)	(1,099.93)
Proceeds/(repayments) of current borrowings, net		344.37	464.91
Interest paid		(601.65)	(515.43)
Payment of principal portion of lease liabilities	3.d	(74.26)	(71.62)
Dividend payment		(105.26)	-
Proceeds from issue of equity share capital		47.21	81.52
Net cash (used in)/generated from financing activities (C)		**(61.68)**	**465.46**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**93.71**	**42.98**
Cash and cash equivalents at the beginning of the year	12	383.44	365.00
Effect of exchange differences on translation of foreign currency cash and cash equivalents		18.43	(24.54)

CONSOLIDATED STATEMENT OF CASH FLOWS
CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(Amount in ₹ millions)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash and cash equivalents at the end of the year (refer below)	12	**495.58**	**383.44**
For the purpose of statement of cash flows, cash and cash equivalents comprise the following:			
Cash on hand		0.70	0.84
Balances with banks - on current accounts		494.88	382.60
Cash and cash equivalents at the end of the year		**495.58**	**383.44**

The above consolidated statement of cash flows has been prepared under indirect method in accordance with Indian Accounting Standard (IND AS) 7 on "Statement of Cash Flows

Reconciliation of liabilities from financing activities:

Particulars	Opening balance	Cash flows		Non-cash movements			Closing balance
	01 April, 2022	Proceeds	Repayments	Reclassi fication	Additions (net)/ Accruals	Fair value changes/ Effect of foreign exchange differences	31 March 2023
Non-current borrowings	3,430.30	1,708.79	(1,380.88)	176.27	-	(15.61)	3,918.87
Current borrowings *	3,021.14	344.37	-	(176.27)	-	13.00	3,202.24
Interest	9.63	-	(601.65)	-	615.10	4.12	27.20
Lease liabilities	1,013.14	-	(74.26)	-	-	(17.75)	921.13
Total liabilities from financing activities	**7,474.21**	**2,053.16**	**(2,056.79)**	**-**	**615.10**	**(16.24)**	**8,069.44**

Particulars	Opening balance	Cash flows		Non-cash movements			Closing balance
	01 April, 2021	Proceeds	Repayments	Reclassi fication	Additions (net)/ Accruals	Fair value changes/ Effect of foreign exchange differences	31 March 2022
Non-current borrowings	2,930.24	1,606.01	(1,099.93)	-	-	(6.02)	3,430.30
Current borrowings *	2,552.32	464.91	-	-	-	3.91	3,021.14
Interest	14.93	-	(515.43)	-	510.13	-	9.63
Lease liabilities	921.16	-	(71.62)	-	183.52	(19.92)	1,013.14
Total liabilities from financing activities	**6,418.65**	**2,070.92**	**(1,686.98)**	**-**	**693.65**	**(22.03)**	**7,474.21**

* Current borrowings are disclosed net of proceeds/repayments.

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.: 008072S)

Monisha Parikh
Partner
(Membership No. 47840)

Place : Bengaluru
Date : 22 May 2023

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

F R Singhvi
Joint Managing Director
DIN: 00233146

B R Preetham
Chief Executive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place : Bengaluru
Date : 22 May 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
AS AT 31 MARCH 2023

A. Equity share capital

(Amount in ₹ millions)

Equity shares	No. of shares	Amount
Balance as at 01 April 2021	**4,69,36,500**	**93.87**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at 01 April 2021	**4,69,36,500**	**93.87**
Add: Shares issued on conversion Compulsorily Convertible Preference shares (CCPS) (refer note 17(ii))	44,41,350	8.88
Add: Shares issued on exercise of employee stock options (refer note 17(ii))	7,77,965	1.56
Balance as at 31 March 2022	**5,21,55,815**	**104.31**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at 31 March 2022	**5,21,55,815**	**104.31**
Add: Shares issued on exercise of employee stock options	7,73,725	1.55
Balance as at 31 March 2023	**5,29,29,540**	**105.86**

B. Instruments entirely equity in nature

(Amount in ₹ millions)

Compulsorily Convertible Preference Shares	No. of shares	Amount
Balance as at 01 April 2021	**10,50,000**	**105.00**
Changes in Compulsorily Convertible Preference Share due to prior period errors	-	-
Restated balance as at 01 April 2021	**10,50,000**	**105.00**
Conversion of Compulsorily Convertible Preference shares (CCPS)	(10,50,000)	(105.00)
Balance as at 31 March 2022	**-**	**-**
Changes in Compulsorily Convertible Preference Share due to prior period errors	-	-
Restated balance as at 31 March 2022	**-**	**-**
Conversion of Compulsorily Convertible Preference shares (CCPS)	**-**	**-**
Balance as at 31 March 2023	**-**	**-**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

C. Other equity

(Amount in ₹ millions)

Particulars	Reserves and Surplus						Other Comprehensive Income(OCI)		Attributable to owners of the Company	Non-Controlling Interests	Total Equity
	Capital reserve	Securities premium	Capital redemption reserve	Share options outstanding account	General reserve	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit liability			
Balance as at 31 March 2021	**8.17**	**1,216.76**	**0.55**	**182.00**	**135.48**	**6,987.35**	**53.24**	**-**	**8,583.55**	**104.99**	**8,688.54**
Conversion of Series A and B 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	-	96.12	-	-	-	-	-	-	96.12	-	96.12
Compensation cost related to employee share based payment	-	-	-	79.89	-	-	-	-	79.89	-	79.89
Transfer to securities premium	-	118.51	-	(38.52)	-	-	-	-	79.99	-	79.99
Profit for the year	-	-	-	-	-	1,304.52	-	-	1,304.52	14.38	1,318.90
Other Comprehensive Income:											
Remeasurement of the net defined benefit liability (Refer note below)	-	-	-	-	-	-	-	19.22	19.22	-	19.22
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(33.78)	-	(33.78)	-	(33.78)
Transfer to retained earnings	-	-	-	-	-	19.22	-	(19.22)	-	(0.03)	(0.03)
Balance as at 31 March 2022	**8.17**	**1,431.39**	**0.55**	**223.37**	**135.48**	**8,311.09**	**19.46**	**-**	**10,129.51**	**119.34**	**10,248.85**
Compensation cost related to employee share based payment	-	-	-	60.76	-	-	-	-	60.76	-	60.76
Transfer to securities premium	-	134.06	-	(88.40)	-	-	-	-	45.66	-	45.66
Final dividend for the financial year ended 31 March 2022						(105.26)	-		(105.26)		(105.26)
Profit for the year	-	-	-	-	-	1,461.95	-	-	1,461.95	21.47	1,483.42
Other Comprehensive Income:											
Remeasurement of the net defined benefit liability (Refer note below)	-	-	-	-	-	-	-	(19.23)	(19.23)	-	(19.23)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	0.09	-	0.09	-	0.09
Transfer to retained earnings	-	-	-	-	-	(19.23)	-	19.23	-	(0.47)	(0.47)
Balance as at 31 March 2023	**8.17**	**1,565.45**	**0.55**	**195.73**	**135.48**	**9,648.55**	**19.55**	**-**	**11,573.48**	**140.34**	**11,713.82**

In accordance with Notification G.S.R 404(E), dated 06 April 2016, as included in amended Schedule III, the Company has recognised remeasurement of defined benefit plans amounting to ₹ 19.23 million (31 March 2022: (₹ 19.22) million) as a part of retained earnings.

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.: 008072S)

Monisha Parikh
Partner
(Membership No. 47840)

Place : Bengaluru
Date : 22 May 2023

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

F R Singhvi
Joint Managing Director
DIN: 00233146

B R Preetham
Chief Executive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place : Bengaluru
Date : 22 May 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

GROUP OVERVIEW

Sansera Engineering Limited (the "Company" or "Parent Company") along with its subsidiaries Fitwel Tools and Forgings Private Limited, Sansera Sweden AB and Sansera Engineering Pvt. Ltd., Mauritius (together referred to as "Group") was incorporated on December 15, 1981 under the provisions of the Companies Act, 1956 with its registered office and principal place of business in Bengaluru, Karnataka. The Group is involved in the business of manufacture of auto components such as rocker arms, connecting rods, gear shifters, crank shafts, and aerospace components. It is also involved in providing services such as forging and other related services.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India and has offices in Sweden. The consolidated financial statements were authorized for issuance by the Company's Board of Directors on 22 May 2023.

1. BASIS OF PREPARATION

A. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the results of the following subsidiaries:

S. No.	Name of the Entity	Country of incorporation	Effective group shareholding %
1	Fitwel Tools and Forgings Private Limited	India	70
2	Sansera Sweden AB	Sweden	100
3	Sansera Engineering Pvt. Ltd., Mauritius	Mauritius	100

C. BASIS OF CONSOLIDATION

Business combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in Other Comprehensive Income and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

In accordance with Appendix C to Ind AS 103 on Business combinations of entities under common control, the Group accounts for these business combinations using the pooling of interest method as per the guidance provided under Appendix C to Ind AS 103. The consolidated financial statements in respect of prior periods are restated as if the combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of the combination. All the assets and liabilities including have been recorded at their existing carrying amounts.

Subsidiary companies

Subsidiary companies are all entities over which the group has control. The group controls an entity when the group is exposed to, 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gain / loss on transactions between group companies are eliminated. The financial statements are prepared by applying uniform policies in use at the Group.

Non- controlling interests (NCI)

NCI in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. The parent company's portion of equity in such subsidiary is determined on the basis of book values of assets and liabilities as per the financial statements of the subsidiary as on the date of the investment.

D. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupees (INR), which is also the functional currency of the Company, and the presentation currency considered for the Group. The functional currency of the subsidiaries operations in Mauritius is Euro and that of its operations in Sweden is Swedish Krona (SEK).

For the purposes of presenting the consolidated financial statements assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e., INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity.

On the disposal of foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

E. BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- Derivative instruments at fair value;
- Net defined benefit (asset)/liability at fair value of plan assets less present value of defined benefit obligations;
- Current investments at fair value through consolidated statement of profit and loss and
- Share based payment transactions at fair value.

F. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending ended 31 March 2023 is included in the following notes:

- Note 2(a), 2(b), 3.a and 3.c - Depreciation and amortisation method and useful lives of items of property, plant and equipment and intangibles assets;
- Note 3.a and 3.c – Impairment of property, plant and equipment;
- Note 39 – recognition of deferred tax assets;
- Note 32 and 40– measurement of defined benefit obligations: key actuarial assumptions;
- Note 43 – Impairment of financial assets; and
- Note 47 – Impairment of goodwill; and
- Note 15, 25 and 43 – Derivative contracts at fair value.

G. MEASUREMENT OF FAIR VALUES

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The derivative contracts are valued using market approach, determined using forward exchange rates as at the balance sheet date.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

` When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Note 41 – Employee stock option; and
- Note 42 – Financial instruments;

2. SIGNIFICANT ACCOUNTING POLICIES

A. PROPERTY, PLANT AND EQUIPMENT

i. Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the consolidated statement of profit or loss.

Borrowing costs directly attributable to the acquisition/ construction of the qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognised as expense in the consolidated statement of profit and loss in the period in which they are incurred.

ii. Depreciation methods, estimated useful lives and residual values

Depreciation is provided on a Straight-Line Method ("SLM") over the useful life of property, plant and equipment as prescribed under Part C of Schedule II of the Companies Act, 2013. In case of second hand assets purchased, the useful life considered is based on the remaining useful life of such asset determined based on technical evaluation and its proposed use. Depreciation for assets purchased/sold during a period is proportionately charged. The useful lives for property, plant and equipment is as follows:

Asset category	Estimated useful life (in years)
Building	30
Plant and machinery	5-25
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Electrical installations	10
Computer (including software)	3-6

Freehold land is not depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

B. BUSINESS COMBINATION, GOODWILL AND INTANGIBLE ASSETS

Business combinations, other than through common control transactions, are accounted for using the purchase (acquisition) method in accordance with Ind AS 103, Business Combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations through common control transactions are accounted on a pooling of interests method. Transaction costs incurred in connection with a business combination are expensed as incurred.

(i) Goodwill:

The excess of the cost of acquisition over the Group's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Any goodwill that arises is tested annually for impairment.

(ii) Customer relationships:

Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life for customer relationship is expected to be 7 years. The residual values, useful lives and method of amortisation of intangible assets are reviewed at each financial year end and adjusted if appropriate.

(iii) Other Intangibles:

Intangible assets purchased are measured at cost less accumulated amortisation and accumulated impairment, if any. Intangible assets are amortised in the statement of profit and loss over their estimated useful life of 3 years on a straight-line basis.

C. INVENTORIES

i. Inventories are measured at the lower of cost and net realisable value (NRV). Cost comprises purchase price and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Raw material, stores and spares	:	on weighted average basis
Work in progress	:	includes cost of conversion
Finished goods	:	includes cost of conversion

ii. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The comparison of cost and NRV is made on an item-by-item basis. Spare parts that meet the definition of asset are capitalised at their respective carrying amounts. The NRV of work-in-progress is determined with reference to NRV of related finished goods.

iii. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their NRV.

iv. Provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

D. REVENUE RECOGNITION

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligation in contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised upon transfer of control of goods or services to buyer in an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services.

Sale of products is adjusted net of Goods and Service tax, returns, trade discounts, and volume rebates.

Service income is recognised when the related services are rendered unless significant future contingencies exist.

Export incentives are recognised in the statement of profit and loss when the right to receive credit as per the terms of the entitlement is established in respect of export made.

Dividend income is recognised in consolidated statement of profit and loss on the date on which the right to receive payment is established.

Interest on the deployment of funds is recognised using the time-proportion method, based on underlying interest rates.

E. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through consolidated statement of profit and loss.

F. GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to an expense item are recognised in the consolidated statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented as a deduction in reporting the related expense. The presentation approach is applied consistently to all similar grants.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the consolidated statement of profit and loss over the periods and in proportions in which depreciation expense on those assets is recognised.

Income from export incentives are recognised in the consolidated statement of profit and loss when the right to receive credit as per the terms of the entitlement is established in respect of exports made and disclosed as other operating revenues.

Income from government incentives (other than export incentive) are recognised in the consolidated statement of profit and loss when the right to receive credit as per the terms of the entitlement and disclosed as a reduction to the related expenses.

G. LEASES

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.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises a right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and a charge or credit to the consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

Lease payments associated with following leases are recognised as expense on straight-line basis:

(i) Low value leases; and

(ii) Leases which are short-term.

H. FINANCIAL INSTRUMENTS

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. 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 measured on initial recognition of financial asset or financial liability.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss (FVTPL). This include all derivative assets and current investments.

Financial liabilities

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense and are recognised in consolidated statement of profit and loss. Other financial liabilities are subsequently carried at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the consolidated statement of profit and loss.

Derivative Instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative instruments are recorded at fair value on every reporting date with changes being accounted in consolidated statement of profit and loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated statement profit and loss.

I. IMPAIRMENT

i. Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12 months ECL.

ii. Impairment of non - financial assets

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group's non-financial assets, other than inventories and deferred tax assets, are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

J. EMPLOYEE BENEFITS

i. Defined benefit plan

Gratuity

The Group's gratuity plan is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plan is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absence as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The calculation of the Group's obligation is performed annually by an independent actuary using the projected unit credit method as at the balance sheet date.

Non-accumulating compensated absences are recognised in the period in which the absences occur. The Group recognises actuarial gains and losses immediately in the consolidated statement of profit and loss.

ii. Defined contribution plan

Provident fund

Provident fund is a post-employment benefit plan under which t makes specified monthly contribution towards Government administered provident fund scheme. Obligations for contributions to defined contribution plan are recognised as an employee benefit expense in the consolidated statement of profit and loss during the period in which the related services are rendered by the employees.

iii. Share-based payment transactions

Employees of the Group receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the consolidated statement of profit and loss with a corresponding increase in equity over the period that the employees unconditionally become entitled to the award. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

K. TAXES

Current income tax

Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current income tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

L. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the net profit for the year attributable to the owners of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit for the year for the year attributable to the owners of the Group by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

M. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby net profit/(loss) 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 from operating, investing and financing activities of the Group are segregated.

N. PROVISIONS AND CONTINGENCIES

A provision is recognised when an enterprise has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are determined by discounting the expected future cash flows to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e., contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

O. SEGMENT REPORTING

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, Managing Directors of the Group has been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Group's performance and allocates resources based on

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

single segment approach and accordingly, information has been presented.

RECENT ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a) **Ind AS 1 - Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company does not expect the amendment to have any significant impact in its consolidated financial statements.

b) **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company does not expect the amendment to have any significant impact in its consolidated financial statements.

c) **Ind AS 12 - Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company does not expect the amendment to have any significant impact in its consolidated financial statements.

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

3.A PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹ millions)

Particulars	Owned Property, plant and equipment										
	Land # (1)	Buildings (2)	Plant and machinery * (3)	Furniture and fixtures (4)	Vehicles (5)	Office equipment (6)	Electrical installations* (7)	Computers (8)	Leasehold improvements (9)	Leasehold land ##	Total
Gross Carrying Amount											
Balance as at 01 April 2021	**466.26**	**1,243.35**	**10,684.82**	**51.54**	**126.70**	**52.94**	**527.14**	**106.03**	**227.43**	**2.01**	**13,488.22**
Reclassified to Intangible Assets	-	-	-	-	-	-	-	(33.05)	-	-	(33.05)
Additions	30.63	101.90	1,921.44	1.64	44.49	3.69	26.67	26.44	-	-	2,156.90
Disposals	-	-	(11.18)	-	(5.71)	-	(0.56)	(0.21)	-	-	(17.66)
Effect of foreign exchange differences	-	0.01	(17.35)	(1.59)	2.83	(0.44)	-	(0.39)	(6.51)	-	(23.44)
Balance as at 31 March 2022	**496.89**	**1,345.26**	**12,577.73**	**51.59**	**168.31**	**56.19**	**553.25**	**98.82**	**220.92**	**2.01**	**15,570.97**
Additions	95.78	660.09	1,933.83	18.64	35.00	13.29	85.10	26.98	-	-	2,868.71
Disposals	-	-	(75.82)	(1.03)	(26.29)	(2.62)	-	(38.59)	-	-	(144.35)
Effect of foreign exchange differences	-	-	(1.99)	0.03	-	(0.23)	-	(0.43)	(5.56)	-	(8.18)
Balance as at 31 March 2023	**592.67**	**2,005.35**	**14,433.75**	**69.23**	**177.02**	**66.63**	**638.35**	**86.78**	**215.36**	**2.01**	**18,287.15**
Accumulated Depreciation											
Balance as at 01 April 2021	**-**	**177.36**	**2,871.22**	**31.45**	**63.84**	**28.73**	**212.58**	**60.34**	**42.65**	**-**	**3,488.17**
Reclassified to Intangible Assets	-	-	-	-	-	-	-	(22.84)	-	-	(22.84)
Charge for the year	-	47.70	910.61	4.48	19.53	9.33	53.85	32.38	13.40	-	1,091.28
Disposals	-	-	(2.33)	-	(4.60)	-	(0.32)	(0.16)	-	-	(7.41)
Effect of foreign exchange differences	-	-	(13.84)	(5.98)	2.78	0.30	(0.01)	(0.60)	(1.67)	-	(19.02)
Balance as at 31 March 2022	**-**	**225.06**	**3,765.66**	**29.95**	**81.55**	**38.36**	**266.10**	**69.12**	**54.38**	**-**	**4,530.18**
Charge for the year	-	60.26	1,030.68	5.30	19.98	4.61	52.39	17.49	12.31	-	1,203.02
Disposals	-	-	(67.33)	(1.00)	(24.03)	(2.59)	-	(38.59)	-	-	(133.54)
Effect of foreign exchange differences	-	-	(2.09)	-	-	(0.06)	-	(0.70)	(1.07)	-	(3.92)
Balance as at 31 March 2023	**-**	**285.32**	**4,726.92**	**34.25**	**77.50**	**40.32**	**318.49**	**47.32**	**65.62**	**-**	**5,595.74**
Carrying Amount (Net)											
Balance as at 31 March 2023	**592.67**	**1,720.03**	**9,706.83**	**34.98**	**99.52**	**26.31**	**319.86**	**39.46**	**149.74**	**2.01**	**12,691.41**
Balance as at 31 March 2022	**496.89**	**1,120.20**	**8,812.07**	**21.64**	**86.76**	**17.83**	**287.15**	**29.70**	**166.54**	**2.01**	**11,040.79**

Notes:

(a) It includes land of 60,786.60 square meter allocated by Karnataka Industrial Area Development (KIADB) at Plot no. 48, 2nd Phase, Sector - 2, Bidadi Industrial Area for a period of 10 years w.e.f. August 08, 2014 and 870.75 square meter allocated by Karnataka Small State Industrial Development Corporation (KSSIDC) at Industrial Estate, Antharasanahalli, Tumkur for a period of 6 years w.e.f. September 29, 2012, to the Parent Company on a lease cum sale basis.

(b) Karnataka Industrial Area Development Board (KIADB) has allotted land measuring 2,025 square meter at Plot no. 143-B-8 Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099, Karnataka on a lease cum sale basis for a period of 11 years w.e.f. 31 December 1999 and 1,058 square meter at Plot no. 143-B-8-Part Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099, Karnataka on a lease cum sale basis for a period of 11 years w.e.f. 29 May 2001 with specified terms and conditions to be complied with by each party. KIADB has alleged / contended that as per the terms and conditions of Clause 2(r)(ii) of the Lease Cum Sale Agreement dated 17 January 2000, the original allottee should hold minimum 51% shares in the Company till the execution of the sale deed and in view of there being a violation of the said clause by Sansera Engineering Limited (Sansera), they have issued a demand notice No. KIADB / HO / Allot / Secy – 3/ 12680 / 6102 / 19-20 dated July 29, 2019 calling upon Sansera to remit an additional sum of ₹ 5,383,798. Challenging the said demand, Sansera has filed Writ Petition seeking quashing of the said demand and also directions to execute the sale deed.

Karnataka Small State Industrial Development Corporation (KSSIDC) has allotted land of 4,257 square meter at Unit No. 5, KHT Complex, Antarasanahalli, Tumkur, Karnataka on a lease cum sale basis for a period of 4 years w.e.f. 8 January 1987, with specified terms and conditions to be complied with by each party. Subsequently, KSSIDC failed to comply with the terms of the agreement, hence Fitwel Tools and Forgings Private Limited (Fitwel) retained possession of the land. Pursuant to the communications with the KSSIDC, Fitwel has paid an amount of ₹ 2.01 million as consideration for the land, which has been capitalised. As at the balance sheet date, negotiations are in progress and Fitwel awaits the final approval of KSSIDC with respect to the registration of the land in the name of Fitwel.

Refer note 19 for details of charge over the Groups's property, plant and equipment for the borrowings taken by the Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

3.a.(i) Title deeds of Immovable Property not held in the name of the Company:

Details of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

As at 31 March 2023 and 31 March 2022

(Amount in ₹ millions)

Relevant line item in the Balance sheet	Description of item of property	Parties to the Agreement	Gross carrying value	Title deeds held in the name of	If held jointly (Name and Company's Share)	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company (to also indicate if in dispute)
Property, plant and equipment	Plot No. 143-B-8, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	Karnataka Industrial Area Development Board	0.62	The title deeds are in the name of Gearock Forge Private Limited, an erstwhile subsidiary company that was merged with the Company during the year 2017-18 under Section 233 of the Companies Act, 2013 as per the order received from Ministry of Corporate Affairs.	Not Applicable	Not Applicable	From 01 April 2017, effective date as per the approved scheme.	Not transferred in the name of the Company due to the matter as mentioned in note 3.a above.
	Plot No. 143-B-8-PART, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	Karnataka Industrial Area Development Board	0.66		Not Applicable	Not Applicable		
	Site No. A1, Khata No. 344, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	H. Muniyappa	0.24		Not Applicable	Not Applicable		The Company is unable to transfer these lands because of ongoing dispute as mentioned in the above note.
	Plot No. 143-C-2, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	BVR Industries	3.08		Not Applicable	Not Applicable		
	Plot No. 143-C-2-Part, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	BVR Industries	3.57		Not Applicable	Not Applicable		

3.a.(ii) There are no proceedings which have been initiated during the year or pending against the Group as at 31 March 2023 for holding any benami property under Benami Transactions (Prohibition) Act, 1988.

3.a.(iii) There were no revaluation of property, plant and equipment during financial year 2022-23 and 2021-22

3.b CAPITAL-WORK-IN PROGRESS (CWIP) AGING SCHEDULE

(Amount in ₹ millions)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in-progress					
As at 31 March 2023	672.90	64.18	10.61	8.92	**756.61**
As at 31 March 2022	1,119.28	90.05	3.78	11.14	**1,224.25**

The Company has a dedicated facility in Bengaluru for machine building and machine design with special purpose machines being manufactured in-house. Special purpose machines are customised machines deployed to automate industrial processes to ensure high productivity. Machinery component required for machine building process are included in capital work-in-progress.

There are no projects which are under suspension. With regard to the ongoing projects there are no projects where completion is overdue or has exceeded the cost as compared to its original plan, considering amendments as may be approved. The Projects in-progress for more than 3 years represent components which would be commonly used across various special purpose machines being manufactured in-house.

3.c INTANGIBLE ASSETS

(Amount in ₹ millions)

Particulars	Owned intangible assets		Total
	Customer relationship	Computer Software	
Gross Carrying Amount			
Balance as at 01 April 2021	**37.62**	**14.68**	**52.30**
Reclassified from Computers	-	33.05	33.05
Additions	-	6.81	6.81
Disposals	-	-	-
Effect of foreign exchange differences	(1.09)	-	(1.09)
Balance as at 31 March 2022	**36.53**	**54.54**	**91.07**
Additions	-	11.81	11.81
Disposals	-	-	-
Effect of foreign exchange differences	(0.92)	-	(0.92)
Balance as at 31 March 2023	**35.61**	**66.35**	**101.96**
Accumulated Amortisation			
Balance as at 01 April 2021	**21.50**	**11.63**	**33.13**
Reclassified from Computers	-	22.79	22.79
Amortisation for the year	4.64	6.59	11.23
Disposals	-	-	-
Effect of foreign exchange differences	(0.04)	-	(0.04)
Balance as at 31 March 2022	**26.10**	**41.01**	**67.11**
Amortisation for the year	4.64	5.88	10.52
Disposals	-	-	-
Effect of foreign exchange differences	(0.21)	-	(0.21)
Balance as at 31 March 2023	**30.53**	**46.89**	**77.42**
Carrying Amount (Net)			
Balance as at 31 March 2023	**5.08**	**19.46**	**24.54**
Balance as at 31 March 2022	**10.43**	**13.53**	**23.96**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

3.d RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

i) Following are the changes in the carrying value of right-of-use assets:

(Amount in ₹ millions)

Particulars	Leasehold land	Buildings	Total
Balance as at 01 April 2021	**35.76**	**856.59**	**892.35**
Additions	133.24	72.15	205.39
Deletion	-	(6.65)	(6.65)
Depreciation	(6.96)	(87.56)	(94.52)
Effect of foreign exchange differences	-	(19.30)	(19.30)
Balance as at 31 March 2022	**162.04**	**815.23**	**977.27**
Additions	-	-	-
Deletion	-	-	-
Depreciation	(6.96)	(80.04)	(87.00)
Effect of foreign exchange differences	-	(17.15)	(17.15)
Balance as at 31 March 2023	**155.08**	**718.04**	**873.12**

ii) The following is the movement in lease liabilities :

(Amount in ₹ millions)

Particulars	Leasehold land	Buildings	Total
Balance as at 01 April 2021	**1.72**	**919.44**	**921.16**
Additions	133.24	61.05	194.29
Finance cost accrued during the year	10.39	39.21	49.60
Rental concession*	-	(0.44)	(0.44)
Deletions	-	(10.33)	(10.33)
Payments	(6.00)	(115.22)	(121.22)
Effect of foreign exchange differences	-	(19.92)	(19.92)
Balance as at 31 March 2022	**139.35**	**873.79**	**1,013.14**
Additions	-	-	-
Finance cost accrued during the year	10.35	33.86	44.21
Rental concession*	-	-	-
Deletions	-	-	-
Payments	(12.00)	(106.47)	(118.47)
Effect of foreign exchange differences	-	(17.75)	(17.75)
Balance as at 31 March 2023	**137.70**	**783.43**	**921.13**

iii) The following is the break-up of current and non-current lease liabilities:

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Current lease liabilities	99.81	102.51
Non-current lease liabilities	821.32	910.63
Total	**921.13**	**1,013.14**

iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	121.81	125.06
One to five years	369.82	414.57
More than five years	746.84	835.26
Total lease liabilities	**1,238.47**	**1,374.89**
Less: Implicit interest	317.34	361.75
Lease liabilities included in the Balance sheet	**921.13**	**1,013.14**

v) Amount recognised in the consolidated statement of profit and loss:

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Depreciation on Right-of-use assets	87.00	94.52
Interest on lease liabilities	44.21	49.60
Low value lease rentals (included with rent, classified under other expenses)	14.94	10.41

vi) Amount recognised in the statement of cash flows:

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash outflows for leases		
Interest portion of lease liabilities	44.21	49.60
Principal portion of lease liabilities	74.26	71.62
Total	**118.47**	**121.22**

*The Group has applied the practical expedient to all eligible rent concessions and subsequently for the year ended 31 March 2022 an amount of ₹ 0.44 million has been recognised in the consolidated statement of profit and loss.

3.e GOODWILL

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Carrying amount at the beginning of the year	352.25	358.37
Effect of foreign exchange differences	(5.18)	(6.12)
Total	**347.07**	**352.25**

Note: For details of impairment tests for goodwill refer note 47.

4 INVESTMENTS (NON-CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Unquoted (Measured at fair value through other comprehensive income)		
Partner contribution		
Clean Max Vega Power LLP	104.93	104.93
26% (31 March 2022: 26%)		
Total	**104.93**	**104.93**

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Name of the Partners	As at 31 March 2023		As at 31 March 2022	
	Monetary Value of Contribution	Contribution Ratio	Monetary Value of Contribution	Contribution Ratio
Clean Max Enviro Energy Solutions Private Limited	265.98	65.90%	265.98	65.90%
Sansera Engineering Limited	104.93	26.00%	104.93	26.00%
CleanMax Renewable Trust	32.67	8.10%	32.67	8.10%
Kuldeep Jain #	-	0.00%	-	0.00%
Total Capital	**403.58**	**100.00%**	**403.58**	**100.00%**

₹ 10 (31 March 2022: ₹ 10) not presented above due to rounding off to nearest ₹ in million.

Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	104.93	104.93
Aggregate amount of impairment in investments	-	-

5 LOANS (NON-CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loans to the Directors of subsidiary Company	2.28	2.70
Loans to employees	6.71	13.02
Total	**8.99**	**15.72**

6 OTHER FINANCIAL ASSETS (NON-CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits - Unsecured, considered good	267.57	282.27
Bank deposits with more than 12 months maturity *	11.46	5.68
Total	**279.03**	**287.95**

* Represents deposits pledged against bank guarantees and letter of credits provided by the bank.

7.A CURRENT TAX ASSETS (NET)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance tax including tax deducted at source, net of provision for tax	85.08	28.30
Total	**85.08**	**28.30**

7.B CURRENT TAX LIABILITIES (NET)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for tax, net of advance tax including tax deducted at source	5.00	8.48
Total	**5.00**	**8.48**

8 OTHER NON-CURRENT ASSETS

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital advances	303.66	205.50
Prepayments	-	-
Duty paid under protest	10.06	3.83
Total	**313.72**	**209.33**

9 INVENTORIES *(VALUED AT LOWER OF COST AND NET REALISABLE VALUE)*

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials *	1,233.69	993.68
Work-in-progress	1,380.52	1,055.89
Finished goods **	830.62	466.79
Stores and spares	264.80	259.67
Total	**3,709.63**	**2,776.03**

* Includes stock of assembled components.

** Includes stock in transit of ₹ 416.26 million (31 March 2022: ₹ 162.80 million).

a) Amount of inventories recognized as an expense is ₹ 18.54 million (Financial year 2021-22: ₹ 0.76 million)

b) Write-down of the inventories to net realisable value amounted to ₹ 4.14 million (Financial year 2021-22: ₹ 0.76 million). These were recognized as an expense during the year and included in note 30 and 31 in the consolidated statement of profit and loss.

The mode of valuation of inventories has been stated in note 2.c

10 CURRENT INVESTMENTS

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Quoted equity shares		
Equity shares at fair value through statement of profit and loss		
800 (31 March 2022: 800) equity shares of ₹ 10 each fully paid up of Maruti Suzuki India Limited	6.73	5.97
Total	**6.73**	**5.97**
Aggregate amount of quoted investments	6.73	5.97
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in investments	-	-

11 TRADE RECEIVABLES

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Considered good - Secured	-	-
Considered good - Unsecured	4,418.71	4,118.27
That have an increase in Credit Risk that is significant	-	-
Credit Impaired	-	-
Total	**4,418.71**	**4,118.27**
Less: Allowance for credit losses	(91.40)	(32.63)
Trade receivables	**4,327.31**	**4,085.64**

The Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 43.

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The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix, The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rebates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit loss (%)
within the credit period	0% - 0.01%
1-90 days past due	0.01% - 0.54%
91-180 days past due	0.83% - 2.56%
181-270 days past due	19.72 - 11.98%
271-360 days past due	34.90% - 37.59%
More than 360 days past due	100.00%

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
(i) Undisputed Trade receivables - considered good							**-**
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	2,792.88	1,345.99	249.49	24.60	5.75	-	**4,418.71**
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	**-**
Total	**2,792.88**	**1,345.99**	**249.49**	**24.60**	**5.75**	**-**	**4,418.71**
Less: Allowance for credit losses							(91.40)
Trade receivables							**4,327.31**
As at 31 March 2022							
(i) Undisputed Trade receivables - considered good	2,773.56	1,241.09	83.46	12.42	5.74	2.00	**4,118.27**
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**2,773.56**	**1,241.09**	**83.46**	**12.42**	**5.74**	**2.00**	**4,118.27**
Less: Allowance for credit losses							(32.63)
Trade receivables							**4,085.64**

12 CASH AND CASH EQUIVALENTS

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks		
in current accounts	494.88	382.60
Cash on hand	0.70	0.84
Total	**495.58**	**383.44**

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Bank deposits within 12 months maturity *	120.83	119.84
Total	**120.83**	**119.84**

* Includes certain deposits amounting to ₹ 42.70 million as at 31 March 2023 (31 March 2022: ₹ 45.21 million) pledged against bank guarantees and letter of credits provided by the bank.

14 LOANS (CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loans to Key Managerial Personnel (Refer note 39)	-	3.88
Loans to the Directors of subsidiary Company	0.91	-
Loans to employees	31.54	21.27
Total	**32.45**	**25.15**

15 OTHER FINANCIAL ASSETS (CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Amounts recoverable from shareholders (IPO related) (Refer note 39)	-	3.47
Unbilled revenue*	153.05	172.70
Derivative contracts at fair value	-	6.13
Others	35.58	19.39
Total	**188.63**	**201.69**

* Unbilled revenue represents revenue recognised in excess of invoicing towards price increases, where there is an unconditional right to receive cash, and only act of invoicing is pending.

16 OTHER CURRENT ASSETS

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Duty drawback receivables	27.67	45.99
Advance to suppliers	113.21	89.72
Balances payable to government authorities	12.83	145.03
Fund balance related to compensated absences	2.16	-
Prepayments	107.10	66.44
Total	**262.97**	**347.18**

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17 EQUITY SHARE CAPITAL

(Amount in ₹ millions except no. of shares)

(i) Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
Equity shares		
62,500,000 (31 March 2022: 62,500,000) equity shares of ₹ 2 each (31 March 2022: ₹ 2 each)	125.00	125.00
Total	**125.00**	**125.00**
Issued, subscribed and paid up share capital		
Equity shares		
52,929,540 (31 March 2022: 52,155,815) equity shares of ₹ 2 each (31 March 2022: ₹ 2 each)	105.86	104.31
Total	**105.86**	**104.31**

(ii) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Number of shares outstanding at the beginning of the year	5,21,55,815	104.31	4,69,36,500	93.87
Add: Shares issued on conversion of Compulsorily Convertible Preference shares (CCPS)	-	-	44,41,350	8.88
Add: Shares issued on exercise of employee stock options	7,73,725	1.55	7,77,965	1.56
Number of shares outstanding at the end of the year	**5,29,29,540**	**105.86**	**5,21,55,815**	**104.31**

(iii) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the Shareholders' meeting. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders or in line with the terms of the shareholders agreement as the case may be.

Promoters' contribution and lock-in: Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of the 20% of the fully diluted post-Offer Equity Share capital of the Company held by Promoters shall be locked in for a period of three years as minimum Promoters' contribution ("Minimum Promoters' Contribution") from the date of Allotment and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

Share capital locked-in for one year: In terms of the Regulation 17 of the SEBI ICDR Regulations, in addition to the Equity Shares proposed to be locked-in as part of the Minimum Promoters' Contribution, the entire pre-Offer Equity Share capital of the Company will be locked-in for a period of one year from the date of Allotment except the Equity Shares held by Client Ebene Limited and CVCIGP II Employee Ebene Limited who are SEBI registered FVCIs; and Equity Shares held by the employees of the Company (whether currently an employee or not) which have been or will be allotted to them under ESOP 2015 and ESOP 2018 scheme.

(iv) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Client Ebene Limited (Significant Shareholders)	95,54,842	19.11	95,54,842	19.11
CVCIGPII Employee Ebene Limited (Significant Shareholders)	53,51,702	10.70	53,51,702	10.70
Total	**1,49,06,544**	**29.81**	**1,49,06,544**	**29.81**

(v) List of persons holding more than 5 percent shares in equity shares of the Company

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Client Ebene Limited	95,54,842	18.05%	95,54,842	18.32%
CVCIGPII Employee Ebene Limited	53,51,702	10.11%	53,51,702	10.26%
S Sekhar Vasan	1,02,49,531	19.36%	1,02,49,531	19.65%
Unni Rajagopal K	28,45,549	5.38%	28,45,549	5.46%
F R Singhvi *	27,95,549	5.28%	27,95,549	5.36%

* Pursuant to the provisions of a memorandum of understanding executed between F R Singhvi and the Singhvi Family Shareholders, dated May 15, 2013, F R Singhvi is acting in trust in relation to 1,658,624 Equity Shares held by the Singhvi Family Shareholders.

(vi) As at 31 March 2023, the Company has reserved 1,767,312 shares (31 March 2022: 2,541,037 shares) for issuance towards outstanding employee stock option available for exercise. Refer note 41.

(vii) (a) There have been no shares allotted as fully paid up pursuant to contract without payment being received in cash during five years immediately preceding 31 March 2023, except with effect from July 27, 2018, on approval of shareholders, one equity share of ₹ 100 each was sub-divided into 50 equity shares of ₹ 2 each resulting into 3,237,000 number of shares. Subsequently, the Company had issued 43,699,500 bonus shares in the proportion of 27:2.

(b) There are no shares bought back during 5 years immediately preceding 31 March 2023.

(viii) Shareholding of Promoters in equity shares of the Company

Promoter name	Shares held by promoters at the end of the year		% Change during the year
	No. of Shares	% of total shares	
S Sekhar Vasan	1,02,49,531	19.36%	0.00%
Unni Rajagopal K	28,45,549	5.38%	0.00%
D Devaraj	21,76,374	4.11%	0.00%
F R Singhvi *	27,95,549	5.28%	0.00%
D. Devaraj - HUF	6,69,175	1.26%	0.00%
P Singhvi charitable trust	50,000	0.09%	0.00%
Total	**1,87,86,178**	**35.48%**	

* Pursuant to the provisions of a memorandum of understanding executed between F R Singhvi and the Singhvi Family Shareholders, dated May 15, 2013, F R Singhvi is acting in trust in relation to 1,658,624 Equity Shares held by the Singhvi Family Shareholders.

The promoters of the Company are S Sekhar Vasan, F R Singhvi, Unni Rajagopal K and D Devaraj. Promoters' contribution and lock-in: Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of the 20% of the fully diluted post-Offer Equity Share capital of the Company held by Promoters shall be locked in for a period of three years as minimum Promoters' contribution ("Minimum Promoters' Contribution") from the date of Allotment on September 21, 2021 and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment on September 21, 2021.

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Share capital locked-in for one year: In terms of the Regulation 17 of the SEBI ICDR Regulations, in addition to the Equity Shares proposed to be locked-in as part of the Minimum Promoters' Contribution, the entire pre-Offer Equity Share capital of the Company will be locked-in for a period of one year from the date of Allotment except the Equity Shares held by Client Ebene Limited and CVCIGP II Employee Ebene Limited who are SEBI registered FVCIs; and Equity Shares held by the employees of the Company (whether currently an employee or not) which have been or will be allotted to them under ESOP 2015 and ESOP 2018 schemes.

Instruments entirely equity in nature

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
Preference shares		
Series A 300,000 (31 March 2022: 300,000), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	30.00	30.00
Series B 750,000 (31 March 2022: 750,000), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	75.00	75.00
Total	**105.00**	**105.00**
Issued, subscribed and paid up		
Preference shares		
Series A nil (31 March 2022: nil), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	-	-
Series B nil (31 March 2022: nil), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	-	-
Total	**-**	**-**

i. Reconciliation of the number of preference shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Series A Compulsorily Convertible Preference shares (CCPS)				
Number of shares outstanding at the beginning of the year	-	-	3,00,000	30.00
Add: Issued/(Converted) during the year	-	-	(3,00,000)	(30.00)
Number of shares outstanding at the end of the year	-	-	-	-
Series B Compulsorily Convertible Preference shares (CCPS)				
Number of shares outstanding at the beginning of the year	-	-	7,50,000	75.00
Add: Issued/(Converted) during the year	-	-	(7,50,000)	(75.00)
Number of shares outstanding at the end of the year	-	-	-	-

18 OTHER EQUITY

Summary of other equity balances*

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Reserves and surplus		
Capital redemption reserve	0.55	0.55
Capital reserve	8.17	8.17
Securities premium	1,565.45	1,431.39
General reserve	135.48	135.48
Retained earnings	9,648.55	8,311.09
Share options outstanding account	195.73	223.37
Exchange differences on translation of foreign operations (Net of tax)	19.55	19.46
Total	**11,573.48**	**10,129.51**

* Refer consolidated statement of changes in equity for detailed movement in above other equity balances.

Nature and purpose of other equity:

Capital redemption reserve

The capital redemption reserve is created out of undistributed profits for purchase of its own shares.

Capital reserve

Capital reserve of ₹ 2.56 million refers to the subsidy received from the Government of Karnataka, Department of Industries and Commerce. This subsidy was received as the Group was a small scale industry in that particular year. Balance pertains to share of pre-acquisition profits of a subsidiary at the time of acquisition by the Group accounted as capital reserve.

Securities premium

Securities premium comprises of premium on issue of shares. The reserve is utilised in accordance with specific provision of the Companies Act, 2013.

General reserve

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 general reserve will not be reclassified subsequently to consolidated statement of profit and loss.

Retained earnings

Retained earnings are profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in the statement of profit and loss with corresponding credit to share options outstanding account.

Exchange differences on translation of foreign operations

Exchange differences arising on translation of the foreign operation are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

19 BORROWINGS (NON-CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured at amortised cost		
Term loans from banks	2,578.16	2,083.83
Term loans from other financial institutions	51.59	251.21
Car loan from bank	0.50	-
Total	**2,630.25**	**2,335.04**

The Group has not been declared a wilful defaulter by any bank or financial institution or other lender.

Repayment and interest terms

Term loans from banks:

(Amount in ₹ millions)

Repayment and interest terms	Name of the Lender	Security	As at 31 March 2023	As at 31 March 2022
Repayable in 20 equal quarterly instalments of ₹ 20.00 million per quarter starting from August 2017 and to be settled by August 2022. The loan carries interest rate of 2% p.a.	Citi Bank	Secured by first pari-passu charge on entire plant and machinery, both present and future, certain immovable properties and secured by second pari-passu charge on current assets, i.e., inventories and trade receivables, both present and future.	-	47.56
Repayable in 20 equal quarterly instalments of ₹ 11.11 million per quarter starting from April 2017 and to be settled by July 2022. Loan carries interest rate of 7.85% p.a. - 7.9% p.a.	HSBC Bank	Secured by first pari-passu charge on entire plant and machinery, both present and future, certain properties (land and buildings) and secured by second pari-passu charge on current assets, both present and future.	-	19.44
Repayable in 18 equal quarterly instalments of ₹ 13.89 million per quarter starting from September 2017 and to be settled by November 2022. Loan carries interest rate of 7.65% p.a. - 8% p.a.			-	36.11
Repayable in 18 equal quarterly instalments of ₹ 13.89 million per quarter starting from January 2019 and to be settled by July 2023. Loan carries interest rate of 7.95% p.a. - 8.4% p.a.			19.44	75.00

(Amount in ₹ millions)

Repayment and interest terms	Name of the Lender	Security	As at 31 March 2023	As at 31 March 2022
Repayable in 20 equal quarterly instalments of ₹ 21 million per quarter starting from March 2019 and to be settled by August 2023. The loan carries interest rate of 8.95% p.a.	HDFC Bank	Secured by first pari-passu charge on movable fixed assets, certain immovable fixed assets (land and buildings) and secured by second pari-passu charge on current assets, viz. inventories and receivables, both present and future.	42.00	126.00
Repayable in 20 equal quarterly instalments of ₹ 20 million per quarter starting from September 2019 and to be settled by June 2024. The loan carries a interest rate of 8.75% p.a.			100.00	180.00
Repayable in 20 equal quarterly instalments of ₹ 25 million per quarter starting from January 2021 and to be settled by October 2025. The loan carries a interest rate of 7.65% p.a.			275.00	375.00
Repayable in 20 equal quarterly instalments of ₹ 39.28 million per quarter starting from June 2023 and to be settled by December 2027. The loan carries a interest rate of 9.26% and 8.82.% p.a.			657.14	500.00
Repayable in 16 equal quartely instalments of ₹ 62.50 million starting from October 2021 and to be settled by July 2025. The loan carries a interest rate of 8.90% p.a.	Axis Bank	Secured by first pari-passu charge on entire movable fixed assets, both present and future, certain immovable properties and secured by second pari-passu charge on entire current assets, both present and future.	623.33	874.16
Repayable in 54 equal monthly instalments of ₹ 18.5 million starting from August 2022 and to be settled by January 2027. The loan carries a interest rate of 8.05% p.a.	State Bank of India	Secured by first pari-passu charge on entire movable fixed assets, certain immovable properties and secured by second pari-passu charge on entire current assets, including inventories and receivables, both present and future.	851.94	633.91
Repayable in 54 equal monthly instalments of ₹ 18.5 million starting from March 2023 and to be settled by January 2027. The loan carries a interest rate of 8.15% p.a.			851.00	-

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(Amount in ₹ millions)

Repayment and interest terms	Name of the Lender	Security	As at 31 March 2023	As at 31 March 2022
Repayable in 57 monthly instalments of ₹ 0.43 million per month starting from August 2015 and to be settled by October 2022. The loan carries a interest rate of 7.65% p.a.	HDFC Bank	Secured by first pari-passu charge on certain property/ immovable assets and movable assets and secured by second pari-passu charge on current assets i.e., inventories and receivables, both present and future, of the Company.	-	3.47
Repayable in 60 monthly instalments of ₹ 0.37 million per month starting from Jan 2020 and to be settled by July 2024. The loan carries a interest rate of 9.65% p.a.			6.30	10.75
Repayable in 60 monthly instalments of ₹ 0.46 million per month starting from Nov 2021 and to be settled by October 2024. The loan carries a interest rate of 9.25% p.a.			27.02	44.09
Repayable in 60 monthly instalments of ₹ 0.46 million per month starting from Dec 2023 and to be settled by November 2028. The loan carries a interest rate of 8.70% p.a.			60.00	-
Repayable in 60 monthly instalments of ₹ 0.63 million per month starting from Jan 2023 and to be settled by December 2025. The loan carries a interest rate of 7.55% p.a.	Axis Bank	Secured by first pari-passu charge on certain property/ immovable assets and movable fixed assets, both present and future, and secured by second pari-passu charge on current assets including receivables, both present and future.	52.50	30.00
Uncommitted Short term credit facility. Repayment at any time. 2.0% p.a.	Citi Bank		455.86	-
Total			**4,021.53**	**2,955.49**
Less: Current maturities (Refer note 23)			(1,443.37)	(871.66)
Non-current			**2,578.16**	**2,083.83**

Term loans from other financial institutions :

(Amount in ₹ millions)

Repayment and interest terms	Name of the Lender	Security	As at 31 March 2023	As at 31 March 2022
Repayable in 20 equal quarterly instalments of ₹ 20.00 million per quarter starting from July 2018 and to be settled by April 2024. The loan carries interest rate of 9% p.a.	Citicorp Finance (India) Limited	Secured by first pari-passu charge on entire plant and machinery, both present and future, certain immovable properties and secured by second pari-passu charge on current assets, i.e. inventories and trade receivables, both present and future.	-	180.00

(Amount in ₹ millions)

Repayment and interest terms	Name of the Lender	Security	As at 31 March 2023	As at 31 March 2022
Repayable in 54 equal monthly instalments of ₹ 6.72 million starting from April 2019 and to be settled by September 2023. The loan carries interest rate of 8.9% p.a. .	Bajaj Finance Limited	Secured by first pari-passu charge on entire movable fixed assets, certain immovable properties and secured by second pari-passu charge on current assets, both present and future.	39.84	113.63
Repayable in 48 equal monthly instalments of ₹ 4.88 million starting from February 2021 and to be settled by January 2025. The loan carries interest rate of 8.9% p.a. .			100.35	148.09
Repayable in 60 monthly instalments of ₹ 1.10 million per month starting from May 2018 and to be settled by August 2024.The loan carries a interest rate of 10.60% p.a.		Secured by first pari-passu charge on movable fixed assets, both present and future and certain immovable properties and secured by second pari-passu charge on current assets i.e., inventories and receivables, both present and future, of the Company.	7.83	26.17
Repayable in 60 monthly instalments of ₹ 0.15 million per month starting from May 2019 and to be settled by May 2025.The loan carries a interest rate of 10.60% p.a.			4.57	6.55
Total			**152.59**	**474.44**
Less: Current maturities (Refer note 23)			(101.00)	(223.23)
Non-current			**51.59**	**251.21**

Car loans from banks:

(Amount in ₹ millions)

Repayment and interest terms	Name of the Lender	Security	As at 31 March 2023	As at 31 March 2022
Repayable in 60 monthly installments of ₹ 0.06 million per month starting from November 2017 and to be settled by September 2022. The loan carries a interest rate of 8.25% p.a.	HDFC Bank	Secured by certain movable fixed assets.	-	0.37
Repayable in 39 monthly installments of ₹ 0.03 million per month starting from July 2022 and to be settled by September 2025. The loan carries a interest rate of 9% p.a.	HDFC Bank		0.79	-
Total			**0.79**	**0.37**
Less: Current maturities (Refer note 23)			(0.29)	(0.37)
Non-current			**0.50**	**-**

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20 PROVISIONS (NON-CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity (Refer note 41)	28.92	82.23
Total	**28.92**	**82.23**

21 DEFERRED TAX LIABILITIES (NET)

(Amount in ₹ millions)

Particulars		As at 31 March 2023	As at 31 March 2022
Deferred tax assets			
Provision for employee benefits		14.15	49.52
Security deposit		3.14	3.81
Allowance for credit losses		21.64	6.85
Derivative contracts at fair value		3.11	-
Right-of-use assets, net of lease liabilities (Ind AS 116)		11.49	9.84
Others		3.46	5.43
Total	**(a)**	**56.99**	**75.45**
Deferred tax liabilities			
Property, plant and equipment		740.08	697.42
On fair valuation of quoted investments		1.69	1.50
Derivative contracts at fair value		-	11.62
On Intangibles		1.02	4.84
Exchange differences arising from foreign operations		1.99	1.96
Others		0.81	0.04
Total	**(b)**	**745.59**	**717.38**
Deferred tax liabilities (net)	**(c) = (b)-(a)**	**688.60**	**641.93**

22 OTHER NON-CURRENT LIABILITIES

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred Government grant	487.40	509.82
Total	**487.40**	**509.82**

Movement in deferred Government grant (Current and Non-current)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	563.92	514.60
Add: Grants during the year	35.27	101.33
Less: Income recognised in the consolidated statement of profit and loss	(55.31)	(52.01)
Closing balance	**543.88**	**563.92**
Less: Amounts expected to be recognised in the next 12 months (Refer note 26) - current	(56.48)	(54.10)
Net Closing balance, non-current	**487.40**	**509.82**

The Government grant related to property, plant and equipment is recognised as income over the useful life, in proportion to the depreciation of the related asset under note 29 -Other income.

23 BORROWINGS (CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans from banks - Secured - at amortised cost		
Cash credit	31.70	-
Working capital loan	1,464.50	1,526.78
Packing credit	1,706.04	1,494.36
Current maturities of long-term debt	1,288.62	1,095.26
Total	**4,490.86**	**4,116.40**

Cash credit, working capital loan, packing credit loan from banks and others amounting to ₹ 3,357.21 million as at 31 March 2023 (31 March 2022: ₹ 3,021.14 million) are secured by hypothecation of current assets, movable fixed assets and certain immovable properties of the Group.

Working capital loan carries interest rate ranging from 5.65% p.a. to 8.6% p.a., Cash credit carries interest rate ranging from 7.1% p.a. to 8.6% p.a. and Packing credit carries interest rate ranging from 4.3 % p.a. to 7.30% p.a.

The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the unaudited books of accounts. The Group is yet to submit the revised return for the quarter ended March 31, 2023 with the banks or financial institutions based on audited books of accounts of the Group for the year ended March 31, 2023.

24 TRADE PAYABLES

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises	202.72	77.54
Total outstanding dues of creditors other than to micro enterprises and small enterprises	2,724.06	2,575.43
Total (b)	**2,724.06**	**2,575.43**
Total	**2,926.78**	**2,652.97**

The Group's exposure to currency and liquidity risk related to trade payables are disclosed in note 43.

Trade Payables ageing schedule

Particulars		Outstanding for following periods from due date of payment					
	Accrued	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
Micro, small and medium enterprises - Undisputed	-	136.18	66.53	0.01	-	-	202.72
Others - Undisputed	530.02	1,296.39	890.59	6.44	0.05	0.57	2,724.06
Total	**530.02**	**1,432.57**	**957.12**	**6.45**	**0.05**	**0.57**	**2,926.78**
As at 31 March 2022							
Micro, small and medium enterprises - Undisputed	-	76.41	1.13	-	-	-	77.54
Others - Undisputed	591.16	1,846.13	128.67	7.28	0.39	1.80	2,575.43
Total	**591.16**	**1,922.54**	**129.80**	**7.28**	**0.39**	**1.80**	**2,652.97**

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25 OTHER CURRENT FINANCIAL LIABILITIES

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued	27.20	9.63
Capital creditors *	149.05	112.20
Derivative contracts at fair value	12.35	-
Total	**188.60**	**121.83**

* Capital creditors include dues to micro enterprises and small enterprises amounting to ₹ 61.20 million (31 March 2022: ₹ 28.03 million).

26 OTHER CURRENT LIABILITIES

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customers	139.44	87.63
Statutory liabilities	112.20	121.82
Balances with government authorities	107.56	-
Deferred government grant	56.48	54.10
Total	**415.68**	**263.55**

27 PROVISIONS (CURRENT)

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity (Refer note 40)	23.04	29.31
Provision for compensated absences	2.69	81.83
Total	**25.73**	**111.14**

28 REVENUE FROM OPERATIONS

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	21,739.42	18,557.85
Sale of services	36.30	40.87
Sub-total	**21,775.72**	**18,598.72**
Other operating revenues:		
Scrap sales	1,317.65	954.31
Tooling income	190.29	255.75
Export incentive benefits	99.37	81.54
Total	**23,383.03**	**19,890.32**

A. Disaggregation of Revenue from contracts with customers

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products		
India	15,563.78	11,682.89
Europe	3,826.04	2,776.42
USA	1,566.36	1,724.91
Other foreign countries	783.24	2,373.63
Sub-total	**21,739.42**	**18,557.85**
Sale of services		
India	35.56	40.87
Europe	0.74	-
Sub-total	**36.30**	**40.87**
Tooling income		
India	72.09	150.77
Europe	105.67	55.75
USA	9.31	49.23
Other foreign countries	3.22	-
Sub-total	**190.29**	**255.75**
Total revenue from contracts with customers:		
India	15,671.43	11,874.53
Europe	3,932.45	2,832.17
USA	1,575.67	1,774.14
Other foreign countries	786.46	2,373.63
Total revenue from contract with customers	**21,966.01**	**18,854.47**

B. Reconciling the amount of revenue recognised with contract and total revenue:

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total revenue from contract with customers	21,966.01	18,854.47
Adjustments:		
Other operating revenues:		
Export incentive benefit	99.37	81.54
Scrap sales	1,317.65	954.31
Total	**23,383.03**	**19,890.32**

C. Timing of revenue recognition

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Good transferred at a point in time	23,192.74	19,634.57
Service transferred over time	190.29	255.75
Total revenue from contract with customers	**23,383.03**	**19,890.32**

The transaction price allocated to (partially) unsatisfied performance obligations at 31 March 2023 and 31 March 2022 is Nil.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

D. Contract balances

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Trade receivables	4,327.31	4,085.64
Contract assets (Unbilled revenue)	153.05	172.70
Contract liabilities (Advance from customers)	139.44	87.63

E. The Group's revenue from its major products are as follows:

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Connecting rods	8,465.46	7,939.10
Crank shaft assembly	3,859.24	2,995.98
Rocker arms	3,510.11	3,383.71
Others*	5,904.61	4,239.07
Total revenue from sale of products	**21,739.42**	**18,557.86**

* Individual items of these are less than 10% of sale of products.

Revenue from sale of products from top three customers of the Group, who individually exceed 10% of total sales, is 38.78% (as at 31 March 2022 - three customers is 44.18%).

F. Contract liabilities

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning of the year	87.63	26.37
Revenue recognised during the year	(87.63)	(26.37)
Contract liabilities recognised during the year	139.44	87.63
Balance at the end of the year	**139.44**	**87.63**

Contract liabilities include advances received from customer towards supplies.

29 OTHER INCOME

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income	16.34	14.42
Fair value gain on financial instruments at fair value through profit or loss	0.76	0.39
Gain on disposal of property, plant and equipment, net	3.45	1.88
Gain on foreign currency transactions, net	74.33	49.07
Income from government grants	55.31	52.01
Other non-operating income	27.91	32.99
Share of profit from investment in Limited Liability Partnership (LLP)	-	4.17
Total	**178.10**	**154.93**

30 COST OF MATERIALS CONSUMED

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw materials at the beginning of the year	993.68	838.03
Add: Purchases	11,103.05	9,026.73
Less: Raw materials at the end of the year	1,233.69	993.68
Total	**10,863.04**	**8,871.08**

31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance		
Finished goods	466.79	395.15
Work-in-progress	1,055.89	897.45
Total	**1,522.68**	**1,292.60**
Closing balance		
Finished goods	830.62	466.79
Work-in-progress	1,380.52	1,055.89
Total	**2,211.14**	**1,522.68**
Changes in inventories of work-in-progress and finished goods	**(688.46)**	**(230.08)**

32 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	2,598.48	2,273.14
Contribution to provident and other funds (Refer note 40)	159.25	137.66
Employee stock compensation expense (Refer note 41)	60.76	79.89
Staff welfare expenses	361.12	282.89
Total	**3,179.61**	**2,773.58**

33 FINANCE COSTS

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on		
- Banks and Financial institutions borrowing	481.02	408.55
- Others	78.50	45.25
Exchange differences regarded as an adjustment to borrowing costs	11.37	6.73
Interest on obligations under lease	44.21	49.60
Total	**615.10**	**510.13**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

34 DEPRECIATION AND AMORTISATION EXPENSES

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment	1,203.28	1,091.28
Depreciation of right-of-use asset	87.00	94.52
Amortisation of intangible assets	10.52	11.23
Total	**1,300.80**	**1,197.03**

35 OTHER EXPENSES

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contract labour charges	1,158.03	951.73
Freight outward	247.64	228.55
Legal and professional (Refer note 39)	126.94	100.62
Rates and taxes	49.59	83.83
Repairs and maintenance		
Buildings	191.12	132.45
Computers	73.26	60.34
Vehicles	40.62	35.85
Rent	14.94	10.41
Traveling and conveyance	76.72	33.23
Insurance	54.97	67.80
Printing and Stationery	10.58	7.80
Communication expenses	7.49	7.94
Security charges	64.97	52.49
Selling and advertisement	8.04	5.61
Corporate social responsibility	28.21	34.68
Bank charges	25.00	19.56
Allowance for credit losses	58.77	9.02
Miscellaneous	34.81	43.07
Total	**2,271.70**	**1,884.98**

36 EARNINGS PER SHARE (EPS)

Basic earnings per share is calculated by dividing the profit for the year available to the shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the profit for the year available to the shareholders of the Company by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares. The details are as follows:

(Amount in ₹ millions except no. of shares)

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
Profit available to shareholders for calculation of basic and diluted earnings per share	A	1,461.95	1,304.52
Nominal value of equity shares (₹ per share)		2	2

(Amount in ₹ millions except no. of shares)

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
Weighted average number of equity shares for calculation of basic earnings per share	B	5,27,01,825	5,16,27,573
Basic earnings per share (in ₹)	**A/B**	**27.74**	**25.27**
Weighted average number of equity shares for calculation of diluted earnings per share	C	5,37,98,745	5,35,45,027
Diluted earnings per share (in ₹)	**A/C**	**27.17**	**24.36**

Computation of weighted average number of shares

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Weighted average number of equity shares	5,21,55,815	5,13,77,850
Weighted average number of Shares issued under Employee Stock Option	5,46,010	2,49,723
Weighted average number of equity shares for calculation of basic earnings per share	**5,27,01,825**	**5,16,27,573**
Add: Impact of potentially dilutive equity shares:		
Weighted average number of Shares issued under Employee Stock Option	10,96,920	19,17,454
Weighted average number of equity shares for calculation of diluted earnings per share	**5,37,98,745**	**5,35,45,027**

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

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Contingent liabilities #		
Claims against the Group not acknowledged as debts:		
Excise duty, entry tax and service tax matters (Refer note A i)	35.13	50.38
Income tax matters (Refer note A ii)	49.77	11.95
Customer claims **	67.17	-
Other matters @@	20.00	-
Commitments ##		
Estimated amount of contracts remaining to be executed on capital account and not provided for	542.50	742.89
Investment in MMRFIC Technology Private Limited (MMRFIC) (Refer note 50)	200.00	-

Note A: Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash flows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for wherever required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcomes of these proceedings to have a materially adverse effect on its financial position.

(i) Relating to demand for service tax on labour charges, refund granted on service tax paid under reverse charge mechanism (RCM), disallowance of Excise duty rebate, disallowance of Input Tax Credit (ITC) on Value Added Tax (VAT) etc.,

(ii) Relating to disallowance of certain expenses, additional depreciation, non-consideration of MAT (Minimum Alternate Tax) credit and non consideration of Tax Deducted at Source (TDS).

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** The Company supplied Shifter Forks to American Axle (AAM). American Axle reported failure of the product Shifter Fork and filed a suit with South Carolina Civil Court. The Company appointed a legal firm to handle the civil suit. The management is confident of a favorable outcome and expects the settlement to be not exceeding the amount provided for (₹15 million). The Company is expecting a mediation process to settle the matter during financial year ending 31 March 2024.

The Honourable Supreme Court of India, in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Group has made a provision of ₹ 0.58 million for provident fund contribution pursuant to the judgement in the year 2018-2019 from the date of Order of the Honourable Supreme Court of India. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Group does not expect any material impact of the same.

As disclosed in note 4, the Company has invested in Clean Max Vega Power LLP (i.e., power producer) and entered into an energy supply agreement for a period of 25 years with lock in period of 5 years. Pursuant to such energy supply agreement, the Company has committed to purchase atleast 51% of the total power produced by the power producer.

@@ The Karnataka State Pollution Control Board ("KSPCB") issued a demand order dated February 17, 2020 ("Demand Order") to the Company, demanding an amount of ₹ 10.00 million on the grounds that Plant 12 was not compliant with the provisions of the Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 and rules framed under Environment (Protection) Act, 1986 in relation to noise pollution and LPG storage. Our Company filed a reply dated February 27, 2020 refuting all allegations made pursuant to the Demand Order specifying that the Company is in compliance with all pollution regulations and laws and requesting for an opportunity to be heard in person. This matter is currently pending.

The Uttarakhand Pollution Control Board ("UKPCB") issued a demand order dated March 12, 2020 ("Demand Order") to the Company, demanding an amount of ₹ 10.00 million on the grounds that Plant 6 was not compliant with regulations in relation to discharge of pollutants, issued by the UKPCB and the order of the National Green Tribunal dated November 14, 2019 ("NGT Order"). The Company filed a writ petition dated May 15, 2020 ("Writ Petition") before the High Court of Uttarakhand to quash the Demand Order. The High Court of Uttarakhand pursuant to order dated May 18, 2020 read with order dated July 06, 2020 noted that the NGT Order has been stayed by the Supreme Court of India, and stayed recovery of the compensation demanded pursuant to the Demand Order until the Supreme Court of India completes adjudication in the matter related to the NGT Order. Further, the High Court of Uttarakhand has directed the Company to apprise the UKPCB of all measure undertaken to control pollutions. Hon'ble Supreme Court have vacated the stay in February 2022. Consequently, Uttarakhand Pollution Control Board is expected to issue fresh notice of recovery of Environment Compensation by June 2023.

The Group does not have any other material commitments.

38 TAX EXPENSE

A. Amounts recognised in consolidated statement of profit and loss

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax (a)		
Current year	476.73	427.85
Changes in estimates related to prior years	18.86	7.65
Deferred tax (b)		
Attributable to -		
Origination and reversal of temporary differences	53.31	29.29
Income tax expense reported in the consolidated statement of profit and loss (a+b)	**548.90**	**464.79**

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Amounts recognised in other comprehensive income		
Deferred taxes		
Remeasurements of the defined benefit plans	(6.70)	6.45
Exchange differences on translation of foreign operations	0.03	(11.36)
Income tax reported in other comprehensive income	**(6.67)**	**(4.91)**
B. Bifurcation of the income tax recognised in other comprehensive income into		
Items that will not be reclassified to profit or loss	(6.70)	6.45
Items that will be reclassified to profit or loss	0.03	(11.36)
Total	**(6.67)**	**(4.91)**

C. Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

	31 March 2023	31 March 2022
Profit before tax	**2,032.32**	**1,783.68**
Tax using the Group's domestic tax rate	25.17%	25.17%
Computed expected tax expense	511.53	448.95
Effect of:		
Non-deductible expenses	9.46	8.76
Incremental tax expense on completion of assessment for earlier years	14.98	8.63
Tax exempt income	-	(4.76)
Others	12.93	3.21
Income tax expense	**548.90**	**464.79**

D. Movement in temporary differences

Particulars	Balance as at 01 April 2022 Net deferred tax asset/ (liabilities)	Recognised in profit and loss during 2022-23	Recognised in OCI during 2022-23	Balance as at 31 March 2023 Net deferred tax asset/ (liabilities)
Property, plant and equipment	(697.42)	(42.66)	-	(740.08)
Provision for employee benefits	49.52	(42.04)	6.70	14.15
Security deposit	3.81	(0.67)	-	3.14
Allowance for credit losses	6.85	14.79	-	21.64
On fair valuation of quoted investments	(1.50)	(0.19)	-	(1.69)
Others	5.39	(2.74)	-	2.65
Derivative contracts	(11.62)	14.73	-	3.11
Right-of-use assets, net of lease liabilities (Ind AS 116)	9.84	1.65	-	11.49
Exchange difference on foreign operations	(1.96)	-	(0.03)	(1.99)
On Intangibles	(4.84)	3.82	-	(1.02)
Total	**(641.93)**	**(53.31)**	**6.67**	**(688.60)**

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Particulars	Balance as at 01 April 2021 Net deferred tax asset/ (liabilities)	Recognised in profit and loss during 2021-22	Recognised in OCI during 2021-22	Balance as at 31 March 2022 Net deferred tax asset/ (liabilities)
Property, plant and equipment	(671.46)	(25.96)	-	(697.42)
Provision for employee benefits	60.86	(5.32)	(6.45)	49.52
Security deposit	1.06	2.75	-	3.81
Allowance for credit losses	4.58	2.27	-	6.85
On fair valuation of quoted investments	(1.40)	(0.10)	-	(1.50)
Others	2.59	2.80	-	5.39
Derivative contracts	(9.70)	(1.92)	-	(11.62)
Right-of-use assets, net of lease liabilities (Ind AS 116)	8.81	1.03	-	9.84
Exchange difference on foreign operations	(13.32)	-	11.36	(1.96)
On Intangibles	-	(4.84)	-	(4.84)
Total	**(617.98)**	**(29.29)**	**4.91**	**(641.93)**

39 RELATED PARTIES DISCLOSURES

A. Significant Shareholders

Client Ebene Limited

CVCIGPII Employee Ebene Limited

B. Trust in which the Director is a trustee

Sansera Foundation

C. Key managerial personnel

S Sekhar Vasan - Chairman and Managing Director

F R Singhvi - Joint Managing Director

B R Preetham - Chief Executive Officer

Vikas Goel - Chief Financial Officer

Rajesh Kumar Modi - Company Secretary and Compliance officer

Muthuswamy Lakshminarayan - Independent Director

Revathy Ashok - Independent Director

Samir Purushottam Inamdar- Independent Director (With effect from 23 May 2022)

Bilaine Sylvain - Independent Director (upto 28 July 2022)

D. Close members of key managerial personnel's family

Lalitha Singhvi

Praveen Singhvi

Lata Singhvi

Jayaraj Singhvi

Tara Singhvi

Indira Singhvi

E. Entity controlled by close members of key managerial personnel's family

Eff N'Bee Hospitality Private Limited

F. The following is the summary of related party transactions

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Expenditure towards Corporate Social Responsibility (CSR)		
Sansera Foundation	27.50	33.98
IPO expenses incurred (to be reimbursed by the shareholders) #		
S. Sekhar Vasan	4.24	59.52
F R Singhvi	0.41	5.79
Lalitha Singhvi	0.13	1.77
Praveen Singhvi	0.13	1.79
Lata Singhvi	0.13	1.79
Jayaraj Singhvi	0.13	1.79
Tara Singhvi	0.13	1.79
Indira Singhvi	0.13	1.79
Unni Rajagopal K	1.18	16.52
Devappa Devaraj	1.18	16.52
Client Ebene Limited	17.77	95.45
CVCIGP II Employee Ebene Limited	9.95	53.46
Staff welfare cost		
Eff N'Bee Hospitality Private Limited	0.21	-
Sale of Property, Plant and Equipment		
Eff N'Bee Hospitality Private Limited	1.84	-
Managerial Remuneration*		
S Sekhar Vasan	14.89	14.89
F R Singhvi	14.89	14.89
B R Preetham	16.94	16.39
Vikas Goel	16.54	16.31
Rajesh Kumar Modi	4.35	4.30
Legal and Professional Charges- Fixed Commission		
Muthuswamy Lakshminarayan	1.20	1.20
Revathy Ashok	1.20	1.20
Samir Purushottam Inamdar	1.00	-
Bilaine Sylvain	0.46	1.20
Legal and Professional Charges- Sitting fees		
Muthuswamy Lakshminarayan	0.26	0.30
Revathy Ashok	0.25	0.33
Bilaine Sylvain	-	0.19
Samir Purushottam Inamdar	0.16	-
Conversion of Compulsorily Convertible Preference Shares (CCPS)		
Client Ebene Limited	-	5.69
CVCIGPII Employee Ebene Limited	-	3.19

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

G. The balances receivable from and payable to related parties are:

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
IPO expenses recoverable from shareholders #		
S Sekhar Vasan	-	0.42
F R Singhvi	-	0.05
Lalitha Singhvi	-	0.01
Praveen Singhvi	-	0.01
Lata Singhvi	-	0.01
Jayaraj Singhvi	-	0.01
Tara Singhvi	-	0.01
Indira Singhvi	-	0.01
Unni Rajagopal	-	0.12
Devappa Devaraj	-	0.11
Devappa Devaraj on behalf of D. Devaraj HUF	-	-
Client Ebene Limited	-	1.74
CVCIGP II Employee Ebene Limited	-	0.97
Trade payables		
Eff N'Bee Hospitality Private Limited	0.13	-
Loan to key managerial personnel		
B R Preetham	-	3.88
Payable to Directors		
S. Sekhar Vasan	12.85	12.86
Receivable from Director		
F R Singhvi	-	0.36

* Excludes contribution to employee retirement/post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.

The Company's equity shares were listed on National Stock Exchange (""NSE"") and on BSE Limited (""BSE"") on September 24, 2021, by completing the Initial Public Offering (IPO) of 17,244,328 equity shares of face value of ₹ 2 each at an issue price of ₹ 744 per equity share, consisting of an offer for sale of 17,244,328 equity shares by the selling shareholders.

For the purpose of IPO, during the current financial year, the Company has incurred a cost of ₹ 35.51 million (31 March 2022: ₹ 257.98 million). As per the arrangement with the related selling shareholders, the aforesaid expenditure is borne by the respective selling shareholders. Outstanding cost recoverable as at 31 March 2023 is Nil (31 March 2022: ₹ 3.47 million).

Terms and conditions:

All transactions with related parties are unsecured.

40 EMPLOYEE BENEFIT PLANS

A Defined contribution plan

The Group has defined contribution plan. Contributions are made to the Provident fund for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employer contribution to Provident fund, including admin charges	98.57	82.40
Employer contribution to Employee state insurance scheme	18.03	14.13
Employer contribution to Labour Welfare Fund	3.63	0.20

B Defined benefit plans

The Group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement (Age of 58 years) or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Group makes annual contribution to the Fund.

The following table sets out the status of the gratuity plan as required under Ind AS 19 "Employee benefits":

a) Reconciliation of present value of defined benefit obligations

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Defined benefit obligations at the beginning of the year	378.64	357.37
Current service cost	31.02	28.92
Interest Expense	27.21	24.07
Benefits paid	(9.17)	(12.77)
Actuarial (gains) / losses recognised in Other Comprehensive Income:		
Changes in financial assumptions	(8.87)	(16.07)
Experience adjustments	36.24	(2.87)
Defined benefit obligations at the end of the year	**455.07**	**378.65**

b) Reconciliation of present value of plan assets

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Plan assets at the beginning of the year	267.11	178.79
Interest income	19.21	12.06
Contributions paid into the plan	125.00	80.01
Return on plan assets recognised in Other Comprehensive Income	(2.03)	6.70
Benefits paid	(6.80)	(10.45)
Plan assets at the end of the year	**402.49**	**267.11**

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Actual return on plan assets

Return on plan assets: The long term estimate of the expected rate of return on plan assets has been arrived at based on prevailing yields on those assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Net defined benefit liability (a-b)	**52.58**	**111.54**
Non-current	28.92	82.23
Current	23.04	29.31
Total	**51.96**	**111.54**

c) Expense recognised in the consolidated statement of profit and loss

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	31.02	28.92
Interest expense	27.21	24.07
Interest income	(19.21)	(12.06)
Total	**39.02**	**40.93**

d) Remeasurements recognised in Other Comprehensive Income (OCI)

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain)/loss on account of experience adjustments	36.24	(2.87)
Actuarial (gain)/loss arising from change in financial assumptions	(8.87)	(16.07)
Return on plan assets recognised in other comprehensive income	2.03	(6.70)
Total	**29.40**	**(25.64)**
Total cost recognised in the statement of profit and loss, including other comprehensive income (c+d)	**68.42**	**15.29**

e) Actuarial assumptions

The following table sets out the status of the Gratuity scheme and the amount recognised in the financial statements as per the Actuarial Valuation done by an Independent Actuary. These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
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.
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.

In respect of the above plans, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2023 by an independent 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.

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

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Discount rate	7.50%	7.20%
Salary increase*	5.00%	5.00%
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Retirement age	58 years	58 years
Withdrawal Rate	4.00%	4.00%

*The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

f) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	416.99	(497.30)	346.21	(333.37)
Future salary growth (1% movement)	497.95	(415.81)	416.43	(275.09)
Withdrawal rate (1% movement)	461.79	(446.13)	384.95	(299.05)
Mortality Rate (1% movement)	454.66	(454.19)	378.82	(378.46)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The expected future contribution and estimated future benefit payments from the fund are as follows:

(Amount in ₹ millions)

Expected cash flows over the next (valued on undiscounted basis):	For the year ended 31 March 2023	For the year ended 31 March 2022
1 year	35.62	29.31
2 to 5 years	141.84	112.82
6 to 10 years	218.48	167.56
More than 10 years	591.35	516.85

g) Asset liability matching strategies

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

h) The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

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41 EMPLOYEE STOCK OPTIONS

The Company has a share option scheme for the permanent employees of the Company and its subsidiaries. In accordance with the terms of the plan, as approved by shareholders, permanent employees may be granted options to purchase equity shares.

Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry as per ESOP Schemes.

(a) Sansera Employee Stock Option Plan 2015

On March 12, 2015, the Board of Directors of the Company approved "Sansera Employee Stock Option Plan 2015" ("the Plan") for grant of stock options to the employees of the Company and its subsidiaries which was further ratified by the shareholders on April 13, 2015 Further, the ESOP 2015 has been amended pursuant to resolutions passed by the Shareholders on August 03, 2018, June 02, 2021 and August 31, 2021, respectively. The vested options can be exercised by the option holder and the shares can be allotted by the Board/Committee as specified in the Plan. The plans are as follows:

Programme 1: Key management group

Options under this programme are granted to certain employees at an exercise price of ₹ 0.14 per option. The entire stock options are completely vested.

The following reconciles the outstanding share options granted under employee share option plan at beginning and at the end of financial year:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Options	Weighted average exercise price in ₹	Number of Options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	9,98,775	0.14	11,73,775	0.14
Granted during the year	-	-	-	-
Exercised during the year	4,25,000	0.14	1,75,000	0.14
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	**5,73,775**	**0.14**	**9,98,775**	**0.14**
Vested at the end of the year	**5,73,775**	**0.14**	**9,98,775**	**0.14**
Exercisable at the end of the year	**5,73,775**	**0.14**	**9,98,775**	**0.14**

Programme 2: Certain identified employees

Options under this programme are granted to certain employees at an exercise price of ₹ 135.20 per option. Stock options issued carries different vesting periods, it ranges from 25 to 100 % vesting of total options granted by the end of every one year from the grant date. All stock options shall be fully vested by the end of 4 years from the grant date.

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Options	Weighted average exercise price in ₹	Number of Options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	7,33,935	135.20	11,88,275	135.20
Granted during the year*	-	-	1,48,625	135.20
Exercised during the year	3,48,725	135.20	6,02,965	135.20
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	-	-

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Options	Weighted average exercise price in ₹	Number of Options	Weighted average exercise price in ₹
Surrendered during the year	-	-	-	-
Outstanding at the end of the year	**3,85,210**	**135.20**	**7,33,935**	**135.20**
Vested at the end of the year	**3,85,210**	**135.20**	**7,33,935**	**135.20**
Exercisable at the end of the year	**3,85,210**	**135.20**	**7,33,935**	**135.20**

* The options granted during the year have been vested over the period of one year from the date of grant.

During the year ended 31 March 2023, shares were exercised on May 23, 2022, September 28, 2022 and February 28, 2023. The share price on the date of exercise was ₹ 733.90, ₹ 711.80 and ₹ 728.5 respectively.

Measurement of fair values

Black-Scholes Option Pricing Model is used to value the fair value of the stock options. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	Share option plans		
	Programme 1: Key Management Group	Programme 2: Certain Identified Employees	Programme 2: Certain Identified Employees
Grant date	April 29, 2015	April 29, 2015	01 April 2021
Fair value at grant date	103.39	55.25	273.21
Share price at grant date	103.48	103.48	396.60
Exercise price	0.14	135.20	135.20
Expected volatility (weighted average volatility)	49.20%	49.20%	31.30%
Method used to determine expected volatility	Expected volatility has been calculated based on volatility of the comparable company stock prices.		
Expected term (in years)	6.50	6.50	2.00
Risk free interest rate	7.90%	7.90%	4.52%

(b) Sansera Employee Stock Option Plan 2018

The Company, pursuant to resolution passed by its shareholders dated August 08, 2018 has adopted "Sansera Employee Stock Option Plan 2018" ("the Plan"). Further, the ESOP 2018 has been amended pursuant to resolutions passed by the Board of Directors on April 19, 2021 and August 22, 2021 and Shareholders on June 02, 2021 and August 31, 2021. The aggregate number of options, which may be issued under ESOP 2018, shall be decided by the Nomination and Remuneration Committee and shall not exceed such number of options which represents 2.50% shareholding in the Company on a fully diluted basis as on the date of this plan. The plans are as follows:

Options under this programme are granted to certain employees at an exercise price of ₹ 744 per option. Stock options issued carry different vesting periods. It ranges from 25 to 100 % vesting of total options granted by the end of every one year from the grant date. All stock options shall be fully vested by the end of 4 years from the grant date.

The following reconciles the outstanding share options granted under employee share option plan at beginning and at the end of financial year:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Options	Weighted average exercise price in ₹	Number of Options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	8,08,327	744.00	-	-
Granted during the year	-	-	8,08,327	744.00
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-

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Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Options	Weighted average exercise price in ₹	Number of Options	Weighted average exercise price in ₹
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	**8,08,327**	**744.00**	**8,08,327**	**744.00**
Vested at the end of the year	**2,02,082**	**744.00**	**-**	
Exercisable at the end of the year	**2,02,082**	**744.00**	**-**	**-**

Measurement of fair values

Black-Scholes Option Pricing Model is used to value the fair value of the stock options. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	Share option plan
Grant date	September 22, 2021
Fair value at grant date (Average)	200.72
Share price at grant date	744.00
Exercise price	744.00
Expected volatility (weighted average volatility) (Average)	26.68%
Expected term (in years) (Average)	3.50
Method used to determine expected volatility	The expected volatility has been calculated based on historic volatility of Auto Index
Risk free interest rate (Average)	5.02%

42 FINANCIAL INSTRUMENTS

Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(Amount in ₹ millions)

Particulars	Carrying amount	Fair value		
	31 March 2023	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investment in equity shares	111.66	6.73	-	104.93
Total	**111.66**	**6.73**	**-**	**104.93**
Financial assets measured at amortised cost				
Loans	41.44	-	-	-
Other non-current financial assets	279.03	-	-	-
Trade receivables	4,327.31	-	-	-
Cash and cash equivalents	495.58	-	-	-
Bank balances other than cash and cash equivalents above	120.83	-	-	-
Other current financial assets	188.63	-	-	-
Total	**5,452.82**	**-**	**-**	**-**
Financial liabilities measured at fair value				
Derivative liability	12.35	-	12.35	-
Total	**12.35**	**-**	**12.35**	**-**

(Amount in ₹ millions)

Particulars	Carrying amount	Fair value		
	31 March 2023	Level 1	Level 2	Level 3
Financial liabilities measured at amortised cost				
Non-current borrowings	2,630.25	-	-	-
Current borrowings	4,490.86	-	-	-
Lease liabilities	921.13	-	-	-
Trade payables	2,926.78	-	-	-
Other financial liabilities	176.25	-	-	-
Total	**11,145.27**	**-**	**-**	**-**

(Amount in ₹ millions)

Particulars	Carrying amount	Fair value		
	31 March 2022	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investment in equity shares	110.90	5.97	-	104.93
Derivative contracts at fair value	6.13	-	6.13	-
Total	**117.03**	**5.97**	**6.13**	**104.93**
Financial assets measured at amortised cost				
Loans	40.87			
Other non-current financial assets	287.95	-	-	-
Trade receivables	4,085.64	-	-	-
Cash and cash equivalents	383.44	-	-	-
Bank balances other than cash and cash equivalents above	119.84	-	-	-
Other current financial assets	195.56	-	-	-
Total	**5,113.30**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	2,335.04	-	-	-
Current borrowings	4,116.40	-	-	-
Lease liabilities	1,013.14	-	-	-
Trade payables	2,652.97	-	-	-
Other financial liabilities	121.83	-	-	-
Total	**10,239.38**	**-**	**-**	**-**

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The derivative contracts are valued using market approach, determined using forward exchange rates as at the balance sheet date.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The group has not disclosed the fair value of financial instruments such as other non-current financial assets, trade receivables, cash and cash equivalents, bank balances, other current financial assets, loans, borrowings, other non-current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

The majority of costs and incomes are denominated in local currencies, which is not impacted by currency exchange fluctuations. Some of the contracts with key export customers may not allow for price adjustments in the event of unfavourable currency exchange rate developments. Global footprint exposes the Group to certain currency exchange risks, arising primarily from foreign currency receivables, import of raw materials and capital goods for operations, export of goods and non-Indian rupee denominated borrowings. The Group hedges significant portion of the net foreign exchange exposure through forward contracts and non-Indian rupee denominated loans.

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43 FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and others, foreign exchange transactions and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In respect of trade receivables the Group performs credit assessment for customers on an annual basis and recognizes credit risk on the basis of lifetime expected losses.

Movement in expected credit loss allowance on trade receivables:

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	32.63	23.61
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	58.77	9.02
Balance at the end of the year	**91.40**	**32.63**

Security deposits, Other financial assets and Loans:

Expected credit loss for Security deposits, Other financial assets and Loans is as follows:

Particulars	Year ended	Assets of the Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss: Financial assets for which credit risk has not increased significantly since initial recognition	31 March 2023	Security deposits	267.57	0%	-	267.57
		Other Financial Assets	188.63	0%	-	188.63
		Loans	41.44	0%	-	41.44

Cash and cash equivalents (including bank balances, fixed deposits and margin money with banks):

Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks and others with high credit ratings assigned by international and domestic credit rating agencies.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(Amount in ₹ millions)

Particulars	As at 31 March 2023				
	Carrying amount	Total	Less than 1 year	1-2 years	Above 2 years
Non-current borrowings including current maturities	3,918.87	3,918.87	1,288.62	1,134.59	1,495.66
Current borrowings	3,202.24	3,202.24	3,202.24	-	-
Trade payables	2,926.78	2,926.78	2,926.78	-	-
Other financial liabilities	176.25	176.25	176.25	-	-
Lease liabilities	921.13	921.13	99.81	114.88	706.44

(Amount in ₹ millions)

Particulars	As at 31 March 2022				
	Carrying amount	Total	Less than 1 year	1-2 years	Above 2 years
Non-current borrowings including current maturities	3,430.30	3,430.30	1,095.26	1,031.30	1,303.74
Current borrowings	3,021.14	3,021.14	3,021.14	-	-
Trade payables	2,652.97	2,652.97	2,652.97	-	-
Other financial liabilities	121.83	121.83	121.83	-	-
Lease liabilities	1,013.14	1,013.14	102.51	82.25	828.38

(iv) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises interest rate risk and currency rate risk. Financial instruments affected by market risk include loans, borrowings, receivables and payables. The Group's activities expose it to a variety of financial risks, including effects of changes in foreign currency exchange rates and interest rate movement.

(v) 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 change in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to Group's long term debt obligations with floating interest rates.

Exposure to interest rate risk

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows :

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed rate instruments:		
Financial liabilities	40.22	304.93
Variable rate instruments:		
Financial liabilities	7,080.89	6,146.51
Total	**7,121.11**	**6,451.44**

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Interest rate sensitivity:

Sensitivity analysis for fixed-rate instruments

There is no impact on the profit or loss on account of fixed rate instruments.

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Effect on profit before tax	
		31 March 2023	31 March 2022
Increase of 100 basis points	₹	70.81	61.47
Decrease in 100 basis points	₹	(70.81)	(61.47)

(vi) Foreign currency risk

The Group is exposed to currency risk on certain transactions that are denominated in a currency other than the entity's functional currency, hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Foreign currency (FC) 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 evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments. The information on derivative instruments is as follows:

(Amount in ₹ millions)

Particulars	Currency	As at 31 March 2023		As at 31 March 2022	
		Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Forward contract (to hedge net receivables)	USD	13.15	1,080.54	10.93	828.05
No. of Contracts		20		21	
Forward contract (to hedge net receivables)	EUR	2.06	184.25	4.65	391.20
No. of Contracts		5		10	
Forward contract (to hedge net receivables)	EURUSD	5.50	491.93	-	-
No. of Contracts		11		-	
Forward contract (to hedge borrowing)	USD	2.00	164.34	-	-
No. of Contracts		2		-	
Forward contract (to hedge borrowing)	EURUSD	2.50	223.61	-	-
No. of Contracts		4		-	

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities when revenue and expense is denominated in a foreign currency.

The following table presents foreign currency risk from financial instruments as of:

(Amount in ₹ millions)

Particulars	**Currency**	**As at 31 March 2023**		**As at 31 March 2022**	
		Amount in FC	**Amount in ₹**	**Amount in FC**	**Amount in ₹**
Trade receivables	USD	9.67	794.58	19.28	1,461.28
	EUR	13.02	1,164.54	11.42	961.79
Other receivables	USD	0.35	28.76	-	-
Cash and cash equivalents	USD	1.17	96.14	0.76	57.60
	EUR	2.70	241.49	0.52	43.79
Trade payables	USD	1.02	83.81	0.36	27.29
	EUR	3.42	305.89	2.66	224.03
	GBP	*	0.03	*	0.32
	CHF	0.01	0.90	0.01	0.82
Borrowings	USD	-	-	9.29	704.11

* GBP 258.32 (31 March 2022 GBP 3,226) not presented above due to rounding off to nearest million.

Sensitivity analysis

(Amount in ₹ millions)

Particulars	**Percentage movement**	**Effect on profit before tax**		**Effect on equity**	
		Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2023					
USD	8%	66.85	(66.85)	50.02	(50.02)
EURO	6%	66.01	(66.01)	49.40	(49.40)
CHF	9%	0.08	(0.08)	0.06	(0.06)
31 March 2022					
USD	4%	31.50	(31.50)	23.57	(23.57)
EURO	2%	15.63	(15.63)	11.70	(11.70)
CHF	6%	0.05	(0.05)	-	-

44 CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.

The Group manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio and implements capital structure improvement plan when necessary.

The Group uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

(Amount in ₹ millions)

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Gross debt*	8,069.44	7,474.21
Less : Cash and cash equivalent and other bank balances	616.41	503.28
Net debt (A)	**7,453.03**	**6,970.93**
Total equity (B)**	**11,819.68**	**10,353.16**
Debt ratio (A / B)	**0.63**	**0.67**

* Gross debt includes non-current borrowings, current borrowings, current maturities of long term debts, lease liabilities and accrued interest.

** Total equity includes Equity share capital, instruments entirely equity in nature and other equity.

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45 SEGMENT REPORTING

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group is in the business of manufacture and sale of automobile components, which in the context of Ind AS 108 'Segment Information' represents single reportable business segment. The entire operations are governed by the same set of risk and returns. Accordingly, these operations represent a single segment. The revenues, total expenses and net profit as per the consolidated statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment.

(i) Geographical information

Geographic segmentation is based on business sourced from specific geographic regions. Other foreign countries comprises all other places except India, Europe and USA.

(a) Revenue from operations

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
India	17,078.58	12,910.38
Europe	3,941.58	2,832.17
USA	1,575.67	1,774.14
Other foreign countries	787.20	2,373.63
Total	**23,383.03**	**19,890.32**

(b) Non-current assets

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
India	13,756.26	12,546.02
Europe	1,250.21	1,281.83
Total	**15,006.47**	**13,827.85**
Reconciling items:		
Income tax assets	85.08	28.30
Other non-current financial assets	392.95	408.60
Total non-current assets	**15,484.50**	**14,264.75**

46 IMPAIRMENT

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at each entity level, which is represented as separated CGU's.

The carrying value of goodwill, entity wise is as follows:

(Amount in ₹ millions)

Entity acquired	As at 31 March 2023	As at 31 March 2022
Fitwel Tools and Forgings Private Limited ('Fitwel')	146.72	146.72
Sansera Sweden AB ('Sansera Sweden')	205.53	211.65
Exchange differences on translation of foreign operations	(5.18)	(6.12)
	200.35	205.53
Total carrying value	**347.07**	**352.25**

The recoverable amount of a cash generating unit is the higher of its fair value less costs of disposal and its value in use. For the purpose of impairment test, fair value of a CGU is determined based on the market capitalisation and the value in use is determined based on specific calculations. The recoverable amount of all CGU's has been determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period and an average of the range of each assumption mentioned below:

(Amount in ₹ millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate*	12% - 17%	12% - 17%
Terminal growth rate **	2% - 4%	2% - 4%
Operating margins	7%/14% - 11%/16%	11%/16% - 15%/17%

*These discount rate(s) are based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

** The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

The Group does its impairment evaluation on an annual basis and as of 31 March 2023, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered. The Group has performed sensitivity analysis for all key assumptions, including the cash flow projections, consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19 and is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount.

As of 31 March 2023, the estimated recoverable amount of each of the CGU's exceeded its carrying amount by ₹ 490.45 million (Fitwel Tools and Forgings Private Limited) and ₹ 585.25 million (Sansera Sweden AB), hence impairment is not triggered. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing.

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

47 ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 2 OF DIVISION II OF SCHEDULE III TO COMPANIES ACT, 2013 GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹ millions)

Name of the entity	As at / for the year ended 31 March 2023							
	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Sansera Engineering Limited	100.03 %	11,823.26	101.25 %	1,502.00	92.40 %	(18.12)	101.37 %	1,483.88
Subsidiaries								
Sansera Engineering Pvt. Ltd., Mauritius	7.26 %	858.39	0.08 %	1.15	-	-	0.08 %	1.15
Sansera Sweden AB	(0.13)%	(15.26)	(5.57)%	(82.62)	-	-	(5.64)%	(82.62)
Fitwel Tools and Forgings Private Limited	3.96 %	468.62	4.83 %	71.58	8.06 %	(1.58)	4.78 %	70.00
Non-controlling interest	1.19 %	140.34	1.45 %	21.47	2.40 %	(0.47)	1.43 %	21.00
Elimination on account of Consolidation	(12.31)%	(1,455.67)	(2.04)%	(30.16)	(2.86)%	0.56	(2.02)%	(29.60)
Total	**100.00 %**	**11,819.68**	**100.00 %**	**1,483.42**	**100.00 %**	**(19.61)**	**100.00 %**	**1,463.81**

(Amount in ₹ millions)

Name of the entity	As at / for the year ended 31 March 2022							
	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Sansera Engineering Limited	99.84 %	10,336.67	97.17 %	1,281.57	(132.21)%	19.29	99.74 %	1,300.86
Subsidiaries								
Sansera Engineering Pvt. Ltd., Mauritius	7.80 %	807.12	0.20 %	2.70	-	-	0.21 %	2.70
Sansera Sweden AB	0.68 %	70.15	(1.03)%	(13.56)	-	-	(1.04)%	(13.56)
Fitwel Tools and Forgings Private Limited	3.85 %	398.61	3.63 %	47.90	0.69 %	(0.10)	3.66 %	47.80
Non-controlling interest	1.15 %	119.34	1.09 %	14.37	0.21 %	(0.03)	1.10 %	14.34
Elimination on account of Consolidation	(13.32)%	(1,378.73)	(1.06)%	(14.09)	231.31 %	(33.75)	(3.67)%	(47.84)
Total	**100.00 %**	**10,353.16**	**100.00 %**	**1,318.89**	**100.00 %**	**(14.59)**	**100.00 %**	**1,304.30**

Interest in other entities

Subsidiary companies:

The consolidated financial statements of the Company includes subsidiary companies listed in the table below:

Name of the entity	Country of incorporation	Ownership interest held by the group (%)	Ownership interest held by non-controlling interest (%)	Ownership interest held by the group (%)	Ownership interest held by non-controlling interest (%)
		31 March 2023		31 March 2022	
Sansera Engineering Pvt. Ltd., Mauritius	Mauritius	100%	-	100%	-
Sansera Sweden AB	Sweden	100%	-	100%	-
Fitwel Tools and Forgings Private Limited	India	70%	30%	70%	30%

48 The Group has considered various internal and external sources consisting of feedback from the customers and the market trends, up to the date of approval of the consolidated financial statements in determining the impact, if any, arising from the pandemic on various elements of its consolidated financial statements. The Group has used the principles of prudence in applying judgments, estimates and assumptions and based on its current estimates, the Group expects to recover the carrying value of its financial and non-financial assets, including tangible assets and meet its financial obligations in the normal course of business. The eventual outcome of the possible impact of the pandemic may be different from that estimated as on the date of approval of these consolidated financial statements. The Group will continue to monitor any material changes to future economic conditions and consequential impact on its consolidated financial statements.

49 ADDITIONAL REGULATORY INFORMATION:

a) There are no transactions or balances with Companies which have been removed from the Register of Companies (Struck off Companies), during the year ended/as at 31 March 2023.

b) The Group has not traded/invested in Cryptocurrency/Virtual currency.

c) 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:

   (i) 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

   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

d) 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

   (i) 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

   (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

e) The Group has no 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).

CORPORATE IDENTITY NUMBER (CIN) : L34103KA1981PLC004542
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

50 On March 29, 2023, the Company had entered into a definitive agreement for a strategic investment in MMRFIC Technology Private Limited (MMRFIC). As per the terms of the agreement, the Company would make an investment of ₹ 200 million in 149,250 Compulsorily Convertible Preference Shares (CCPS) of ₹ 100 each with a premium of ₹ 1,240 per CCPS; and 17 Equity Shares of ₹ 1 each with a premium of ₹ 599 per Equity Share, for an approximate 21% stake in MMRFIC and has right to invest and increase stake up to 51% at a predefined valuation formula. Subsequent to the year end, the Company has made an investment of ₹ 50 million.

51 During the year ended 31 March 2023, on account of final dividend for financial year 2021-22, the Company has incurred a net cash outflow of ₹ 105.26 million.

The Board of Directors, in their meeting held on 22 May 2023, recommended a final dividend of ₹ 2.5 per equity share for the financial year ended 31 March 2023. This payment is subject to the approval of shareholders in the AGM of the Company and if approved, would result in a net cash outflow of approximately ₹ 132.36 million..

52 The Board of Directors of the Company have approved these consolidated financial statements of the Company in their meeting held on 22 May 2023.

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

B R Preetham
Chief Executive Officer

F R Singhvi
Joint Managing Director
DIN: 00233146

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place : Bengaluru
Date : 22 May 2023

NOTICE OF 41ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the Forty-First (41st) Annual General Meeting of the members of Sansera Engineering Limited will be held on Friday, September 08, 2023 at 11.00 am (IST) through video conferencing ('VC')/Other Audio-Visual Means ('OAVM') facility to transact the following business(es):

ORDINARY BUSINESS:

1. To consider and adopt the audited standalone and consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Auditors' and Board's Report thereon.
2. To declare dividend of ₹ 2.50 per equity share for the year ended March 31, 2023.
3. Mr. Raunak Gupta (DIN: 06624489), Director liable to retire by rotation, who does not seek re-election.

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT in accordance with the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013, Mr. Raunak Gupta (DIN: 0662448), a Director liable to retire by rotation, who does not seek re-election, be not re-appointed as a Director of the Company."
4. To appoint a director in place of Mr. Fatheraj Singhvi (DIN: 00233146) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. RATIFICATION OF REMUNERATION PAYABLE TO M/S. RAO, MURTHY AND ASSOCIATES, BENGALURU, COST AUDITORS OF THE COMPANY.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification or re-enactment thereof, the Company hereby ratifies the remuneration not exceeding ₹ 3,00,000/- (Rupees Three Lacs only) plus applicable taxes, conveyance and reimbursement of out of pocket expenses incurred in connection with the cost audit payable to M/s. Rao, Murthy and Associates, Bengaluru (having Firm Registration No. 000065), appointed as Cost Auditor of the Company by the Board of Directors of the Company on May 22, 2023 for the financial year 2023-24 upon recommendation of the audit committee of the Company.

RESOLVED FURTHER that the Board of Directors (hereinafter referred to as the "Board" which expression shall also include any Committee duly constituted by the Board) of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for the purpose of giving effect to the aforesaid resolution."

6. CONTINUATION OF MR. SUBRAMONIA SEKHAR VASAN AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY ON ATTAINING THE AGE OF SEVENTY YEARS.

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

"**RESOLVED THAT** pursuant to Section 196,196(3) 197, 198 and 203 and other applicable provisions read with Schedule V of Companies Act 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force including SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and as approved by the Board of Directors of the Company at its meeting held on February 06, 2023, the approval of members of the Company be and is hereby accorded, for the continuation of tenure of Mr. Subramonia Sekhar Vasan (DIN: 00361245) as Chairman & Managing Director of the Company, who has attained the age of 70 years.

RESOLVED FURTHER THAT that the Board of Directors (hereinafter referred to as the "Board" which expression shall also include any Committee duly constituted by the Board) of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for the purpose of giving effect to the aforesaid resolution."

7. AMENDMENT TO THE TERMS OF APPOINTMENT OF MR. SUBRAMONIA SEKHAR VASAN

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

"RESOLVED THAT pursuant the provisions of Section 152, 196, 197 read with Schedule V and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and as recommended by Board of Directors of the Company at its meeting held on May 22 2023, the terms of appointment of Mr. Subramonia Sekhar Vasan

(DIN: 00361245), who was appointed as Chairman & Managing Director of the Company for a term of five years with effect from July 08, 2020 and whose office was not liable to retire by rotation are hereby amended and he shall be with effect from May 22, 2023 be liable to retire by rotation and all other terms and conditions of his appointment will however remain same to the extent approved by the shareholders of the Company.

RESOLVED FURTHER THAT that the Board of Directors (hereinafter referred to as the "Board" which expression shall also include any Committee duly constituted by the Board) of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for the purpose of giving effect to the aforesaid resolution."

8. APPROVAL FOR INCREASING REMUNERATION OF MR. S SEKHAR VASAN AND MR. FATHERAJ SINGHVI, THE EXECUTIVE DIRECTORS OF THE COMPANY W.E.F. APRIL 01, 2023.

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

"**RESOLVED THAT** the consent of the members of the Company be and is hereby accorded, upon recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company at its meetings held on August 01, 2023 to increase remuneration of Mr. S Sekhar Vasan (DIN: 00361245), Chairman & Managing Director and Mr. Fatheraj Singhvi, (DIN: 00233146) Joint Managing Director of the Company (both being the Executive Directors) as provided in the table below or as may be determined by the Board of Directors of the Company from time to time, which shall not exceed the limits as prescribed under Reg. 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 197 of Companies Act, 2013 and applicable clauses of the Articles of Association of the Company w.e.f. April 01, 2023:

S No	Name	Salary p.a. in ₹	Commission p.a. not exceeding in ₹
1	Mr. S Sekhar Vasan	25,069,200.00	75,00,000.00
2	Mr. F R Singhvi	25,069,200.00	75,00,000.00

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "Board" which expression shall also include any Committee duly constituted by the Board) of the Company are hereby authorized to give annual increments to the aforesaid Executive Directors, subject to maximum limits allowed under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other applicable provisions including amendments if any.

RESOLVED FURTHER THAT, that the Board of Directors (hereinafter referred to as the "Board" which expression shall also include any Committee duly constituted by the Board) of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for the purpose of giving effect to the aforesaid resolution.

RESOLVED FURTHER THAT all other terms and conditions Including perquisites and benefits etc shall remain same to the extent approved by the members of the Company.

9. APPROVAL FOR INCREASING THE COMMISSION PAYABLE TO INDEPENDENT DIRECTORS.

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

"RESOLVED THAT the consent of the members of the Company be and is hereby accorded for increase in remuneration payable to Independent Directors of the Company in form of fixed commission as recommended by Nomination and Remuneration Committee and Board of Directors of the Company at its meeting held on June 07, 2023 and pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (the 'Act') and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, for an amount as provided below or as may be determined by the Board of Directors of the Company from time to time, which shall not exceed 1% per annum of the net profits of the Company payable to all Independent Directors, calculated in accordance with the provisions of Section 198 of the Act, commencing from April 01, 2023 till the term of the appointment:

S No	Name	Existing Fixed Commission p.a.	Revised Fixed Commission p.a. w.e.f. April 01, 2023
1	Mr. Samir Purushottam Inamdar (DIN 00481968)	₹12,00,000.00	₹ 24,00,000.00
2	Mr. Lakshminarayan Muthuswami (DIN 00064750)	₹12,00,000.00	₹15,00,000.00
3	Mrs. Revathy Ashok (DIN 00057539)	₹12,00,000.00	₹15,00,000.00

RESOLVED FURTHER THAT that the Board of Directors (hereinafter referred to as the "Board" which expression shall also include any Committee duly constituted by the Board) of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for the purpose of giving effect to the aforesaid resolution."

10. **APPOINTMENT OF MR. BINDIGANAVILE RAGHUNATH PREETHAM (DIN: 03499506) AS AN EXECUTIVE DIRECTOR OF THE COMPANY, DESIGNATED AS EXECUTIVE DIRECTOR & GROUP CEO.**

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

"RESOLVED THAT pursuant to the provisions of the Sections 196, 197, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) in context of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), and the Articles of Association of the Company, and in pursuance to recommendation of Nomination and Remuneration Committee of the Company at its meeting held on August 01, 2023, Mr. Bindiganavile Raghunath Preetham (B R Preetham) having DIN: 03499506, who has signified his consent in the Form DIR-2, be and is hereby appointed as an Executive Director designated as Executive Director & Group Chief Executive Officer of the Company for a period of 5 (five) years from the date of 41st Annual General Meeting i.e., September 08, 2023 till September 07, 2028 and whose office is liable to retire by rotation, and on such terms and conditions as stated hereinbelow and more elaborated in the explanatory statement and mutually agreed between the Company and Mr. B R Preetham.

RESOLVED FURTHER THAT approval of members of the Company be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include any Committee duly constituted by the Board) to give annual increments to Mr. B R Preetham during the term of his appointment subject to maximum limits allowed under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other applicable provisions including amendments if any.

RESOLVED FURTHER THAT Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of appointment of Mr. B R Preetham, the Company has no profits or its profits are inadequate, the Company shall pay to him remuneration by way of salary, benefits, and perquisites as applicable to him.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "Board" which expression shall also include any Committee duly constituted by the Board) be and is hereby authorized to do all such acts, deeds or things as may be required to give effect to the aforesaid resolution."

11. **APPROVAL FOR ALTERATION/ AMENDMENT OF CERTAIN ARTICLES OF THE ARTICLES OF ASSOCIATION OF THE COMPANY.**

To consider and if thought fit, to pass, the following resolution as a **special resolution:**

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Articles of Association of the Company, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("SEBI LODR Regulations"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, and other applicable laws, rules and regulations, guidelines (including any statutory modification(s) thereof for the time being in force), the approval of the members of the Company be and is hereby accorded to approve the altered/ amended Articles of Association by inserting Articles 43(g) of Part A of the Articles of Association of the Company, as reproduced below:

Part A of the Articles of Association

Article 43 (g): Promoters right to appoint two directors on the Board.

43(g): Promoters may nominate two directors on the Board, who shall be the representative of the Promoters on the Board, provided that the Promoters cumulatively hold at least 10% of the issued and paid-up capital on a fully diluted basis.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "Board" which expression shall also include any Committee duly constituted by the Board) of the Company be and is hereby authorized to do all such acts, deeds or things that may be necessary, proper and expedient to give effect to the aforesaid resolution".

Registered Office:
Plant 7, No. 143/A,
Jigani Link Road,
Bommasandra Industrial Area
Bengaluru 560105

Place : Bengaluru
Date: August 01, 2023

By Order of the Board
Sansera Engineering Limited

Rajesh Kumar Modi
Company Secretary
Membership No. F5176

NOTES:

1) Ministry of Corporate Affairs ('MCA') vide its circular dated May 05, 2020 read with circulars dated April 08, 2020, April 13, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 (collectively referred to as 'MCA Circulars') and SEBI vide its circular dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023 (collectively referred to as 'SEBI Circulars) permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the relevant MCA Circulars issued from time to time, the 41st AGM of the Company is being held through VC/OAVM on Friday, September 08, 2023 at 11.00 am (IST).

2) The deemed venue for the 41st AGM shall be the registered office of the Company, i.e., Plant 7, Plot No. 143/A, Bommasandra Industrial Area, Jigani Link Road, Bengaluru 560105, Karnataka, India.

3) As per the provisions of clause 3.A. II. of the General Circular No. 20/2020 dated May 05, 2020, issued by the MCA, the matters of Special Businesses as appearing in the accompanying notice, are considered to be unavoidable by the Board and hence form part of this notice.

4) A Statement pursuant to Section 102(1) of the Act, ("Explanatory Statement") relating to the Special Businesses to be transacted at the Meeting is annexed hereto.

5) Pursuant to the provisions of the Act, a member entitled to attend and vote at the 41st AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map of AGM are not annexed to this Notice. In this notice, the terms member(s) or shareholder(s) are used interchangeably.

6) Institutional Investors and corporate members are encouraged to attend and vote at the 41st AGM of the Company.

7) Institutional/Corporate Shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send certified copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the 41st AGM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to info@bmpandco.com with a copy marked to the RTA of the Company i.e., Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in. The facility of joining the AGM through VC /OAVM will be opened 30 minutes before and will remain open upto 30 minutes after the scheduled start time of the AGM and will be available for 1,000 members on a first-come first-served basis. This rule would however shall not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key/ senior managerial personnel and auditors.

8) Members are requested to confirm their e-mail Id, or otherwise notify changes in the email Id, to RTA of the Company at: rnt.helpdesk@linkintime.co.in

9) Members are requested to intimate changes, if any, pertaining to their name, postal address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, to their Depository Participants (DPs) in case the shares are held by them in dematerialized form and to the RTA of the Company in case, the shares are held by them in physical form.

10) Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per the requirement of regulation 36(3) of the Listing Regulations and the provisions of the Act.

11) The Board of Directors has recommended a dividend of ₹ 2.50 per equity share of the face value of ₹2/- each for the financial year ended March 31, 2023 for the approval of shareholders at the 41st AGM.

12) Pursuant to the provisions of Section 91 of the Act and Regulation 42 of the Listing Regulations, the register of members and share transfer books of the Company will remain closed from Saturday September 02, 2023 to September 08, 2023 (both days inclusive) for the purpose of payment of dividend.

13) Subject to the provisions of section 126 of the Act, dividend on equity shares, if declared at the AGM, will be credited/dispatched on or before September 20, 2023.

14) As per the Listing Regulations and pursuant to SEBI Circular dated April 20, 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment of dividend to the

members. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the shareholders required for this purpose are available. Where dividend payments are made through electronic mode, intimation regarding such remittance will be sent separately to the shareholders. Where the dividend cannot be paid through electronic mode, the same will be paid through physical instrument such as non-negotiable instruments/warrants/ Demand Draft with bank account details of such shareholders printed thereon.

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Registrar and Transfer Agent (in case of shares held in physical mode) and with their respective Depository Participants (in case of shares held in demat mode).

15) To ensure timely credit of dividend through electronic mode or physical instrument such as banker's cheque or demand draft, members are requested to notify change of address or particulars of their bank account, if any, to RTA of the Company and to their respective depository participants.

16) In compliance with the MCA and SEBI Circulars, Notice of the 41st Annual General Meeting along with the Annual Report for the financial year 2022-23 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for 2022-23 will also be made available on the website of the Company, i.e., www.sansera.in, website of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

17) The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.

18) Members attending the Meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

19) Relevant documents referred to in the accompanying Notice and the Explanatory Statement, Registers and all other documents will be available for inspection in electronic mode. Members can inspect the same by sending an email to the Company at rajesh.modi@sansera.in.

20) Members seeking any information/desirous of asking any questions at the meeting with regard to the accounts or any other matter to be placed at the meeting are requested to send email to the Company Secretary at rajesh.modi@sansera.in at least 10 days prior to the meeting. The same will be replied by the Company suitably in the meeting.

21) In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the Meeting.

22) Share transfer documents and all correspondence relating thereto, should be addressed to the RTA of the Company at Link Intime India Private Limited, C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083 or at their designated email id i.e., rnt.helpdesk@linkintime.co.in

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

24) SEBI has mandated the submission of PAN by every participant of the securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA of the Company.

25) Pursuant to Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF authority. As on date of this AGM, there were no unpaid or unclaimed dividend amount which are required to be transferred to IEPF.

26) As mandated by SEBI, effective April 01, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized mode with a depository. Accordingly, the members of the Company were requested to open a demat account and submit physical securities to their DPs.

27) As per Regulation 40(7) of the Listing Regulations, read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copies of their Income Tax PAN Card. Additionally, for securities

market transactions and / or for off market / private transactions involving transfer of shares in physical mode for listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copies of PAN Card to the RTA of the Company for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / nominee(s). In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 06, 2018.

28) Pursuant to Section 72 of the Act, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to RTA. Further, members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to RTA. These forms will be made available by RTA on request.

INSTRUCTIONS FOR SHAREHOLDERS FOR REGISTRATION OF E-MAIL ADDRESS AND BANK DETAILS ARE AS FOLLOWS:

i. Temporary Registration for Demat shareholders:

The members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their website www.linkintime. co.in at the Investor Services tab by choosing the e-mail Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DP ID, Client ID/ PAN, mobile number and e-mail id. In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

On submission of the Shareholders details an OTP will be received by the Shareholder which needs to be entered in the link for verification.

ii. Permanent Registration for Demat Shareholders:

It is clarified that for permanent registration of e-mail address, the members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant ("DP") by following the procedure prescribed by the DP.

iii. Registration of email id for Shareholders holding physical shares:

The members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with RTA, by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their website www.linkintime. co.in at the Investor Services tab by choosing the E mail / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB). In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

On submission of the Shareholders details an OTP will be received by the Shareholder which needs to be entered in the link for verification.

iv. Registration of Bank Details for Physical Shareholders:

The members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with RTA by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their website www.linkintime.co.in at the Investor Services tab by choosing the E mail/Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, email id along with the copy of the cheque leaf with the first named Shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. In case of any query, a member may send an email to RTA at rnt.helpdesk@linkintime.co.in

On submission of the Shareholders details an OTP will be received by the Shareholder which needs to be entered in the link for verification.

29) **Information and other instructions relating to e-voting are as under:**

I. The remote e-voting facility will be available during the following period:

Commencement of e-voting: From 9.00 am (IST) on September 05, 2023 (Tuesday).

End of e-voting: Up to 5.00 pm (IST) on September 07, 2023 (Thursday).

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled automatically upon expiry of the aforesaid period.

II. Pursuant to the provisions of Section 108 and other applicable provisions of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, MCA and SEBI Circulars, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means.

III. The Company has engaged the services of Link Intime India Private Limited to provide remote e-voting facility to the members.

IV. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Friday, September 01, 2023 . A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

V. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, only shall be entitled to avail the facility of e-voting.

VI. Members who are holding shares in physical form or who have not registered their email address with the Company/Depository or any person who acquires shares of the Company and becomes a member of the Company after the Notice has been sent electronically by the Company, and holds shares as of the cut-off date, such member may obtain the User ID and password by sending a request at rnt.helpdesk@linkintime.co.in.

VII. The Board of Directors of the Company has appointed CS Pramod SM or failing him CS Biswajit Ghosh of M/s. BMP & Co., LLP, a Practicing Company Secretary firm, Bengaluru as scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer, after scrutinizing the votes, will, not later than forty-eight hours from the conclusion of the meeting; make a consolidated scrutinizer's report which shall be placed on the website of the Company, i.e., www.sansera.in. The results shall simultaneously be communicated to the Stock Exchanges i.e., BSE and NSE.

IX. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting,

X. Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 09, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

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

1. Individual Shareholders holding securities in demat mode with NSDL

    1. Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

    2. If you are notregistered 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://eservices.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 i.e; LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

    1. Existing users who have opted for Easi / Easiest, can login through their 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/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

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 link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants.

   You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form is given below:

Individual Shareholders of the Company, holding shares in physical form as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

   A. User ID: Shareholders holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.

   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

   C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

   D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

   ***Shareholders/ members holding shares in *physical form* but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

   ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

   ▶ Click "confirm" (Your password is now generated).

3. Click on 'Login' under **'SHARE HOLDER'** tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.

2. E-voting page will appear.

3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).

4. After selecting the desired option i.e. Favour / Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 22- 23058542-43.

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- ➢ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ➢ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ➢ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

▶ Select the **"Company"** and **'Event Date'** and register with your following details:

A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. **Mobile No.:** Enter your mobile number.

D. **Email ID:** Enter your email id, as recorded with your DP/Company.

▶ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

2. The members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request upto August 30, 2023 (5.00 pm (IST) with the Company on the email Id: rajesh.modi@sansera.in
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholders may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember to speak serial number and start your conversation with panelist by switching on the video mode and audio of your device.

Shareholders are requested to speak only when the moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/ Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case Shareholders/ Members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

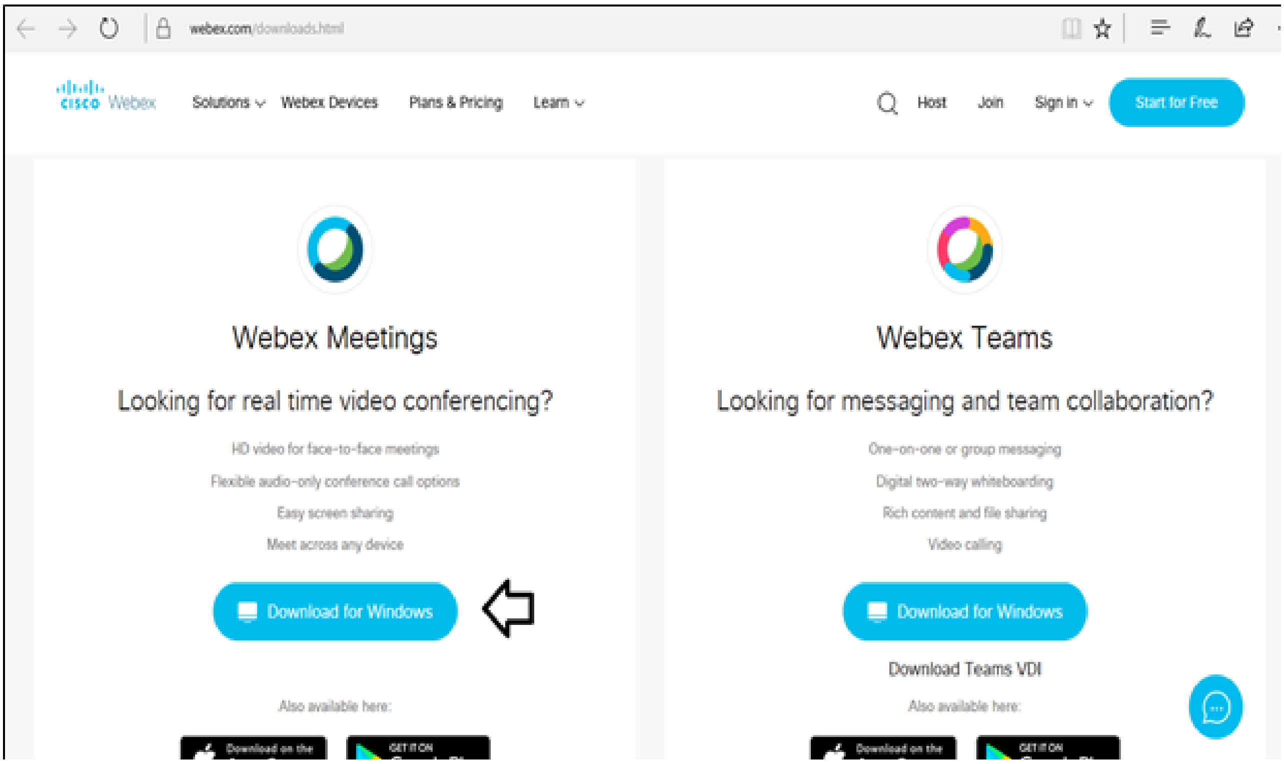
Guidelines to attend the AGM proceedings of Link Intime India Private Limited: InstaMEET

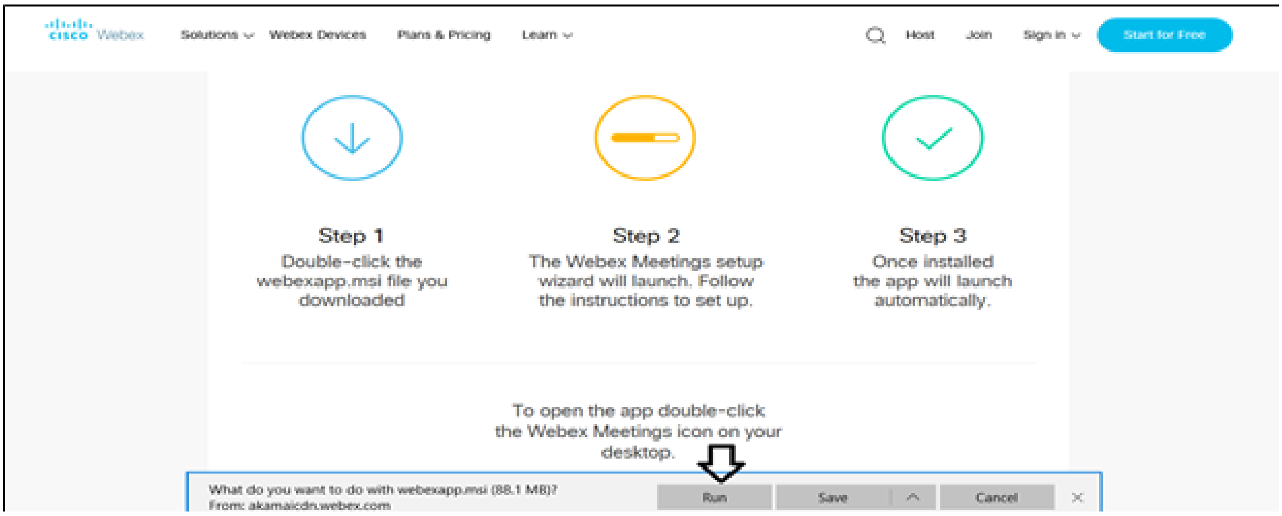
For a smooth experience of viewing the AGM proceedings of Link Intime India Private Limited InstaMEET, Shareholders/ Members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

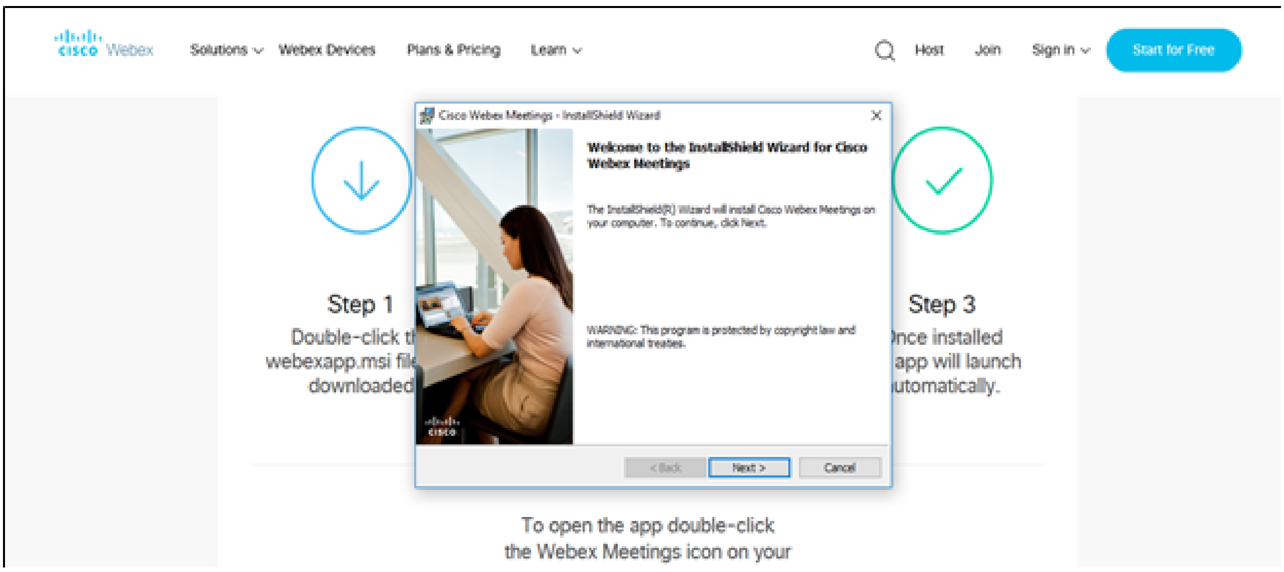
a) Please download and install the Webex application by clicking on the link

https://www.webex.com/downloads.html/

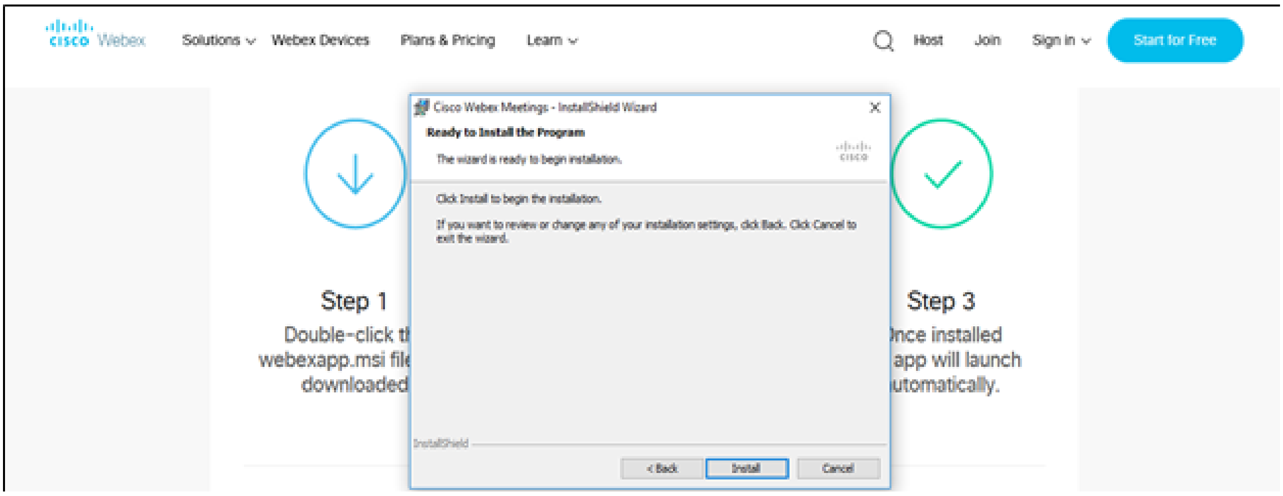
https://meetingsapac30.webex.com/webappng/sites/meetingsapac30/dashboard?siteurl=meetingsapac30


webex.com/downloads.html
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Webex Meetings
Looking for real time video conferencing?
HD video for face-to-face meetings
Flexible audio-only conference call options
Easy screen sharing
Meet across any device
Download for Windows
Also available here:
Webex Teams
Looking for messaging and team collaboration?
One-on-one or group messaging
Digital two-way whiteboarding
Rich content and file sharing
Video calling
Download for Windows
Download Teams VDI
Also available here:


Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Step 1
Double-click the webexapp.msi file you downloaded
Step 2
The Webex Meetings setup wizard will launch. Follow the instructions to set up.
Step 3
Once installed the app will launch automatically.
To open the app double-click the Webex Meetings icon on your desktop.
What do you want to do with webexapp.msi (88.1 MB)?
From: akamaicdn.webex.com
Run
Save
Cancel

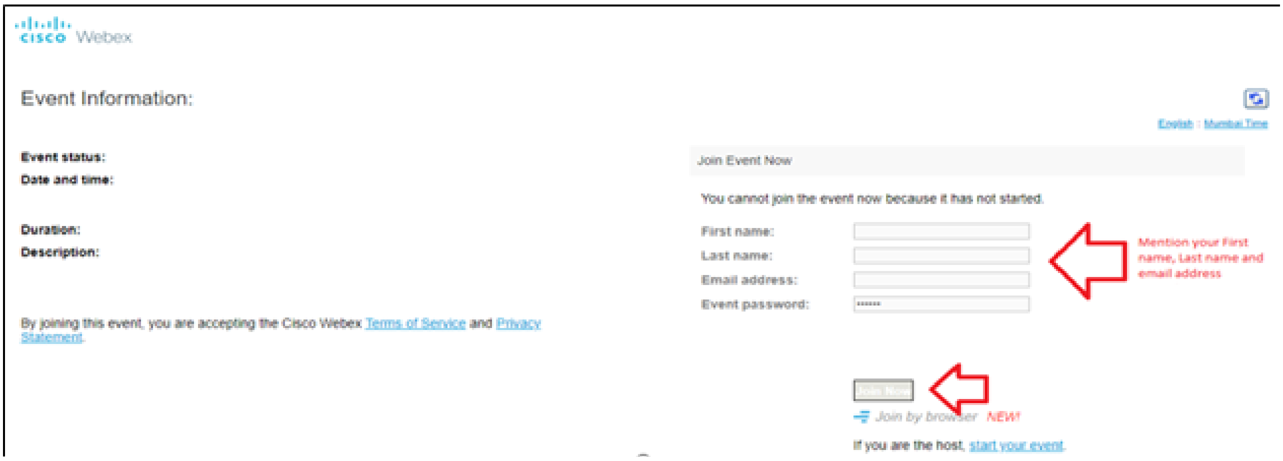

Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
Welcome to the InstallShield Wizard for Cisco Webex Meetings
The InstallShield(R) Wizard will install Cisco Webex Meetings on your computer. To continue, click Next.
WARNING: This program is protected by copyright law and international treaties.
< Back
Next >
Cancel
Step 1
Step 3
To open the app double-click the Webex Meetings icon on your

Step 1	**Enter your First Name, Last Name and Email ID and click on Join Now.**
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:



In case shareholders/members have any queries regarding login, they may send an e-mail to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF ITEM NOS. 5, 6, 7, 8, 9, 10 AND 11 IS GIVEN HEREUNDER AND THE SAME FORMING PART OF THE NOTICE.

ITEM NO. 5: RATIFICATION OF FEE PAYABLE TO COST AUDITORS

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to have audit of its cost records by the Cost Accountant. Based on the recommendation of the Audit Committee, the Board at its meeting held on May 22, 2023, approved the appointment of M/s. Rao, Murthy and Associates, Bengaluru (having Firm Registration No. 000065), as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company, pertaining to the relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014, for the financial year 2023-24 at a remuneration not exceeding ₹ 3,00,000/- (Rupees Three Lakh Only) plus applicable taxes, out-of-pocket and other expenses.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, ratification for the remuneration payable to the Cost Auditors to audit the cost records of the Company for the said financial year by way of an Ordinary Resolution is being sought from the members as set out at Item No. 5 of the Notice.

M/s. Rao, Murthy and Associates have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have a vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for previous years under the provisions of the Act.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members. None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 6: CONTINUATION OF MR. SUBRAMONIA SEKHAR VASAN AS THE CHARIMAN AND MANAGING DIRECTOR OF THE COMPANY.

Mr. Subramonia Sekhar Vasan was appointed as the Chairman and Managing Director of the Company for a term of five years with effect from July 08, 2020 whose office was not liable to retire by rotation pursuant to board resolution dated September 08, 2020 and shareholder's resolution dated December 24, 2020. During the continuation of his tenure of appointment as Chairman and Managing Director, he has attained the age of 70 years.

In order to be compliant with the provisions of the SEBI (Listing and Obligation Regulations and the Companies Act, 2013 including amendments, if any, the Company hereby proposes to retain him as Chairman and Managing Director of the Company on attaining age of 70 years in light of his vast immense knowledge and enrich technical experience which he has been contributing immensely in the growth of the Company since its incorporation and as approved by Board of Directors of the Company at its meeting held on February 06, 2023.

Hence, approval of the members is sought for the continuation of Mr. Subramonia Sekhar Vasan as Chairman and Managing Director of the Company on attaining the age of 70 years. All other terms and conditions of his appointment Including perquisites and benefits etc shall remain same to the extent approved by the members of the Company.

The additional information required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards is annexed as **Annexure-I**.

The Board recommends the passing of the Resolution at Item No. 6 as a Special Resolution.

Except Mr. Subramonia Sekhar Vasan, none of the Directors or Key Managerial Personnels or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 7: AMENDMENT TO THE TERMS OF APPOINTMENT OF MR. SUBRAMONIA SEKHAR VASAN, CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY.

Mr. Subramonia Sekhar Vasan was appointed as the Chairman and Managing Director of the Company for a term of five years with effect from July 08, 2020 whose office was not liable to retire by rotation pursuant to board resolution dated September 08, 2020 and shareholder's resolution dated December 24, 2020.

In order to be compliant with the provisions of the SEBI (Listing and Obligation Regulations and the Companies Act, 2013 including amendments, if any, it is now proposed that office of Mr. Subramonia Sekhar Vasan shall be liable to retire by rotation with effect from May 22, 2023 and all other terms and conditions of his appointment shall remain unchanged to the extent approved by the shareholders of the Company.

The Board recommends the passing of the Resolution at Item No. 7 as a Special Resolution.

Except Mr. Subramonia Sekhar Vasan, none of the Directors or Key Managerial Personnels or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 8: APPROVAL FOR INCREASING THE REMUNERATION OF MR. S SEKHAR VASAN AND MR. FATHERAJ SINGHVI, THE EXECUTIVE DIRECTORS OF THE COMPANY W.E.F APRIL 01, 2023.

Mr. S Sekhar Vasan and Mr. Fatheraj Singhvi, being the promoter executive directors of the Company have contributed immensely to the growth of the Company with their vast experience and knowledge in the industry. Further, the remuneration of Mr. F R Singhvi and Mr. S Sekhar Vasan was not increased since April 2017.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee at their meetings held on August 01, 2023 and subject to approval of the members, approved to increase remuneration payable to the promoter Executive Directors of the Company w.e.f. April 01, 2023 as stated in the resolution, which shall not exceed the limits as prescribed under Reg. 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 197 of Companies Act, 2013, as amended from time to time. All other terms and conditions of appointment of the Executive Directors Including perquisites and benefits etc shall remain unchanged to the extent approved by the members of the Company.

In accordance with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 197 of Companies Act, 2013, revision in remuneration payable to promoter Executive Directors of the Company requires approval of members of the Company.

In view of the above, the resolution at Item No. 8 of the notice is placed before the members for their approval as an Ordinary Resolution.

Except the Promoter Executive Directors of the Company none of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise, in the resolution set out at Item No. 8

ITEM NO. 9: APPROVAL FOR INCREASING FIXED COMMISSION PAYABLE TO INDEPENDENT DIRECTORS.

The Company's Non-Executive Independent Directors are professionals with high level of expertise and rich experience in functional areas such as business strategy, financial governance, corporate governance, research & innovation amongst others. The Company's Non-Executive Independent Directors have been shaping and steering the long-term vision, strategy and are making their invaluable contributions towards the future plan and growth of the Company.

Pursuant to Section 149(9) of the Companies Act, 2013 including amendments if any, an independent director is entitled to receive (a) sitting fee for Board/Committee meetings as may be prescribed under second proviso in Section 197(5); (b) reimbursement of expenses for attending the Board/Committee meetings; (c) profit related commission as may be approved by the members.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and subject to approval of the members, approved to increase the annual fixed commission for a period of their term effective from April 01, 2023 as stated in the resolution, subject to the condition that total commission in aggregate does not exceed one per cent of the net profits of the Company for each Financial Year.

In accordance with Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 all fees or compensation, if any, paid to Non-Executive Directors, including Independent Directors (except sitting fees) requires approval of members of the Company.

In view of the above, the resolution at Item No. 9 of the notice is placed before the members for their approval as an Ordinary Resolution.

Except the Independent Directors of the Company none of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise, in the resolution set out at Item No. 9.

ITEM NO. 10: APPOINTMENT OF MR. BINDIGANAVILE RAGHUNATH PREETHAM (DIN: 03499506) AS EXECUTIVE DIRECTOR OF COMPANY, DESIGNATED AS EXECUTIVE DIRECTOR AND GROUP CEO.

Mr. Bindiganavile Raghunath Preetham (DIN: 03499506), presently is the Group Chief Executive Office of the Company. He was appointed as an Executive Director of the Company designated as Executive Director & Group Chief Executive Officer by the Board on the recommendation of Nomination and remuneration committee at its meeting held on August 01, 2023, which shall be effective from the date of 41st Annual General Meeting of the Company to be held on September 08, 2023, subject to the approval of shareholders.

He has been associated with the Company since 1992 and holding various positions.

The Company has received the requisite consent, disclosure(s) and declaration(s) from Mr. Bindiganavile Raghunath Preetham (B R Preetham) as required under the provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also declaration confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and that no order of Securities and Exchange Board of India (SEBI) or any other such authority has been passed against him debarring him from accessing the capital markets or restraining him from holding the position of Director in any listed company.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on August 01, 2023, subject to approval of members at the 41st Annual General Meeting, Mr. B R Preetham (DIN: 03499506) is appointed as an Executive Director designated as Executive Director & Group CEO of the Company for a period of 5 years, with effect from September 08, 2023 (date of 41st AGM) till September 07, 2028 on the terms and conditions as set out in this item of the notice and as per agreement executed between Mr. B R Preetham and the Company and whose office shall be liable to retire by rotation.

The principal terms and conditions of appointment of Mr. B R Preetham (hereinafter referred to as "the Appointee") including his remuneration are as given below:

A. Tenure of Appointment: The appointment of Mr. B R Preetham as Executive Director designated as Executive Director & Group CEO shall be from the date of 41st AGM of the Company (i.e., September 08, 2023) for a period five (5) years upto September 07, 2028 or till the date of his relinquishment of his employment with the Company, whichever is earlier.

B. Nature of Duties: The appointee shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board, and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board, in connection with and in the best interests of the Company and the business of any one or more of its Associated Companies and/or Subsidiaries, including performing duties as assigned by the Board from time to time by serving on the Boards of such Associated Companies/ Subsidiaries or any other Executive body or a Committee of such a Company.

C. Remuneration: Mr. B R Preetham shall be entitled to remuneration as stated hereunder in terms of Schedule V to the Act and as per Industry/Market Standards:

a) Salary: ₹ 20,138,456.00 (Rupees Two Crore One Lakh Thirty Eight Thousand Four Hundred Fifty Six Only) per annum.

b) Commission: Not exceeding ₹ 50,00,000/- (Rupees Fifty Lacs Only) per annum. The commission shall be paid after approval of audited accounts of each financial years which shall be based on certain parameters including the Company's performance that shall be decided by the Board / or the Nomination & Remuneration Committee.

c) Annual Increments: The salary and commission as stated above will be increased/ or revised every year effective from April month by the Board / or the Nomination & Remuneration Committee after proper evaluation including company's performance, market conditions etc., without seeking fresh approval every year from the shareholders, subject to the conditions that the total remuneration payable to Mr. B R Preetham is / or are within the prescribed limits of the Companies Act, 2013 or SEBI Listing Regulations, including amendments if any.

d) Benefits, Perquisites, Allowances: In addition to above, Mr. B R Preetham shall be entitled to the following as per the Rules / or the Company's policy:

a. Allowances, Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund.

b. Mediclaim Insurance Premium per month.

c. Leave in accordance with the Rules of the Company. Privilege Leave earned but not availed is cashable.

d. Car-pool, travel expenditure (excluding personal travel), facilities of any one club and personal security and

e. Options under Company's Employee Stock Option Plan.

D) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the appointment, the Company has no profits or its profits are inadequate, the Company shall pay to him, remuneration by way of Salary, Benefits, and Perquisites as specified above.

E) Other terms of Appointment:

(i) The Appointee shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

(ii) The terms and conditions of the appointment of the Appointee may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Appointee subject to such approvals as may be required.

(iii) The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.

(iv) The employment of the Appointee may be terminated by the Company without notice or payment in lieu of notice:

(a) if the Appointee is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required to render services; or

(b) in the event of any serious, repeated, or continuing breach (after prior warning) or non-observance by the Appointee of any of the stipulations contained in the agreement to be executed between the Company and the Appointee ("Agreement"); or

(c) in the event the Board expresses its loss of confidence in the appointee.

(v) In the event the Appointee is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

(vi) Upon the termination by whatever means of the appointee's employment:

(a) the Appointee shall immediately tender his resignation from his offices held by him in any subsidiaries and associate companies and other entities without claim for compensation for loss of office;

(b) the Appointee shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associate companies.

(vii) During the course of employment, the Appointee shall not engage, directly or indirectly, in any activity that competes with the business or offers services that are substantially similar to those provided by the Company.

(viii) During the course of employment and for a period of 12 months following the termination of the employment with the Company, the Appointee shall not solicit or attempt to solicit any of the Company's clients, customers, suppliers, vendors, or employees for purposes of offering competitive services or employment with any other organization.

(ix) If and when the Agreement relating to appointment expires or is terminated for any reason whatsoever, the Appointee will cease to be the Executive Director & Group CEO of the Company.

(x) To the extent authorized by the law, the Appointee shall not disclose confidential information of the Company to any party (until and unless it is required to be disclosed for the purposes of business) during the term of his employment and thereafter for a period of one (1) year after the completion or termination of the employment whichever is earlier; and

(xi) The Appointee is appointed as Executive Director designated as Executive Director & Group CEO by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 196 and 197 and other applicable provisions, read with Schedule V of the Companies Act, 2013.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

The Board recommends passing of the Resolution at Item No. 10 as an Ordinary Resolution in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Companies Act, 2013.

Except Mr. B R Preetham, none of the Directors or Key Managerial Personnels or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 11: APPROVAL FOR ALTERATION/ AMEDNMENT OF CERTAIN ARTICLES OF THE ARTICLES OF ASSOCIATION OF THE COMPANY.

As disclosed in the offer documents i.e., DRHP dated June 09, 2021, RHP dated September 06, 2021 and Prospectus dated September 17, 2021, filed with SEBI / stock exchanges during IPO of the Company, certain articles of Articles of Association of the Company relating to (i) right of Client Ebene Limited (CEL or Investor 1) to appoint one nominee director on the Board of Company, (ii) right of Promoters to appoint two directors on the Board of Company and (iii) the right of Promoters to receive upside sharing from Investors (Client Ebene Limited and CVCIGP II Employee Ebene Limited) shall be subject to receipt of shareholders' approval by way of a special resolution, post listing of equity shares on the recognized stock exchanges pursuant to the IPO of the Company.

All the above matters were placed before the members at the 40th AGM held on August 18, 2022 but the same was not approved by the shareholders.

After discussion, the Company decided to place the resolution for only one matter relating to right of promoters to appoint two (2) directors on the Board, provided the total cumulative holding of promoters do not fall below 10% (previously proposed as 5%) of the total outstanding equity share capital of the Company anytime.

Further, Mr. Raunak Gupta, Non-Executive Nominee Director, representing Client Ebene Limited has informed the Company that he will be retiring from the Board on completion of his term on the date of 41st AGM.

A copy of the Memorandum and Articles of Association of the Company together with proposed alterations would be available for inspection by the members at the registered office of the Company.

The Board recommends approval of Articles 43(g) of Part A of the Articles of Association of the Company, as reproduced in the resolution accompanying this notice to the members for its approval as a Special Resolution.

Save and except, Mr. S Sekhar Vasan and Mr. F R Singhvi and their relatives (to the extent of their shareholding in the Company), none of the other Directors, key managerial personnel and relatives of Directors and/or key managerial personnel (as defined in the Companies Act, 2013) are, in any way, concerned or interested, financially or otherwise, in the proposed resolution set out at item no. 11 of the notice.

Additional information of Director seeking appointment/ re-appointment as required under Regulation 36(3) of the Listing Regulation, 2015 and applicable Secretarial Standards and Schedule V of the Companies Act, 2013:

Name of the Director	Mr. Subramonia Sekhar Vasan (S Sekhar Vasan)	Mr. Fatheraj Singhvi (F R Singhvi)	Mr. Bindiganavile Raghunath Preetham (B R Preetham)
DIN	00361245	00233146	03499506
Nationality	Indian	Indian	Indian
Date of Birth and Age	March 02, 1953 (70 years)	March 15, 1955 (68 years)	October 12, 1970 (53 years)
Date of First Appointment on the Board	December 15, 1981	March 3, 1991, vacated office on June 11, 2018 and again appointed as Joint Managing Director on August 9, 2019 for a period of 5 years.	September 08, 2023 (proposed for approval of shareholders in the 41st AGM)
Brief Resume, Experience and Nature of Expertise in specific functional areas	He has been a Director of the Company since incorporation. He holds a bachelor's degree in technology from Indian Institute of Technology (IIT), Madras and a post graduate diploma in management from Indian Institute of Management (IIM), Bangalore. He has over 40 years of professional experience in the field of technology, engineering, quality, manufacturing etc.	Mr. F R Singhvi is the Joint Managing Director of the Company. He is currently the chairman of Pillar 3 of ACMA overseeing the activities of ACT, ASDC, HR, YBLF. He has over 40 years of professional experience. He is a chartered accountant and is a member of the Institute of Chartered Accountants of India. He was a partner at of M/s. Singhvi, Dev & Unni from 1981 to 2006. He manages the Artificial Limb's Centre and Dialysis Centre for Karnataka Marwari Youth Federation since 1982. His expertise are in Finance, Audit and Strategic matters.	Mr. B R Preetham is the Group CEO of Sansera. He has been the CEO of the group and leading it since 2013. Under his leadership, Sansera has grown from a revenue of Rs.551 Crore in 2013 to around Rs. 2,356 Crores in the last fiscal year and the company has consistently performed above its peers in the automotive industry in growth (CAGR of 15.6%) and profits on a year-on-year basis. He is responsible for long term strategy, growth, diversification and also overseeing the day-to-day operations of the company. He has a well-qualified and experienced team handling various functions. Most of his team have been nurtured and groomed in the Company. He is an Engineering graduate from Bangalore University and joined Sansera in 1992. He started his career in manufacturing and over the years, he progressively handled larger and more complex responsibilities in Quality, Manufacturing, Marketing, New Product Development and Engineering before being appointed as the CEO in 2013. He was also instrumental in getting the company listed through a very successful IPO in September 2021. He is responsible for setting up 10 green field facilities for Sansera group which includes one green field facility in Sweden. Apart from his leadership and entrepreneurship skills, he is a fitness enthusiast and an active sportsman. He is a regular golfer. He contributes significantly to the community through the Sansera Foundation which does noteworthy work in Education and Health Care, primarily in the communities where the Company's manufacturing facilities are located.
Qualification	Bachelor's degree in technology from Indian Institute of Technology (IIT), Madras and a post graduate diploma in management from Indian Institute of Management (IIM), Bangalore	Fellow member of the Institute of Chartered Accountants of India.	B. Tech from Bangalore University.

Name of the Director	Mr. Subramonia Sekhar Vasan (S Sekhar Vasan)	Mr. Fatheraj Singhvi (F R Singhvi)	Mr. Bindiganavile Raghunath Preetham (B R Preetham)
No. of Board Meetings attended during the year as a Director	06	06	NA
Directorships held in other Listed Companies	Nil	Nil	NA
Terms and conditions of appointment	As per the resolution approved by the shareholders at 38th AGM of the Company held on December 24, 2020 including proposed changes in this present notice read with explanatory statement thereto.	As per the resolution approved by the shareholders at 37th AGM of the Company held on September 27, 2019 and duly amended by the shareholders at the 39th AGM of the Company held on June 2, 2021 including proposed changes in this present notice read with explanatory statement thereto.	As per the resolution set forth in this notice, read with explanatory statement thereto.
Directorships held in other Public Companies along with listed companies from which the person has resigned in the past three years	Nil	Nil	NA
Memberships / Chairmanships of Committees of other Boards alongwith listed companies from which the person has resigned in the past three years.	Nil	Nil	NIL
Number of shares held in the Company, including shareholding as a beneficial owner	1,02,49,531	27,95,549	114,956
Remuneration last drawn (excluding sitting fees)	₹ 14.89 mn	₹ 14.89 mn	₹ 16.94 mn
Remuneration sought to be paid	As stated in the resolution of this notice	As stated in the resolution of this notice	As stated in the resolution of this notice
Relationships between Directors inter-se	Nil	Nil	Nil
Occupation	Business	Business	Service

Registered Office:
Plant 7, No. 143/A,
Jigani Link Road,
Bommasandra Industrial Area
Bengaluru 560105

Place : Bengaluru
Date: August 01, 2023

By Order of the Board
Sansera Engineering Limited

Rajesh Kumar Modi
Company Secretary
Membership No. F5176

NOTES

SANSERA
ideas@work

Sansera Engineering Limited
(CIN:L34103KA1981PLC004542)

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